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இலங்கை தொலைத்தொடர்புகள் ஒழுங்குபடுத்தும் ஆணைக்குழு
Telecommunications Regulatory Commission of Sri Lanka



TELECOMMUNICATIONS
REGULATORY
COMMISSION OF
SRI LANKA

ANNUAL REPORT 2021

"DIGITAL TRANSFORMATION IN CHALLENGING TIMES"

The Covid-19 pandemic has been a dramatic uptick in adopting of ICT-based disruptive innovations, accelerating the transition to a digital economy. However, the global pandemic has also exposed a vast digital divide between and within countries. In this context, regulatory agencies involved in telecommunications and ICT play a significant role in accelerating digital transformation for 'Connecting the Unconnected' and promoting the adoption of ICTs to implement United Nations Sustainable Development Goals (SDGs).

During these challenging times, the digital transformation of businesses in delivering services for their stakeholders is a key imperative for the growth and success of any entity. Digital Transformation underpinned by ICTs is evolving towards using the latest technologies such as the Internet of Things, 5G, Cloud Computing, Artificial Intelligence (AI) etc., in everyday life. Therefore, countries, cities, organizations and communities are required to embrace these ICT advancements to achieve sustainable economic growth. This year, Sri Lanka joined the rest of the world in celebrating World Telecommunication and Information Society Day (WTISD) under the apt theme of "Accelerating Digital Transformation in challenging times". All the countries were invited to take necessary digital transformation measures and bridge the digital divide while ensuring social, economic and environmental sustainability.

We wish to highlight that the national projects have been established to ensure broadband access across the country, including coverage for the rural area, along with the Government vision toward a "Digitally Inclusive Sri Lanka". In line with this same initiative, all Government schools are to be provided with fiber-optic internet connections bringing the smart classroom concept a reality. It is expected that the strategic initiatives of introducing Artificial Intelligence (AI), 5G, Number Portability etc., for people in Sri Lanka will enable opportunities to strengthen national strategies and policies toward a data-centric digital economy. In collaboration with telecom operators, the Telecommunications Regulatory Commission of Sri Lanka will continue its efforts to promote the adoption of ICTs and transform Sri Lanka into a digitally empowered country. We hope that eliminating the digital inequalities will be everyone's victory toward the socio-economic country's socio-economic development.



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LIST OF ACRONYMS

| | |
|--------|---|
| ACCIMT | Arthur C Clarke Institute for Modern Technologies |
| APNIC | Asia Pacific Network Information Center |
| APT | Asia Pacific Telecommunity |
| ARPU | Average Revenue Per User |
| ASMS | Antenna Structure Management System |
| ASF | Antenna Structure Farm |
| BOI | Board of Investment |
| CERT | Computer Emergency Readiness Team |
| CID | Criminal Investigation Department |
| CSR | Corporate Social Responsibility |
| CTO | Commonwealth Telecommunication Organization |
| CWG | Council Working Group |
| DOA | Department of Agriculture |
| DTH | Direct to Home |
| FAO | Food and Agriculture Organization |
| GCI | Global Cybersecurity Index |
| GND | Grama Niladari Division |
| GMDSS | Global Maritime Distress Safety System |
| HFDF | High Frequency Direction Finding |
| ICT | Information & Communication Technology |
| ICTA | Information and Communication Technology Agency |
| ILAC | International Laboratory Accreditation Cooperation |
| IMT | Institute Mine Telecom |
| IMEI | International Mobile Equipment Identity |
| ISP | Internet Service Provide |
| IT | Information Technology |
| ITOL | International Telecommunication Operators Levy |
| ITU | International Telecommunication Union |
| JICA | Japan International Corporation Agency |
| KYC | Know Your Customer |
| LT | Lotus Tower |
| MFR | Master Frequency Register |
| MOA | Ministry of Agriculture |
| NIA | National Information Agency |
| NAITA | National Apprentice and Industrial Training Authority |
| NFAT | National Frequency Allocation Table |
| NVQ | National Vocational Qualification |
| OLAC | Outgoing Local Access Charges |
| OTP | One Time Password |
| OTT | Over The Top |
| PABX | Private Automatic Branch Exchange |
| PCU | Project Consultancy Unit |
| PPP | Private Public Partnership |
| PSTN | Public Switching Telephone Network |
| QOS | Quality of Service |
| RMC | Regional Monitoring Centers |
| RMS | Remote Monitoring Stations |
| RTE | Radio Terminal Equipment |
| RTTE | Radio and Telecommunication Terminal Equipment |
| SATRC | South Asian Telecommunications Regulators' Council |
| SAFIR | South Asian Federation for Infrastructure Regulation |

| | |
|--------|--|
| SDG | Sustainable Development Goal |
| SED | Small Enterprises Development |
| SIM | Subscriber Identity Module |
| SLBC | Sri Lanka Broadcasting Corporation |
| SLIDA | Sri Lanka Institute of Development Administration |
| SLLRDC | Sri Lanka Land Reclamation and Development Corporation |
| SME | Small and Medium Sized Enterprises |
| SMS | Short Message Service |
| TL | Telecommunications Levy |
| TDC | Telecommunication Development Charges |
| TRCSL | Telecommunications Regulatory Commission of Sri Lanka |
| TSO | Telecommunications System Operators |
| TVEC | Tertiary & Vocational Education Commission |
| UDA | Urban Development Authority |
| URL | Uniform Resource Locator |
| VAS | Value Added Service |
| VTC | Vocational Training Centers |
| WTISD | World Telecommunication and Information Society Day |

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HIGHLIGHTS OF THE YEAR



Connect Sri Lanka National Project “Gamata Sannivedanaya”



Final report on the Drafting of a New License Framework prepared with ITU Expert assistance



Initiatives such as 5G Trials, Number Portability, IPV6



Preliminary initiatives of School Fiber/Broadband development project



Implement Radio and Telecommunications Terminal Equipment Rules (RTTE)



Regulations to monitor the Quality of Service of Voice & Data Broadband services



Reconciliation of on air towers and identification of unauthorized towers



Contribution to the Consolidated Fund



Curriculum development for the Telecommunications Tower Technician Program



Introducing Local ICT Volunteer Program for new districts



Strengthening International Relations among Member Organizations & Regulators



Improvement of Digital Transformation Drive of TRCSL

CHAIRMAN'S MESSAGE

I am pleased to issue a message of the TRCSL Annual Report for 2021. The year under reference was one of the most challenging and exciting because of COVID 19 pandemic. I had great satisfaction as the Chairman working at TRCSL while amid in-country conditions to returning outstanding results in the telecommunications regulatory sector.

Our country has a very vibrant telecommunication sector with around 30.0 Mn mobile subscribers, 3.8 Mn fixed subscribers, and 22.3 Mn broadband subscribers. By the end of 2021, the mobile and fixed telephone penetration stood at 135% and 12.9% respectively. The telecommunications industry has been a fast-growing area of Sri Lanka's economy and it is spearheaded by the mobile telephony segment. Along with the developments in the telecommunications sector, the Information and Communications Technology (ICT) sector has also grown significantly in the past year.

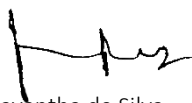
The Commission has been successful in many aspects of its functions and programs. TRCSL gives priority attention to completing its initiatives while facing the COVID 19 situation to the country rural and remote infrastructure deployment: Government National Budget initiatives on bridging the digital divide Gamata Sannivedanaya program with the support of stakeholders. Further initiating Tower Technician program, Number portability, Expert assistance programs for the preparation of 5G and setting up the licencing framework, implementation of Value-Added Services guideline, ICT Local Volunteer Program, digitalization initiatives of TRCSL, Quality of Service initiatives are the key highlights. In the context of the United Nations' Sustainable Development Goals (SDGs), TRC has continued to implement its actions for sector development.

TRCSL participated in local and international meetings of the ITU, APT, SATRC on telecom regulation. Deliberations on mutual issues have also been made at local and regulatory agencies. In terms of the financial progress of the corresponding year, the income of the Telecommunication Regulatory Commission of Sri Lanka has Rs 29,899 Mn and at the same time, the commission has contributed a sum of Rs 23,084 Mn to the consolidated fund. And out of this amount contribution of own funds was Rs. 8,500 Mn.

We were confronted with COVID 19 as the early first week of March and the Government imposed quarantine emergency regulations such as lockdown, mobility restrictions, and strict health regulations. While adhering to the regulations, TRCSL carried out regulatory functions without breakdown in providing the services to the public while ensuring the staff safety through work from home and work from office environments.

During this period, we identified the strengths and opportunities of the staff and worked get together to achieve objectives as it is our responsibility to serve the country during difficulties.

Whilst appreciating the contribution made by the TRCSL within the year in preview, moving forward, TRCSL has the strategic task of ensuring strengthening regulatory activities and digitalization of the country.



Jayantha de Silva

Secretary to the Ministry of Technology

Chairman of the Telecommunications Regulatory Commission of Sri Lanka

ABOUT US

Telecommunication Regulatory Commission of Sri Lanka

The telecommunications sector was at first a state venture and the liberalization of this sector started with the bifurcation of the Posts and Telecommunications Department in 1980. Thereafter the Department of Telecommunications was converted to a corporation and regulation was introduced in 1991. Thus, the Sri Lanka Telecommunications Authority (SLTA) was created by an Act of the Parliament in 1991 and it was later converted to a Commission which is its present state.

The Telecommunications Regulatory Commission of Sri Lanka (TRCSL) is a statutory body established under the Sri Lanka Telecommunications (Amendment) Act No. 27 of 1996, which was enacted to amend the principal Act namely, the Sri Lanka Telecommunications Act No. 25 of 1991. In this report the term 'Act' denotes the Sri Lanka Telecommunications Act No. 25 of 1991 as amended by Sri Lanka Telecommunications (Amendment) Act No. 27 of 1996 and the term Commission denotes the Telecommunications Regulatory Commission of Sri Lanka.

The enacted Act No. 25 of 1991 as amended by the Act No. 27 of 1996; the Telecommunication Regulatory Commission of Sri Lanka (TRCSL) is the Government competence authority to handle telecommunication regulatory matters in the country. The Commission is empowered by the Act to uplift the telecommunication services in Sri Lanka while ensuring the interest of consumers and the operator.

The Commission

The Commission consists of five members and the Secretary of the Ministry of Technology is Ex. Officio the Chairman of the Commission.

The Director General of TRCSL is the Chief Executive Officer who is also a member of the Commission. There were three appointed members who possessed recognized qualifications and have distinguished themselves in the field of law, finance and management respectively.



Vision

“To be recognized as a world leader in an advancing communication industry through scientific and regulatory excellence.”



Mission

“Ensure timely delivery of the service nationwide at an acceptable quality and affordable cost through promotion of fairness and justice in a competitive market through a skilled and ethical workforce.”

Interpretation of the Mission Statement

To ensure availability of advance and high-quality communication technology services to all users at just, reasonable and affordable price by working with all stakeholders in an independent, open and transparent manner to create a regulatory environment that promotes fairness, competition and investments, thus assuring the fulfilment of Sri Lanka's long-term communication needs.

Objectives

As per Telecommunication Act the general objectives to be achieved by TRCSL are given below:

- ❖ To ensure the provision of a reliable and efficient national and international telecommunication service in Sri Lanka (save as far as the provision thereof is impracticable) such as will satisfy all reasonable demands for such service including emergency services, public call box services, directory information services, maritime services, and rural services as may be considered essential for the national wellbeing.
- ❖ To secure that every operator shall have and employ the necessary technical, financial and managerial resources to ensure the provisions of the services specified in the license.
- ❖ To protect and promote the interest of consumers, other users and the public interest with respect of the charges for the quality and variety of telecommunication services provided and telecommunication apparatus supplied.
- ❖ To maintain and promote effective competition among persons engaged in commercial activities connected with telecommunication and promote efficiency and economy on the part of such persons.
- ❖ To promote the rapid and sustained development of telecommunication facilities both domestic and international.
- ❖ To ensure that the operators are able to carry out their obligations for providing a reliable and efficient service free of undue delay, hindrance or impediment.
- ❖ To promote research into the development and use of new techniques in telecommunications and related fields.
- ❖ To encourage the major users of telecommunication services whose business are outside Sri Lanka to establish business within Sri Lanka and to promote the use of Sri Lanka's international transit services.

Responsibilities of TRCSL

As a leading Government institution TRCSL is the national regulatory agency for telecommunication services in Sri Lanka and its main responsibility is to promote sustained development of the industry by shaping the regulatory process, protect public interest and be responsive to challenges in an increasingly competitive market.

TRCSL does not provide telecommunications services as such but encourages the efficient and orderly provision of these services by the operators and it is commitment to assist all the telecommunication operators in Sri Lanka to develop world class telecommunication network facilities in the country.

Its major responsibilities are as follows:

- ❖ Enforcement of the provisions in the act and conditions in the licenses issued to operators.
- ❖ Foster free and fair competition among the licensed operators.
 - Monitoring competition to ascertain whether the operators are meeting public interests and objectives.
 - To ensure seamless interconnection between networks and services.
 - To establish a general framework of rules that would enable open entry, non-burdensome and transparent licensing.
- ❖ Pricing
Ensure the telecommunication services are reasonably priced, taking into consideration of affordability etc.
- ❖ Consumer Protection.
To have the consumer safeguard in place, to encourage citizen participation and open dialogue by conducting inquiries into complaints made by the consumers and members of the public.

- ❖ Social Regulation.
 - Universal Access/ Services
 - Ensure universal access/provision of services to the rural communities, elderly and people who are differently abled.
 - Emergency preparedness.
 - To make available telecommunication services, to people with disability.
- ❖ Regulation of bottleneck facilities and scarce resources
 - Spectrum Management
 - Numbering
 - Rights of Way
 - Space Segment
 - Interconnection
 - Access to international landing stations
 - Access to backbone
- ❖ High quality telecommunication services
To ensure that telecommunication services are of a high quality which are just, reasonable, affordable and which will satisfy the needs of the consumers.
- ❖ Promote Good Governance
Ensure a transparent decision-making process, encouraging public participation and delivering, decisions without undue delay by adhering to principles of natural justice.
- ❖ Ensure that the decisions are fair and impartial.
- ❖ Help to build a civil society by contributing towards making it an “Informed” society in this modern Information and Communication age.
- ❖ Ensure that all operators comply with the requirements laid down by the International Telecommunication Union (ITU) and relevant International Organizations in respect of both equipment and technical standards.

Functions of TRCSL

For the purpose of achieving the objectives, The TRCSL performs the following regulatory functions.

- ❖ Processing applications and granting of licensing.
 - Licenses to operate telecommunication systems in Sri Lanka under section 17 of the Act.
According to Section 17 of the Act, no person shall operate a telecommunication system in Sri Lanka except under the authority of a license granted by the Minister on the recommendation of the Commission. However, there are some exemptions from licensing requirements and these exceptions are stipulated in Section 20 of the Act.
 - Licenses for the use of radio frequency and radio frequency emitting apparatus under Section 22 of the Act.
As per the Section 22(1) of the Telecommunication Act, no person shall use any radio frequency or any radio frequency emitting apparatus in Sri Lanka or any part of the territorial waters of Sri Lanka or any ship or aircraft registered in Sri Lanka, except under the authority of a license issued by the Commission for that purpose.
 - Vendor license under Section 21 of the Act.
According to the Section 21(1) of the Act no person shall by way of trade, manufacture, import, sell, offer for sale, deal in, transfer, hire, lease, demonstrate, maintain and repair any telecommunication apparatus, except under the authority of a license issued by the TRCSL.
- ❖ Tariff Regulation
 - Determine tariff in consultation with the Minister as specified under the Section 5(k) of the Act, according to which the Commission has power to determine in consultation with the Minister, the tariff or methods for determining such tariff, taking into account Government policy and the requirements of the operators in respect of the telecommunication services provided by the operator.
 - Approval/Determination of interconnection charges in term of 5(1) of the Act.

- ❖ Monitoring and ensuring compliance with the Act, (including rules and regulations made there –under) and licenses by the licensed operators.
- ❖ Monitoring and ensuring proper utilization of the radio frequency spectrum and management of radio frequency spectrum in Sri Lanka.
- ❖ Responding to consumer complaints and holding inquiries/ conducting investigations.
According to the Section 9(1) of the Act, when a subscriber or a member of public makes a complaint to the Commission in relation to the telecommunication service provided by an operator, the Commission may make such investigations as it may deem necessary and shall cause such remedial measure to be taken as the circumstances of the case may require. Section 9(2) of the Act states that in the course of any investigation under Section 9(1) the Commission may direct such operator to take such steps as appears to be necessary for the rectification of any cause or matter which gave rise to the complaint, and direct that financial redress to be provided where deemed appropriate.
- ❖ Setting up quality of service standards to ensure quality and variety of telecommunication services.
- ❖ Represent the Government in International Conferences and Foreign bodies who are concern with telecommunication operations.
- ❖ Issuance of Orders, Directions by the Commission.
TRCSL has followed a transparent policy in issuing orders, directions or decisions. Greater opportunity was offered to the industry participants, consumers and other interested parties to attend and be represented at public hearings and other forums.
- ❖ Specifying technical standards for telecommunication apparatus and type approval.

Inter Divisional Collaboration

There are several divisions/units to carry out the functions of TRCSL. The main functions and the performance of the divisions/units in the year 2021 are described in the respective sections of this report. It should be especially noted that although certain activities have been listed under a specific division/unit, such activities have been carried out by that specific division/unit with the support of other divisions/units.

Future Direction of TRCSL

- Amendment of Section 17 licence guidelines, preparation of road map for a new and current licensing framework, renewal of Section 17 licence applications, issuance of network approvals for operators, and revising of licence fee structures are scheduled to be completed under license management.
- Implementation of a comprehensive tower reconciliation process to address current anomalies, preparation of the IPv6 roadmap considering international best practices, reviewing the existing numbering plan and introduction of the toll-free number services, implementation of Number Portability, monitoring of the Cable TV service operations, setup vendor licence procedure and equipment clearance process as well as Upgrading antenna management structure under the Network Affairs.
- To update the existing IMEI verification system, the establishment of an integrated spectrum management and monitoring system, preparation of a spectrum roadmap and 5G development strategy & 5G auctioning, providing assistance for digital video broadcasting, introducing a radio spectrum licensing rule framework & revision of spectrum fees, streamlining approval systems with Government agencies through integration and preparation of a regionally harmonized National Table of Frequency Allocation are considered as key initiatives under the Spectrum Management.
- To implement interconnection approval of the Commission, conducting a process to determine the commercial rates of interconnections when needs arise, streamlining interconnection disputes/competition issues, timely collection of tax and levies, processing of visa recommendations for foreign experts/ workers for the telco industry, collecting and analyzing industry statistics and submission of statistical information to relevant authorities, analyzing of telecommunication industry performance monthly, promote operators to maximize utilization of local resources, processing and initiating new tariff proposals/handling tariff-related industry issues, calculating tariff-related ICT indicators and benchmark studies, issuance of determinations for the telecommunication industry, driving the “Gamata Sannivedanaya” project for the development of infrastructure facilities in rural areas & providing high speed internet connection to all schools in Sri Lanka with Fiber technology with the purpose of reducing the digital divide are directed under Competition areas.

- In terms of compliance activities, ensuring operators adhere to stipulated Quality-of-Service parameters, the introduction of a formal new quality of service parameters, monitoring the adherence to the conditions of the licences and initiating necessary regulatory measures, conducting awareness to the general public, monitoring and taking necessary regulatory measures on unapproved tariffs & non-approved equipment and sim registrations, streamlining the importation of IMEI enabled devices to the country, conducting and handling consumer complaints activities are key areas of future focus.
- Conducting telecommunication research studies with the support of local universities, implementing international and local projects in terms of promoting international best practices, organizing local ICT volunteer and tower technician programs to revitalize local industries in the telecom sector, initiating WTISD awareness programs, arranging collaborative activities with the assistance of international organizations & regulatory bodies, hosting international conferences, collecting and compiling relevant data in coordination with relevant parties & responding to survey/questionnaires received from international organizations, coordinating with international organizations to obtain expert assistance, collaborative projects, and training opportunities.
- Formulation of amendments/new Act to meet the rapid development of the industry is carried out under legal affairs and streamlining of the Scheme of Recruitment is being completed under the administrative affairs to ensure that core competency are acquired to drive the regulatory commission.
- Conducting ICT capacity building programs for the staff, initiating ICT application development for process automation through a well-articulated digital transformation strategy, and upgrading the PABX system, enterprise network/server architecture, IMEI registration system and mobile device type approval system will be carried out under Information Technology.
- Commercialization of the Colombo Lotus Tower and completion of the TRCSL new head office building are planned to be implemented under special projects.

CHAIRMAN & MEMBERS OF THE COMMISSION



Mr. Jayantha de Silva
Chairman

Mr. Anil Meegahage
Member of the Commission

Mr. Oshada Senanayake
Director General

Mr. Ruwantha Cooray
Member of the Commission

Mr. Chaaminda Kumarasiri
Member of the Commission

Mr. Jayantha de Silva
Chairman

Over 40 years of experience in the tech industry with extensive exposure in national policymaking and strategies for knowledge services, with hands-on experience in large projects globally.

Currently serving as Secretary to the Ministry of Technology of the Government of Sri Lanka & Chairman of the Telecommunications Regulatory Commission of Sri Lanka.

He served as Chairman and a Board Director of the Information and Communication Technology Agency (ICTA) of Sri Lanka. A founder member and former Chairman of the Sri Lanka Association of Software and Service Companies (SLASSCOM), former Chairman of the Software Exporters Association, Chairman of British Computer Society (BCS) Sri Lanka and a member of the Board of the University of Colombo School of Computing (UCSC). Served in the advising panel to the Government of Sri Lanka in the formulation of national-level policies related to the ICT industry of Sri Lanka.

Co-founder and Managing Director of IFS Sri Lanka Ltd, served as the President and CEO IFS Sri Lanka. Twice won the most valued player of IFS.

A Post Graduate Diploma holder from the International Statistical Programs Center, Washington DC; Fellow (FBCS) of the BCS, the Chartered Institute for IT and a Chartered IT Professional (CITP). Recipient of the ICT Lifetime Achievers' Award/Most Outstanding Contribution Award for services to the software industry in Sri Lanka, awarded at the National Best Quality Software Awards in 2011.

Mr. Oshada Senanayake
Director General

Mr. Oshada Senanayake is the Director General of the Telecommunications Regulatory Commission of Sri Lanka & Chairman of the ICTA as well as a board member of SL CERT, Sri Lanka's apex bodies for cyber security & digitalization respectively. Oshada previously headed multiple startup ventures which included a diversified portfolio which focus on technology, facility management and an Airbnb chain amongst other business interests such as research on smart battery technology.

Oshada Senanayake comes with a wealth of experience in previously heading Pyxle, a premier IT & Digital Services company in Sri Lanka engaged by a majority of blue chips in the country in driving forward its digital strategies. Oshada was also instrumental in the eventual merger of the organization with Tavistock Group, a global private investment entity. Oshada has extensive knowledge in acquiring and working with Fortune 100 clientele in the IT front in the US and Europe, bringing in a blend of technology expertise as well as industry insights in growing organizations from startups to mature businesses.

With strategizing and building partnerships as his core skill, Oshada consults and mentor's multiple technology-based startups, being at the forefront of executing many successful digital transformation strategies predominantly in the banking, finance sector and blue chips in Sri Lanka. Oshada was based in the US & UK prior to establishing himself in Sri Lanka.

Some of his educational achievements include an MBA from AIB Australia and a Bachelor's from the University of Northumbria in Newcastle.

Oshada was also invited by the Institute of Director's India to be a key panelist at the Bombay Stock Exchange Annual Forum 2018 with a theme of digitizing organizations. Oshada was also a panelist and a keynote speaker at the National IT Conference 2018 & 2020 in Sri Lanka elaborating on the discussion of "Our Digital Lives".

Oshada is also a visiting lecturer for University of Bedfordshire at the Oxford School of Business for post graduate MBA students and shares his knowledge of areas of Strategic Management, Digital Marketing & IT Governance.

Beyond his professional life, Oshada is passionate about giving back to the community and is a founding member of the Senera Sisu Saviya Foundation providing educational assistance to children from rural areas with continuous long-term assistance. The latest project provided school packs for 150+ students from rural schools for readiness to get back to school for the year 2020.

Mr. Chaaminda Kumarasiri
Member of the Commission

FCA, FCCA, ACMA, FMAAT, MBA, B.Sc. Accountancy (Sp.) 1st Class Hons.

Chaaminda is a Senior Chartered Accountant, Corporate Trainer, Leadership Coach, Management Consultant and a Financial Advisor with a wealth of knowledge and over two decades of experience in the corporate sector, holding senior leadership positions in leading local blue-chips and multinationals.

Chaaminda possesses an array of professional and academic qualifications with many awards and medallions. He is a Fellow member of The Institute of Chartered Accountants of Sri Lanka, The Association of Chartered Certified Accountants - UK and The Association of Accounting Technician of Sri Lanka. He is also an Associate member of The Institute of Certified Management Accountants of Sri Lanka. He has obtained a B.Sc. Accountancy (Special) degree from the University of Sri Jayawardenepura with a First Class and completed his MBA in Finance at the University of Colombo.

He currently serves as a member of the Governing Council of the Institute of Chartered Accountants of Sri Lanka; the National Body of Accountants and also serves a few Companies and national bodies as an Advisor/Director. He has also been appointed to the International Panel of Accounting Education of International Federation of Accountants, as the only representative from the entire South Asia.

Mr. Anil Meegahage
Member of the Commission

Mr. Anil Meegahage is the Director of Sri Lanka Insurance, Further, he has been appointed as a Commission member for TRCSL.

Anil was the Snr Executive Vice President / CEO of EAP Holdings and Director EBC TV/Radio /EAP Films. He was the former Country head for Samsung Mobile in Sri Lanka during the year 2012 and 2013

Previously, he was the Director Sales and International business of Hemas consumer goods, for Sri Lankan and International Business. Responsible for LKR 10 billion turnover. Directly overlooking the Sales operations, Distribution, Customer Marketing, International Business, and Sales Management team. 235 sales team and 108 distributors came under the sales management function.

Previously headed one of the largest sales teams in the country at Sri Lanka Insurance as the General Manager overlooking Branch network, sales and marketing, and overall 5000 Sales team and 1200 staff.

Anil has over 20 year's corporate experience at Unilever Sri Lanka, having joined Unilever in 1988, held many leadership positions such as Sales Executive, Sales Administration Manager, Area Sales Manager, and Trade Category manager looking after Home and personal care, and move on to Modern trade as the Trade Activation Manager. After working in Vietnam Unilever became the Channel Development and Trade marketing manager for Home and personal care categories and heads the pharmacy and cosmetic channel at Unilever.

Professionally holds MBA and reading for a Ph.D. in Colombo University, also has a Professional Post Graduate Diploma in Marketing (DipM MCIM), The Chartered Institute of Marketing, UK. Have more than 12 years of lecturing experience for CIM and ICSA Students.

Mr. Ruwantha Cooray
Member of the Commission

Mr. Ruwantha Cooray is an Attorney-at-Law by profession, who holds a Bachelor of Laws (LL.B.(Hons)) degree from the University of Leicester and in a Barristers-at-Law (Lincoln's Inn).

He has extensive experience in various aspects of Commercial law, Contract law, Intellectual Property law and is in active practice as senior legal counsel with an illustrious career experience as a legal professional. He also serves as the Legal Consultant and Convenor of the Cabinet appointed Law Reform Committee on Digitization and Court Automation.

Mr. Cooray who has distinguished himself in the field of Law was appointed as a Member of the Commission in December 2019. He is also a member of the Audit Committee at TRCSL. He has contributed on several legal and regulatory matters at the Commission.

SENIOR MANAGEMENT

Mr. Helasiri Ranatunga Director - Networks



Mr. Helasiri Ranatunga joined TRCSL in 1998. He holds a B.Sc. (Eng.) Honors Degree in Electronics and Telecommunication Engineering from the University of Moratuwa and an MBA in Information Technology from the University of Moratuwa. He is a Chartered Engineer of the Institution of Engineers, Sri Lanka (IESL). After graduation in 1986, he has joined Independent Television Network and held several key engineering positions. During 12 years of his career at ITN, he took the leadership in several transmission expansion and studio & control room upgrade projects in the Broadcasting Institute.

In his over 23 years of the carrier at TRCSL, he held several senior positions in the Regulatory Commission. He played a very active role as the Project Manager on the implementation of the Radio Frequency Management and Monitoring System of TRCSL. He led the Spectrum Management Division of TRCSL for several years. Prior to assuming duties in his current position as the Director Network he performed duties as the Director Licence Management for few years.

During his career, he has gained extensive knowledge in the telecommunication regulatory sector by attending several international training programs, workshops and seminars. He represented the organization in several World Radio Communication Conferences and other global telecom regulatory meetings organized by the International Telecommunication Union.

Mr. H.P. Karunaratna Director - Spectrum Management



Mr. H.P. Karunaratna joined the Office of the Director General of Telecommunications, the predecessor of TRCSL, as an Engineer in 1992. Before joining the telecom regulator, he spent over 7 years with the Department of Telecommunications, Sri Lanka.

He obtained the Graduate membership of the Institution of the Electronics and Radio Engineers, UK and registered as a Chartered Engineer with Engineering Council, UK in 1995. He holds a Master's Degree in Telecommunication Policy and Regulation from the University of West Indies.

In a career spanning over 30 years in the telecommunications sector, Mr. Karunaratna has gained multidisciplinary exposure in the fields of engineering, management, international relations, telecommunication regulations, licensing and radio spectrum management.

He has held several senior positions at TRCSL including the Director/ License Administration, and Director/ Spectrum Management Director/Networks. At present, he holds the position of Director/Spectrum Management at TRCSL.

The Spectrum Management Division of TRCSL has the primary mandate of managing all the Radio communications services in Sri Lanka. These involve planning, assigning, monitoring, keeping the database of civil and military frequency usage. Mr. Karunaratna, being the head of Spectrum Management Division, is responsible for fair, equitable, and transparent procedures and conditions for the allocation and assignment of spectrum ensuring innovative and efficient use of the radio spectrum.

He is a Fellow member of the Institution of Engineering Technology (IET) of the UK and serves as an International Professional Registrations Advisor for the IET.

Mr. M. K. Jayantha
Director - Finance



Mr. Jayantha has joined TRC in 2013. He holds a Bachelor of Commerce degree from the University of Sri Jayewardenepura and also, he is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, Associate member of the Chartered Public Financial Accountant of the UK, Fellow member of the Certified Management Accountant of Sri Lanka, & Associate member of the Cost & Executive Accountants of UK. Prior to joining TRCSL, Mr. Jayantha counts over 17 years of Finance & Administration experience in the private sector holding senior positions such as Group Financial Controller, Manager Finance & Administration & Chief Financial Officer in many reputed manufacturing, trading & service organizations in Sri Lanka.

Mrs. Madhavi Gunawardena
Director - Administration & Corporate Affairs



Mrs. Gunawardena was appointed as the Director - Administration & Corporate Affairs at the Telecommunications Regulatory Commission of Sri Lanka from February 2021. She holds the responsibility of Administration, Cooperate Affairs, and Human Resource Development roles in the organization. She is a Class one officer of the Sri Lanka Administrative Service and was selected to the organization by the Board of the Regulatory Commission. She serves various committees of the Regulatory Commission. She has been successful in introducing office administrative management IT-related systems to staff and establishing the IT division with the direction of the Commission within a short period.

She holds a BSc in Built Environment from the University of Moratuwa. Changing her career direction, she has obtained her Post Graduate Diploma in Education and Teaching from the University of Colombo and completed her master's degree in Public Administration from the Open University of Sri Lanka, conducting individual research on the impact of self-management skills of Graduate Employees on the performance at the divisional administration of Sri Lanka. Being awarded with the Australia Awards long term study scholarship, she obtained the Master's Degree in Human Resources and Employment Relations from the University of Western Australia.

She has started her profession as a teacher at Vidura College, Colombo. As a professional administrator, she has held the posts of Assistant Secretary (Administration) in Ministry of Agriculture of the North Central Province, Anuradhapura, Assistant Divisional Secretary of Ja Ela Divisional Secretariat, Director (Career guidance, Employment Creation and Promotion) in Department of Manpower and Employment. She was serving as the Commissioner of Labour (Women & Children Affairs) in the Department of Labour prior to joining the Commission.

Mrs. Tharalika Livera
Director - Compliance & Investigation (Actg.)



Mrs. Tharalika Livera joined the Telecommunications Regulatory Commission of Sri Lanka, previously Office of the Director General of Telecommunications in 1994 as an Engineer (Class II Grade II) and counts over 27 years of multidisciplinary experience in the telecommunication regulation and currently holds the position of Director – Compliance & Investigation (Actg.) at Telecommunications Regulatory Commission of Sri Lanka.

She holds BSc Engineering (Electrical & Electronics) from University of Peradeniya, Sri Lanka and Masters of Electronics & Telecommunications from the Sheffield Hallam University, United Kingdom.

Mrs. Livera is a Chartered Engineer (CEng) by profession and registered at the of the Engineering Council, UK . She is a Member of the Institution of Engineering and Technology, United Kingdom and Associate Member of the Institution of Engineers Sri Lanka. She holds the Vice Chairmanship of the Policy and Regulatory Forum of Asia Pacific Telecommunity for South Asia and served as Vice Rapporteur for Broadband Studies in the International Telecommunication Union Study Group-1. During her career, she has gained extensive national and international experience on telecommunication policy and regulation, which had been useful for the regulator to implement strategic decisions.

Mr. E.N.P.K. Ratnapala
Director - Licence Management (Actg.)



With a career spanning over 26 years as a professional Engineer in the Regulatory Sector of Telecommunication Industry in Sri Lanka, Mr. Nihal Ratnapala has gained extensive exposure in the field of Radio Frequency Spectrum Management and had been instrumental in major developments in radio communication industry including Sound and Television broadcasting Sector.

He has earned BSc Eng. (Hons) Degree from University of Peradeniya and Master of Engineering (MEng) Degree from University of Moratuwa specializing in Electronic and Telecommunication. He is a Chartered Engineer registered in Engineering Council (UK) and a member of Institution of Engineering and Technology-IET (UK). He is also a Member of the Institution of Engineers Sri Lanka (IESL).

His current portfolio as Acting Director (LM) spans telecommunication system Licence Management which steer the entirety of telecom service provision in the country. He has gained extensive industry related knowledge and exposure from many international organizations since 1994 and had been a member of Sri Lankan Delegation to World Radiocommunication Conference (WRC) held by Telecommunication Union (ITU) Geneva Switzerland on many occasions and represented Sri Lanka in other Regional Regulatory Activities representing Sri Lanka.

Ms. K.S.M. Vishakha
Director - Policy & International Relations (Actg.)



Ms. K.S.M. Vishakha joined TRC (then Office of the Director General of Telecommunications) as an Engineer in 1994. She counts over 27 years of experience in the field of telecommunications and regulations of TRC. She is currently holding the position of Director (Actg.) – Policy & International Relations of TRC. She has served in Spectrum Management and Network Divisions of the TRC in Deputy Director and Assistant Director positions.

She has earned a wealth of experience in radio communications while serving more than 16 years in the Spectrum Management Division and contributing to many key projects during this period. She represented the country in several World Radio Conferences (WRC) of International Telecommunications Union (ITU). She has also gained extensive knowledge in numbering and networking by serving more than 9 years in Network Division. She is currently contributing to the Numbering Portability project as a member of the internal committee in the capacity of Deputy Director /Numbering.

She has represented the country in many international meetings of ITU, Asia Pacific Telecommunity (APT) and other international organizations.

She graduated from the University of Peradeniya in 1993 with a B.Sc. Engineering Honours Degree in Electrical & Electronics Engineering. She also holds Master of Engineering (M.Eng.) degree in Telecommunications from the University of Moratuwa. She is a Chartered Engineer of the Institution of Engineering & Technology (The IET) of UK and a Chartered member of Engineering Council UK.

Eng. J.A.S. Gunanandana
Director - Special Projects (Actg.)



Eng. J.A.S. Gunanandana graduated from the University of Moratuwa in 1994 and, after a brief stay in the private sector, he joined TRCSL in 1998 as the Assistant Director/ Interoperability. He furthered his postgraduate educations and was awarded Post Graduate Diploma in Information Management from Sri Lanka Institute of Information Technology and master's in science from Sri Lanka Institute of Information Technology.

Eng. Gunanandana is a Chartered Engineer and corporate member of the Institute of Engineers Sri Lanka, corporate member of Sri Lanka Engineering Council, member of Institute of Electrical and Electronics Engineers, United Kingdom.

He has dedicated his services to Mother Sri Lanka during the last 26 years in which, he has served as an Engineer in General Sales Company where greater Colombo hospitals were empowered with top-level electronic medical equipment and as a Project Engineer of Island wide Telecommunication improvement Project implemented under supplier credit program for Telecommunications Services Ltd, a subsidiary company of Sri Lanka Telecom. His distinctive services to the development of the telecommunication industry in Sri Lanka as the Assistant Director/ Interoperability include the formation of regulations, guidelines and processes to develop telecommunication sector and network rollout safeguarding the environmental, regulatory and social norms and rules, conducting awareness programs getting assistance from other related organizations such as Meteorological Department, Ministry of Health and Department of Sociology, the University of Kelaniya throughout the country to public and Government authorities on Telecommunication Network Development aspects. Eng. Gunanandana authored few books and printed materials on telecommunication related matters in simple layman language.

Eng. Gunanandana as the Deputy Director in Spectrum Management made significant contributions in developing Radio Spectrum Monitoring system for TRCSL, resolving radio frequency interference cases, mitigating unauthorized radiofrequency uses, assigning frequencies for the Telecommunication industry as well as Defence Services. Eng. Gunanandana was appointed as the Acting Director Special Projects in 2017 to manage all ongoing infrastructure development projects that include Colombo Lotus Tower, Kadirana Monitoring Complex, TRCSL Head Office Building and IT Park Hambantota are the key projects among other projects in recognition of his extensive experience in Project Management, Contract Administration, Spectrum Management, Telecommunication Network Development.

Eng. Gunanandana is a member of the Radio Frequency Assignment committee of TRCSL since 2011. He is very active in social services and volunteering and in recognition of his outstanding contributions to society the Ministry of Justice had appointed him as a Justice of Peace Whole Island.

Mr. Indrajith Handapangoda **Director - Competition (Actg.)**



Mr. Indrajith Handapangoda commenced his career as an Executive at one of Blue-Chip Companies in Sri Lanka in 1994 and joined to the middle management of TRCSL in 1998. Within his tenure of 23 years in Economic Affairs Division and Competition Division of TRCSL, he handled key regulatory functions such as Interconnection, Tariff, licensing, Surveillance. In 2002, He coordinated the consultation process for formulating strategies to liberalize the international telecommunication segment of Sri Lanka and contributed for the implementation of formulated strategies. Mr. Indrajith handled the process of rebalancing the tariff of Sri Lanka Telecom in 2000,2001 and 2002. He played a key role in introducing interconnection Rules to the industry in 2003 and issuing interconnection determinations in 1999 and 2010. Out of the three Public Hearings conducted by TRCSL, in two such hearings, he served as a member in the Committee of Public Inquiry. Currently, he Chairs the Internal Committee of Resolution of Consumer Complaints (ICRCC).

Mr. Indrajith contributed being a Group Leader of South Asia Telecom Regulators Council's Working Group on Billing and Tariff for IP based services in 2008. In 2010/2011, he chaired the South Asia Telecom Regulators Council's (SATRC) Working Group on Network and Services. Representing the TRCSL, Mr. Indrajith attended SATRC meetings held in India, Pakistan, and Sri Lanka and actively participated ITU Study Group Meetings on different subject matters relating to the industry. During his career he gained extensive industry related knowledge and training from local and international institutes including a Certificate Course in Telecommunication Management conducted by the Cable and Wireless College in Coventry, UK.

He is a Fellow Member of the Chartered Professional Managers of Sri Lanka (CPM) and Life Member of Sri Lanka Economic association (SLEA). Mr. Indrajith holds two master's degrees in business administration (MBA) and Public Administration (MPA) from the University of Colombo (Sri Lanka) and The Flinders University (South Australia) respectively and holds a Bachelor's degree in Economics (Honors) from the University of Sri Jayawardenapura.

Mr. M C M Farook
Director – Information Technology (Actg.)



Mr. M C M Farook believes in the power of contribution to collaboration and understanding of technology and its continuous into the organization development. He is the first Deputy Director appointed to the Information Technology Division with effect from 13th January 2021 and he was promoted to the Head of Division of the Information Technology Division by the Board of the Commission with effect from 08th July 2021.

He joined TRCSL in 1996, then the Office of the Director-General of Telecommunication. He holds a B.Sc. Eng. (Hons) in Electrical and electronics from the University of Peradeniya and PG. Dip in Electronics & Telecommunications from the University of Moratuwa. He is also a Member Institute of Engineering and Technology of the UK and Member of the Institute of Electrical and Electronics Engineers USA.

His 28 years career as a professional in Telecommunications Regulatory environment as well as industry, includes attending Technological updates in the forum of overseas training and seminars as well serving as an expert member in SATRC working group activities for last 15 years. During his stay at the TRCSL, he served many years in the Networks division and Spectrum division as a capacity in Assistant Director and Deputy Director positions and used his knowledge and experience for many programs. He has held a string of senior positions within TRCSL, culminating in his current position as the HoD of the newly established information technology division of the TRCSL.

Mr. Farook is a member of the Technical Committees of the TRCSL, and he is creating meaningful and effective new information technology products in the digital space for TRCSL staff improvement. He is also presently a Director/Board Member of LK Domain Registry

Mrs. Ruwani Gooneratne
Director – Legal Affairs (Actg.)



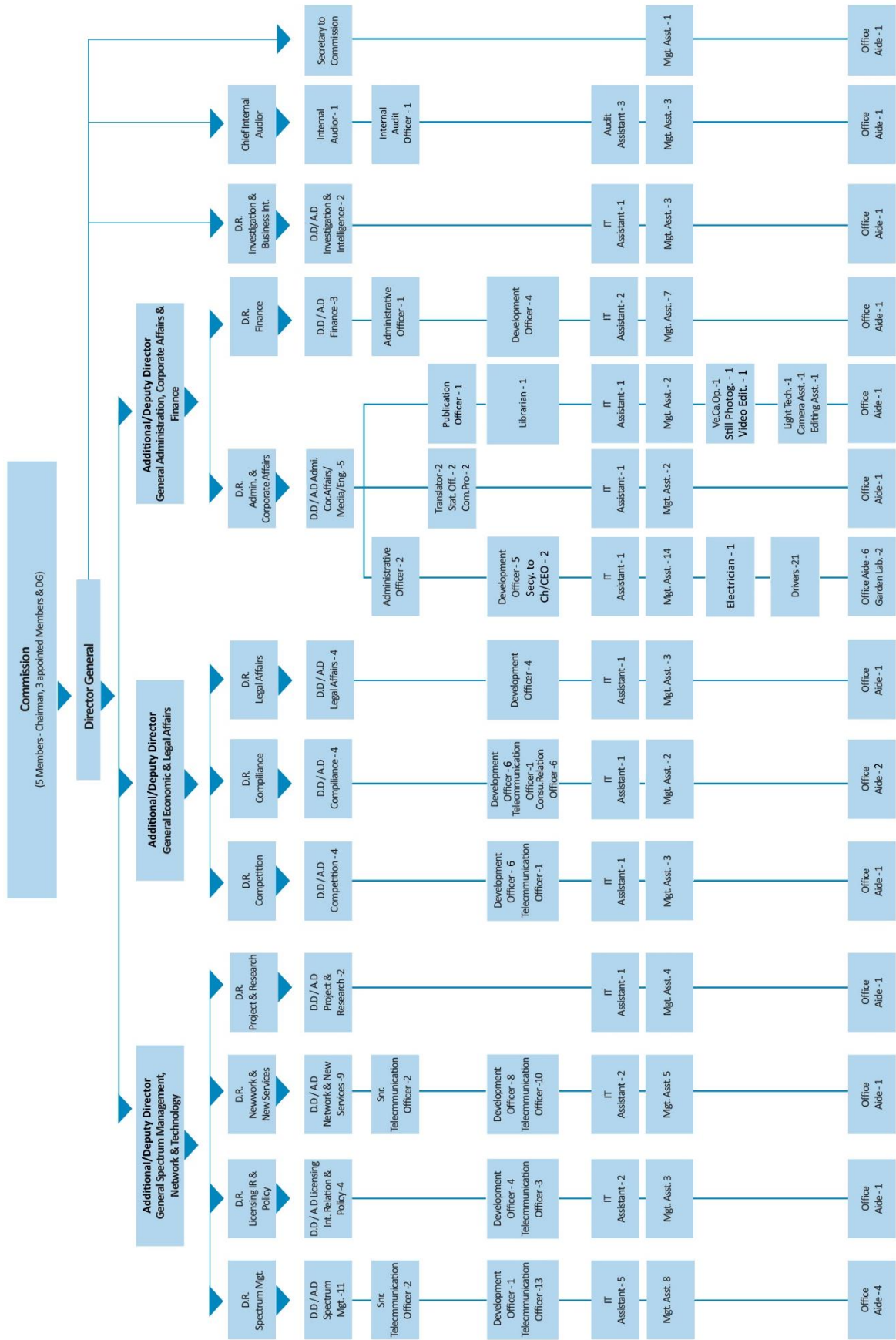
By profession, Mrs. Ruwani Gooneratne is an Attorney-at-Law, who holds a Bachelor of Laws Degree from the University of Colombo.

She is currently holding the position of Acting. Director/Legal Affairs. She serves in the Legal Division as it's Deputy Director which handles a variety of legal matters for the Commission. Besides, she provides very vital legal input for the formalization of organizational legal issues.

Her experience in the field of law counts over 26 years with 22 years of experience in the Telecommunications Regulatory Commission of the Sri Lanka Legal Division. She worked as Acting Secretary to the Commission since 2011. She is a member of the Consumer Complaints advisory committee of the Commission.

Executive Officers

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| <p>Commission Office</p> <p>Mrs. Ruwani Gooneratne Commission Secretariat (Actg.)</p> <p>Licence Management</p> <p>Mr. E N P K Ratnapala Director (Actg.)</p> <p>Compliance & Investigation</p> <p>Mrs. Tharalika Livera Director (Actg.)</p> <p>Mrs. Menaka Pathirana Deputy Director</p> <p>Mr. D N Wijesinghe Assistant Director</p> | <p>Spectrum Management</p> <p>Mr. H P Karunarathna Director</p> <p>Mr. M C M Farook Deputy Director (up to 13.01.2021)</p> <p>Mr. L Ganeshamoorthy Deputy Director</p> <p>Mr. M P Gunasinghe Deputy Director</p> <p>Mr. Shantha Gunanandana Deputy Director</p> <p>Mr. S E Wakista Deputy Director</p> <p>Mr. W A D T Madushanka Assistant Director</p> <p>Mrs. G H P Imali Prasanthika Assistant Director</p> | <p>Networks</p> <p>Mr. R G H K Ranatunga Director</p> <p>Ms. K S M Vishakha Deputy Director</p> <p>Mrs. S A R Kamalanayana Deputy Director</p> <p>Mr. I M Jawsri Assistant Director</p> <p>Mr. S W M R L B Senadheera Assistant Director</p> |
| <p>Policy & International Relations</p> <p>Ms. K S M Vishakha Director (Actg.)</p> <p>Mr. J K B Ratnayake Deputy Director</p> | <p>Competition Division</p> <p>Mr. H W K Indrajith Director (Actg.)</p> <p>Mrs. Sriyani Mawellage Deputy Director</p> <p>Mr. Nishantha Palihawadana Deputy Director</p> | <p>Legal</p> <p>Mrs. Ruwani Gooneratne Director (Actg.)</p> <p>Mrs. G Moragoda Deputy Director</p> <p>Ms. S Rodrigo Deputy Director (Actg.)</p> <p>Mr. I N Mathew Assistant Director</p> |
| <p>Special Projects</p> <p>Mr. Shantha Gunanandana Director (Actg.)</p> | <p>Internal Audit</p> <p>Mr. Saman Kithsiri Internal Auditor</p> | <p>Information Technology</p> <p>Mr. M C M Farook Director (Actg.)</p> |
| <p>Finance</p> <p>Mr. M K Jayantha Director</p> <p>Ms. L D Jayawickrama Assistant Director</p> <p>Mrs. Asanka Liyanage Assistant Director</p> | <p>Administration & Corporate Affairs</p> <p>Mrs. Madhavi Gunawardena Director</p> <p>Mr. J K B Ratnayake Deputy Director (Actg.)</p> <p>Mr. Y S P Gunarathne Assistant Director</p> | |



Note: A Committee has been appointed to review the cadre, organization chart & Scheme of Recruitment.

DIRECTOR GENERAL'S REVIEW

The telecommunications sector plays a pioneering role in the national economy of Sri Lanka. It, directly and indirectly, contributes to the Sri Lankan economy and is considered a significant component of Sri Lanka's Government revenue. The sector has a high value that; has a profound impact on economic growth, job promotion, and the innovation of a changing society. At the same time, the sector is striving for significant growth and development locally and internationally.

We aim to make the Government of Sri Lanka's vision for a smart Sri Lanka a reality to lead the digital economy, establish island-wide telecommunications services with stakeholders, and plan for the future telecommunication agenda for digital operations. A conducive environment for the telecom sector is being developed for innovation and achieving the goal of sustainable development.

During the COVID-19 epidemic we faced this year, the Commission planned to make a difference in the telecommunications services, identifying citizens' needs and taking prompt actions. In the face of the COVID-19 challenge, the Telecommunications Regulatory Commission (TRC) has stepped into implementing relevant health, economic, and education services with uninterrupted stakeholder support. TRCSL provided the staff with the opportunity to work from home/office online, train employees in a challenging environment, take remedial measures and hold regular staff discussions online to take relevant decisions and provide solutions.

In addition, our staff fulfilled services provided by the organization through the official website with active participation. Employees were encouraged to use the MS Teams platform to perform office duties online with its communication and collaboration tools.

This year's COVID-19 outbreak affected more than 30 employees. The most challenging issue was providing the affected employees with the medical attention required while preventing other employees from falling into the pandemic by implementing relevant health rules.

This year, nine Commission sessions were held to make decisions on legal, regulatory, technical, and administrative issues. Because of the country's Covid-19 predicament, the Commission convened most of its board meetings online, which was considered a significant accomplishment. Twelve divisions have been established to carry out the functions of the organization. The IT Division is the most recently established this year as per a decision of the Commission.

About 90% of the regulatory activities, general programs, and development projects included in the organization's action plan were carried out as expected. Most of the above functions achieved targeted progress, and most of the work involved in the other activities was completed to the maximum level this year, even with the obstacles of the pandemic.

Licensing Management: As the country moves towards a digital economy, there is a need to adapt to a fully sustainable licensing framework as the traditional service segments reflected in the current telecommunications licensing framework do not apply equally to stakeholders and consumers. The Commission intends to systematically manage the necessary changes in the licensing framework, emphasizing the telecom industry's sustainability and development. The benefits of adopting this new licensing framework include:

- Technology integration and neutrality.
- Service integration and neutrality.
- Reduction of license categories.
- Licensing categories that reflect current and future policy.
- The use of integrated licenses (single license for multiple services) and more efficient administration.

Planning for a new licensing framework, issuance, renewal, and modification of licenses, and other section 17-related licensing activities were carried out by the licence management division this year. Development of the new licensing framework focuses on combining technology and services to enhance competitiveness. This licensing framework is expected to achieve quality service, adopt the latest technologies, and provide efficient and integrated open access. TRCSL issued twenty-eight licenses under various network categories to accomplish this task. The division obtained legal advice from the Attorney General's Department regarding revising the Licensing Guidelines under section 17. The licence management division prepared the final report on drafting a new license framework with the consultation of the ITU. Further work on this activity is planned to take place next year.

Network Management: Managing the National numbering plan, regulating the telecommunication network operations, and assigning signal codes and mobile numbers are performed under network management. Furthermore, arrangements were made under the supervision of network management for the deployment of telecom infrastructure, licensing of telecommunication equipment vendors, importation of network equipment, issuance of customs clearances, and introduction of new technologies to telecommunication networks in Sri Lanka.

The numbering plan guideline manages the framework for the use of number blocks, a limited resource available for telecommunication networks in the country. Short codes are assigned to organizations when there is a requirement for the public and consumers to make instant phone calls. Depending on the nature of the organization, two ranges of short code numbers have been introduced for each public and private sector. 13 short code numbers were allocated in the 19XX range for government agencies and three short code numbers in the 13XX range for the private sector.

The Commission has decided to implement the Number Portability in Sri Lanka to ensure broader consumer enablement and empowerment in selecting service providers. An internal committee headed by the Network Division has been set up to study international practices and seek the views of telecommunications professionals and other stakeholders to develop an appropriate methodology. Accordingly, TRCSL conducted a public consultation to obtain the views and suggestions of the relevant telecommunications stakeholders and other interested parties. The network division determined an operational and technical model based on discussions made for the responses to the study.

With the assistance of experts from the Asia Pacific Telecommunity, the work plan for implementing the IPv6 roadmap has been finalized after studying the international best practices. Information was sought from operators on the status of their networks through a questionnaire prepared by the TRCSL.

Among the most important functions of network management, infrastructure deployments are permitted to expand telecommunications infrastructures such as copper or fiber-optic networks, undersea cable stations, and telecommunication antenna towers. It includes introducing new services provided by operators that use network infrastructure and related physical infrastructure. TRCSL also coordinates and facilitates approvals with other government agencies for industry-related sustainable development activities and issues relating to environmental impacts, healthcare, and public welfare. Accordingly, the number of telecommunication towers has increased to 7665 by 2021, with 81 multi-purpose lamp posts, including 353 new towers. The division carried out 15 investigations regarding complaints made by the general public against the construction of towers. During this year, TRCSL received only one court case regarding the telecommunication towers. The network division solved one hundred fifty-one public complaints out of 153 complaints received. TRCSL continued to reconcile operators' lists of towers already in operation with data from the Antenna Structure Management System. The work of two mobile operators has been completed under the reconciliation of on-air towers and identification of unauthorized towers. Accordingly, one operator has been requested to submit new applications for the final list of unconfirmed towers. The data reconciliation process of other operators is in progress. Related parties have been asked to submit new applications for the regularization of non-verified towers once the reconciliation process is complete. As expected, this year, the progress of these activities was affected by the Covid-19 epidemic in the country.

Vendor licences and type approvals for network equipment were granted, allowing the relevant parties to connect to the licensed networks. Eight hundred forty-four licenses have been issued for various telecommunication equipment vendors. TRCSL has cleared 3086 telecommunications equipment and granted 07 type approvals.

The market for SIM-enabled devices has increased. Importation and sale of these devices have to be regularized for the security and safety of the public. Therefore, the existing condition of the vendor license has been modified to accommodate this requirement. The network division carried out public awareness programs and investigations of illegal vendors with the assistance of the Sri Lanka Police to encourage the establishment of legally approved retail outlets involved in telecommunication equipment, including mobile phones. The division initiated the computerization of the vendor license system and the automation of the equipment clearance process this year with the assistance of the IT division. User requirements in this regard have been developed and approved by the Commission.

As per the provisions specified in the Telecommunications Act, TRCSL and Criminal Investigation Department were involved in monitoring cable television services operated illegally without proper permission. This year, necessary steps have been taken to obtain technical information on cable television services from stakeholders and to undertake random inspections of the control rooms of cable television networks.

Sri Lanka initiated the Submarine Cable Protection and Resilience Framework under the Undersea Submarine Cable Resilience Program. The framework was developed jointly by the TRCSL, Ocean Affairs, Environment and Climate

Change Division of the Foreign Ministry and with the technical assistance of ICPC and UNODC-GMCP. Implementing a robust and resilient submarine cable ecosystem in Sri Lanka is essential in line with the UNGA resolution on the need for nations to take proactive measures to secure fiber-optic submarine cables. This initiative will facilitate the implementation of a progressive national submarine cables protection and resilience framework to strengthen Sri Lanka's digital transformation vision and position Sri Lanka as a hub for technology services and innovation.

Spectrum Management: Adopting the latest technologies such as 5G is essential to meet the ever-increasing demand for broadband. Because of this, TRCSL has started 5G trials with all mobile operators and has set aside a frequency spectrum in the 3.5GHz band to regulate pre-commercial 5G services. TRCSL plans to introduce 5G services next year to enhance the broadband capacity and expansion of the network coverage. TRCSL sought ITU expert assistance in preparing strategic policies for spectrum, products, and service innovation. Accordingly, the final consultation report has been submitted by the ITU consultants. Consultations are being conducted with the stakeholders regarding the 5G roadmap. As the first step, the 3.5GHz band is expected to be used to deploy 5G technology, and spectrum transfer will take place through a competitive bidding process. The 3.5GHz spectrum auction is scheduled for next year. Implementation of 5G technology is identified under National Budget 2022 as a significant initiative in the telecom sector, and necessary measures have been proposed.

The National Table of Frequency Allocation was prepared and posted on the website for the information of the public. The Master Frequency Register was updated by System Management Database cleansing. A concept paper on establishing a new automated frequency spectrum management system has been submitted to the Commission. The Commission decided to conduct a feasibility study. A committee to address this requirement will be appointed with the support of the University of Moratuwa and initiate the preliminary activities. The Commission is responsible for issuing certificates of competency in amateur radio operations and conducts examinations with the assistance of the Department of Examinations. Anyone over the age of 14 is eligible to take the exam. This examination is usually conducted in English medium once a year. Relevant applications can be obtained from the Commission and the Commission's website. The TRC called for applications for the Licensing Examination for Amateur Radio Operators last year, and the Examinations Department is to set a date and issue the relevant gazette notification.

Projects relating to Competition: In line with the Government's Vision of a "Technology-based society and digitally inclusive Sri Lanka," the TRCSL commenced the "Gamata Sannivedanaya" - Connect Sri Lanka project (National Budget Program 2021) to fulfil countrywide 100% 4G/Fiber broadband coverage. Telecommunications Regulatory Commission provides 50% of the infrastructure investment required to expand their telecommunications networks. In addition, manufacturing local tower infrastructure and using these towers for sharing in this project are encouraged to address environmental sustainability.

TRCSL started this program in 2020, and during this year, implementation of this project was commenced covering 09 provinces in 10 districts. It has been planned to construct 35 towers in the Ratnapura District, and 24 towers have been commissioned to provide facilities. The proposed number of towers in the Kurunegala District was 35, and 02 of them have been completed. The 26 towers in these two districts will enable people living in 130 Grama Niladhari Divisions and around 400 villages to experience 4G service this year. Under this project, it has been identified to implement 22 towers for Matara District, 33 towers in Kandy District, 31 towers in Anuradhapura District, 34 towers in Kalutara, Badulla, and Kegalle Districts, 11 towers in Jaffna District, and eight towers in Trincomalee District. These towers are scheduled to be constructed in 2022. The targeted progress of the tower constructions was directly affected by periodic restrictions and lockdowns due to the COVID-19 situation in the country, public protest regarding tower construction, adverse weather conditions, delays in the supply of towers by local vendors to operators, obtaining approvals from other government agencies as well as shortages of supplies in the market.

TRCSL also undertook special projects parallel to the "Gamata Sannivedanaya" project to determine the difficulties of rural children engaged in online education with coverage issues. TRCSL took necessary initiatives to improve the existing service conditions while providing IT equipment to IT laboratories & smart classrooms of schools with coverage issues with telco operators' assistance. This project provides the opportunity to experience the telecommunication 4G technology facilities required by the community living in 120 villages in 24 Grama Niladhari Divisions with eight towers.

Creating competent technocrats has been identified as a top priority in the Government's Vision of setting up a technology-based society. Under the National Budget Program 2022, the school fiberization project with the collaboration of the Ministry of Education will be initiated as a sub-project to the Gamata Sannivedanaya program. Internet access in the school system is essential in creating a technologically experienced and knowledgeable society through e-education. Accordingly, TRC, with the support of telecom operators, will be able to provide broadband

internet facilities to all 10,155 schools in Sri Lanka through fiber technology. As its first step, Siyambalanduwa National School was facilitated with high-speed fiber technology. The Cabinet paper submitted for this project was approved, and accordingly, the necessary expertise and technical committees were set up to implement the project in December 2021.

Competition aspects: Considering subscribers' growth in the industry, Sri Lanka has a rapidly growing telecommunication sector with approx. 22.4 Mn mobile subscriptions, 2.8 Mn fixed subscriptions, and 20.5 Mn broadband subscriptions. By 2021, the mobile telephone density (penetration) and fixed telephone stood at 131.9% and 13.2%, respectively. The telecommunications broadband industry needs further rapid growth in terms of improving geographic coverage across the country, which is imperative to make the digital transformation roadmap of Sri Lanka a success and to bolster the economy with technology diffusion.

The Telecommunication Levies and Cess charges collected by TRCSL were Rs. 21,574 million. [Telecommunication Levy – Rs. 11,046 million, Cess – Rs. 5,041 million, Tower Levy – Rs. 1,466 million, SMS Levy – Rs. 400 million & TDC – Rs. 3,621 million] Collection of SMS levy of the year 2021 showed - 4.3 % and collection of Cellular Tower Levy of 2021 demonstrated 2.8%.

The Commission initiated a process to review the existing interconnection rates, and the division collected requested responses. Further, TRCSL obtained the cost information required to determine the interconnection charges. Stakeholders agreed to continue with the existing interconnection rates. However, Commission noted that the interconnection charges should be revisited along with the proposed number portability initiative.

TRCSL processed 50 Resident/Entry visa recommendations for foreign experts and Telecom industry workers. TRCSL encouraged the employment of local human resources and expertise without hiring workers from other countries and has implemented a stringent procedure to streamline the issuance of visas. It is expected to increase employing local expertise in the decision-making roles of the telecom operators. Moreover, TRCSL has taken the necessary steps to develop an NVQ Certification for Telecom Tower Technicians with the support of TVEC, NAITA, and licensed operators to create a local workforce in telecommunications.

During the year, the competition division took required tariff decisions to match the country's new norm of post-COVID and digitalization requirements. Accordingly, the licensed operators had submitted 102 tariff proposals. Under three tariff plans, the Commission approved 19 seasonal, 48 promotional, and 27 permanent tariffs, allowing operators to offer short-term benefits to their customers in 2021. In line with the consumer requirement, a further step was taken to make available unlimited tariff plans without limiting them to specific applications. These tariff plans cater to different aspects, segmenting different levels of speeds that address the balance of affordability and quality. Approval was granted for tariff plans with Any Net minutes allowing consumers more freedom in their voice communication, and TRCSL supported the NanaDiri Data Scholarship program. In addition, necessary actions were taken to resolve an issue received from the operators regarding the tariffs, and advice was provided to relevant divisions when required. The benchmarks were compared using ICT indicators published by the International Telecommunication Union.

Industry data were collected and submitted to the relevant institutions. Calculating tariff-related static indicators was prepared by analyzing the monthly usage of mobile and fixed tariff plans and categorizing them according to the five price baskets of International Telecommunications Union standards. As per the ICT Price Trend Analysis 2020 of the ITU benchmark study, Sri Lanka holds a commendable position on voice and data rates. Based on the latest report, Sri Lanka was ranked 13th for cheapest Voice and data low usage, 23rd for Voice and Data High Usage, 07th for Data only Mobile Broadband, 07th for Mobile cellular, and 20th place for Fixed broadband baskets. Due to the Covid-19 pandemic, most businesses moved online, and private/public sector works had to be undertaken online. Therefore, the telecom operators had to increase their network capacity to cater to this higher data demand. By 2020, industry data usage has increased by 62%.

Compliance and Investigations: Adherence to the Quality of Service Parameters, this year, there were 84 reports received from seven licensed operators related to QoS parameters. Relevant analyzes of the QoS parameters of those reports were carried out, discussions were held with them on the improvement of the adherence to parameters, and the compliance division gave necessary advice. Twenty-four comparative reports of 7 operators were compiled and distributed among them to improve the accuracy of information and performance measurements. PSTN Operators obtain performance measurement data from the Network Counters, compute according to the equation given by TRCSL and report back in the form of a QoS Parameter. TRCSL visited the operator's network and re-evaluated the computational methodology and the raw data obtained from Network Counters to calculate QoS Parameters. TRSL conducted twenty-one (21) Network Audits on Customer Service and Network Parameters of Voice and Broadband

Services of seven (07) PSTN operators. Furthermore, sixteen (16) audits on the adherence to VAS guidelines by PSTN operators and three (3) network capacity audits of mobile operators were conducted.

Under the surveillance activities, the division conducted 12 investigations into the sale of non-type approved telecommunication apparatus by licensed vendors and 08 inspections to monitor the adherence to the terms and conditions of the license issued by the TRCSL under Section 17. Appropriate measures have been taken if the findings reveal infringement of the terms and conditions of the license. Furthermore, 05 awareness programs were organized on the need for a license to provide telecommunication services. According to the Gazette notification relating to SIM registration, the TRCSL completed 24 audits to verify whether operators have taken measures to re-register the subscribers and 16 audits on the charging mechanisms of tariff packages offered to subscribers.

TRCSL provided necessary assistance for law enforcement agencies to analyze call records and ownership details submitted by operators for criminal and civil investigations. In addition, five investigations on illegal cable television services and technical investigations on illegal operations of telecommunications services were conducted under the scope of Investigation & Intelligence in collaboration with the Criminal Investigation Department and Police. The division streamlined SIM Device/Vendor Registration Processes and IMEI verification solutions. Further, issues related to illegal Direct to Home/Cable TV service were mitigated, and 1684 cyber harassment/social media complaints were resolved. Public awareness programs were conducted through electronic media and social media on the requirement and need of purchasing TRCSL-approved devices and services provided by approved vendors.

Furthermore, awareness programs have been conducted for school children on ethical and rightful usage of telecommunication and social media, highlighting the complaints of cyberbullying and harassment reported. Also, the compliance division took action to conduct these awareness programs through radio, television & social media with course content explicitly tailored for key target audiences of parents and students. A key highlight was the Children's Day 2021 awareness campaign conducted by the Independent Television Network on avoiding cyberbullying and harassment carried out on social media, as well as safeguarding methods for using social media.

Management of consumer complaints: Continuous meetings and discussions were held with telecommunication operators and other relevant parties to resolve consumer complaints and disputes relating to billing, Nuisance / Harassment calls, Quality of Service, Cable TV, Internet/Data, social media, Cyber harassment, and other telecommunication services. The compliance division handled a total number of 1313 customer complaints. The TRCSL acted as a mediator in tracking lost mobile phones. Complaints received daily were forwarded to the mobile phone operators, and the responses received were forwarded to the relevant police stations for the necessary action. Furthermore, arrangements were made to attend to 18,522 complaints on misplaced mobile phones received online. The process for checking such IMEI data was further streamlined by ensuring a continuous reciprocal check. The operators checked IMEI numbers of lost phones as opposed to the previous one-time check, which was ineffective and now enables the opportunity to locate a phone that was stolen even after long periods of inactivity. With the participation of telecom operators and other related parties, TRCSL resolved customer disputes related to Telecommunication Bills (523), Telecommunication Faults (184), connection issues (200), and VAS issues (93), signal & coverage (764), and Internet Data (577). Accordingly, 2341 consumer complaints were received and solved during this year. It also addressed issues related to the telecommunications environment and ensuring consumer safety. Under the scope of Consumer Relations, TRCSL contacted the CID Cyber Crime Unit to manage public complaints regarding harassing and nuisance calls, social media and cyberbullying. The number of complaints received through social media was 655, and the division took steps to provide necessary actions to 479 complaints. TRCSL issued guidelines to curb malpractices in value-added services sold by licensed mobile operators. This framework envisages, among other things, a practical mechanism for unsubscribing from value-added services. It also introduces a billing and dispute management process for consumer complaints. Operators are required to submit a monthly report on consumer complaints resolution.

Research and Developments: TRCSL conducted telecommunication-related research studies with the support of State Universities and Research institutions in Sri Lanka. TRCSL received nineteen (19) research proposals from state universities for this year's evaluation. "Blockchain and AI-empowered Cryptographic Dynamic Spectrum Access for 6G and Beyond" by the Department of Electrical & Information Engineering, University of Ruhuna, was a key project in focus; hence it was approved by the Senior Procurement Committee. The research team of Ruhuna University conducted the initial presentation. The policy and international relations division completed all research studies for 2019 and 2020 this year, and funding was also provided. It has been reported that the university students who have engaged in the last few years' research projects have benefited from their pursuit of postgraduate studies by obtaining

scholarships from reputed foreign universities and for professional advancement. It was one of the most productive opportunities we provided to universities through our telecommunications research program.

Telecommunication Surveys and Questionnaires: TRCSL obtained relevant information in coordination with telecom operators/other Government organizations and completed surveys and questionnaires after aggregating/compiling the collected information. The surveys and questionnaires that were submitted to relevant international institutions for 2021 are;

- ITU World Telecommunication /ICT Indicators Questionnaire 2021
- ITU Survey on Covid-19 Initiatives (REG4COVID 2.0)
- ITU Survey on Conformance and Interoperability
- ITU ICT Price Basket Questionnaire 2021
- APT Questionnaire on "Collaborative Response Measures to Prevent Unsolicited Commercial Communications (Spam) in Asia-Pacific Region"
- ITU Survey on Digital Infrastructure and Ecosystem Reinforcement Against COVID-19 in Asia-Pacific Connect2Recover (C2R)

International Relations: TRCSL coordinated with international organizations associated with telecom regulation (ITU, APT, SATRC, SAFIR) to receive technical and expert assistance, collaborative projects/programs, and fellowship opportunities for capacity building in the field of telecommunication/ICTs. TRCSL organized the delegation and credentials for representing Sri Lanka in the Ministerial Roundtable at ITU Digital World 2021, 6th World Telecommunication/ICT Policy Forum – ITU, 45th Session of the Management Committee of APT and 22nd Meeting of the South Asian Telecommunication Regulators' Council. Bilateral meetings were arranged with telecom regulators of the South Asian region, such as the Pakistan Telecommunication Authority (PTA), to share information and experiences. The Policy and International Relations division arranged multiple meetings with PTA experts to share their experiences with TRCSL officials to commence the "Implementation of Number Portability in Sri Lanka" project. Expert assistance programs were also continued with ITU/APT regarding Spectrum Management Roadmap, IPV6 Implementation, and the introduction of the New Licensing Framework.

The staff attended one physical training program and eighty-five online training programs/workshops and virtual meetings organized by the International Telecommunication Organizations during the COVID-19 pandemic. The capacity-building programs received from international organizations benefited the organization's staff in developing skills and adopting best practices. Furthermore, knowledge-sharing sessions were organized by conducting post-training presentations to ensure that foreign training participants shared the knowledge gained from the training among staff members.

TRCSL made necessary arrangements to issue special messages from H.E. the President, Hon. Prime Minister, Secretary-General of the ITU, Chairman, and Director General commemorate World Telecommunication and Information Society Day (WTISD) and publish them on the TRCSL website. An online event was successfully conducted with the participation of TRCSL staff, highlighting the role of ICTs during the Covid-19 global pandemic. Necessary steps have also been taken to create public awareness through the TRCSL website, social media and electronic media focusing on this year's WTISD theme, "Accelerating Digital Transformation in challenging times".

Local ICT Volunteer Program: TRCSL ICT Volunteer Program 2021 was organized in collaboration with the Ministry of Education and Vocational Training Authority to promote ICT literacy among students in remote areas of the country. Students who passed NVQ level 4 or 5 (National Certificate in ICT) and recommended by the Vocational Training Authority (VTA) were interviewed. Seventeen were selected as volunteers for the TRCSL ICT Volunteer Program 2021. These volunteers were trained for one month through a boot camp with the support of resource persons from state universities, telecom operators, and other government organizations. During this training, they were taught entrepreneurship, programming, web development, smart education, computer networking, cybersecurity, and pedagogical aspects. After training the volunteers at the boot camp, they have been dispatched to 17 schools in Matara, Hambantota, Kurunegala, Monaragala, and Kegalle Districts for their volunteering work for two months. The ICT volunteers are also considered target beneficiaries of this initiative since the experience and exposure they gain through this program will enable them to find better employment opportunities or become future entrepreneurs.

Development of NVQ Certification for Telecommunication Tower Technicians: Developing an NVQ (National Vocational Qualification) certification for Telecommunications Tower Technicians was considered a timely and important program for creating high-quality local technical manpower for the telecom industry in Sri Lanka. It has been identified that there is a shortage of professional Telecom Tower Technicians/Telecom Tower Riggers in the country. It has also become

difficult for telecom operators to recruit competent Telecommunications Tower Technicians as no valid certification is established for this occupation. Besides, there were many instances where skilled tower technicians were hired by telecom operators from other countries. There is a high demand for this job category in foreign countries. In view of specifying standards for the education and training of technical manpower in telecommunication as per the provisions set out in the Act, necessary steps were taken to initiate the development of an NVQ Certification for Telecommunications Tower Technicians in collaboration with the Tertiary & Vocational Education Commission (TVEC), National Apprenticeship and Industrial Training Authority (NAITA) and telecom operators. National Competency Standard (NCS) and Curriculum development process was carried out stage by stage as a series of online workshops. Telecom Tower Technician NCS and Curriculum development and validation of NCS and Curriculum have been completed. Validation of the newly developed NCS and Curriculum was done by a panel appointed by NAITA per the guideline of TVEC. Thereafter, the NCS and Curriculum were endorsed by TVEC.

Legal Affairs: Necessary legal actions were taken on regulatory matters in telecom, and legal advice was given to the Commission on the management of all corporate litigation. The legal advice was also provided on issues relating to the radio frequency spectrum, vendor licensing, telecommunications operator network and Section 17 system license, consumer complaints, SIM registration, websites, and administration. In addition, legal recommendations were given on many initiatives of TRCSL, including the introduction of Mobile Number Portability, IMEI Registration System, and Internal Committee for Resolution of Consumer Complaints. Special assistance was provided regarding the matters of the Contract Agreement for the Colombo Lotus Tower Construction Project and Gazetting of Quality-of-Service rules. Steps were taken to obtain Parliamentary approval for the SIM Registration Regulations. A total number of 347 Court orders relating to Criminal investigations were processed in the year 2021 and assisted the Law Enforcement Authorities in the investigation of offences.

Litigation of the Mobile & Fixed Operators in the Telecommunication sector was resolved through settlement. TRCSL played a pivotal role in key legal issues relating to the Colombo Lotus Tower. Steps were taken to acquire land for the Colombo Lotus Tower, and further acquisition of land was required to expand the commercial operations of CLT. Furthermore, necessary advice was given on key issues relating to the construction, taking over of the tower, loan agreement, commercialization of the Colombo Lotus Tower, and the formation of the management company. Initial steps were initiated this year towards the process of amending the Sri Lanka Telecommunications Act, which is being carried out on the recommendation of the Commission.

Special Projects: This year's Colombo Lotus Tower project's main focus was rectifying defects, handing over the project to the TRCSL, and completing commercial operations. However, the progress of the project was affected due to the COVID-19 pandemic.

The contractor completed minor and major defect rectifications, and CECB conducted inspections. New officers were appointed to the Cabinet Advisory Committee and the Project Committee. Relevant work was completed to check and approve the accuracy of the fire protection system with the assistance of the Fire Services Department. The building management system and fire alarm system were inspected. Requests have been made to the Colombo Municipal Council to obtain an additional sewer connection. Activities related to the scrutinization of training documents were carried out. The review of the Cabinet Memorandum for continuing and extending the service of the Project Consultancy Unit was also completed. It was highlighted to find an alternative solution to stabilize the Professional Indemnity cover. Obtaining a fire and glass insurance cover was also completed. TRCSL had to find alternative ways to obtain required guarantees as the US Department of the Treasury sanctioned CEIEC.

The contractor completed the repairing and automation of the generator. Discussions were held regarding the management and maintenance agreements. Accordingly, the approval of the Commission was obtained to appoint a committee with the participation of various parties to draft maintenance agreements for the Colombo Lotus Tower. A joint visit by JICA, the Ministry of Mass Media and Information, TRCSL, and the Project Consultancy Unit was made to study the facilities at the Lotus Tower. Preliminary discussions were held with the Ministry of Defense regarding the installation of telecommunication equipment required for the Lotus Tower. The Memorandum of Understanding (MoU) with the Ministry of Mass Media and Information was drafted on digital video transmission.

A Cabinet paper for the acquisition of the Lotus Tower has been submitted to the Ministry of Technology for approval. Weekly progress review meetings were conducted to monitor the administrative activities of the Lotus Tower, and progress was reported to relevant organizations. TRCSL was registered at the Sri Lanka Customs for the importation of equipment required for the CLT. Discussions were held with the Central Engineering Consultancy Bureau (CECB) regarding the acquisition of the project. Arrangements were made for EXIM Bank to repay the loan instalments. Advice

on project-related guarantees and Professional Indemnity cover were obtained from the Attorney General's Department.

Project activities for the completion of the New Head Office Building were coordinated. 100% physical progress was obtained on the main structure of the building, wall finishing, elevator installation, water supply and drainage, floor finishing, connecting bridges, roof, and ceiling-related works. 99% of doors and windows, 95% of fire extinguishing systems, 90% of air conditioning and ventilation, 85% of electricity, data cabling, IP-PABX, CCTV, and 85% of Wi-Fi progress. Landscaping of the new head office building has been identified as a crucial requirement. During the progress review, attention was drawn to submitting a cabinet paper on this project. Activities of the Hambantota IT Park Project are under the arbitration process, and necessary legal action is being taken in this regard. TRCSL approved the variations of the Kadirana Rehabilitation, Renovation & Refurbishment Project and requested the Engineer to complete the project with approved variations. The project concept and technical specifications have been drafted for establishing the Solar Power Project for the TRCSL main building. TRCSL has requested a feasibility report from the Ceylon Electricity Board for this project.

Administrative affairs: As of 31st December 2021, the total staff was 220. Out of the total staff, 05 were in Senior Managerial posts, 27 were in Middle managerial posts, 146 were insubordinate ranks, and 42 were in minor grades. The number of cadres approved for the TRCSL was 298. TRCSL continued its work on the proposed Scheme of Recruitment (SOR) during the year. The consultant involved in this task submitted the draft report for the review of TRCSL. Accordingly, discussions were held with heads of divisions to verify the proposed organigrams for the respective divisions. This activity is being carried out under the direction and guidance of the Commission of TRCSL. Vacancies in the executive staff are to be filled as per the approved Scheme of Recruitment. During this year, necessary steps were taken to prepare employee performance appraisals and increments. The employees were confirmed in their respective posts upon completing the probation period. Under the internal promotion scheme, 3 Office Aides were promoted from Grade II to Grade I, whilst 3 Management Assistants were promoted from Grade II to Grade I. The recruitment of 6 Consumer Relations Officers (CROs) was completed. These 06 CROs were promoted from Development Officer & Assistant Accountant Posts. Employee progress reviews, promotions, and salary conversions were prepared. Registration of officers with the Employees Provident Fund was concluded. The total number of new 2/3rd reimbursements, distress loans, and vehicle loans arranged by the division for the year 2021 were 01, 24, and 01, respectively. Gratuity payments were also made for three retired employees.

Considering the successful performance and fulfilment of qualifications, seven contract employees were offered permanent employment. Whilst one officer was absorbed into the permanent cadre of TRCSL after being permanently released from public service. Seventeen students from Government universities and vocational training institutes were recruited as trainees for a 06-month on the job training to gain industry experience. Despite mobility restrictions imposed throughout the year, the division successfully conducted an Efficiency bar examination for Assistant Directors, Secretary to DG, Management Assistants (Technical) Grade II, Management Assistants (Non-Technical) Grade-II, Driver Grade-II, and Office Aide Grade II categories of the staff.

Upon the directives of the Audit Committee of TRCSL, the administration division reviewed and amended the procedure for issuing distress loans for the staff and obtained the approval of the Commission of TRCSL for the draft circular. The software was developed to automate the manual processes of TRCSL. It includes allocating vehicles for official duties and issuing travel passes for official requirements during the COVID-19 lockdown period. The vehicles were allocated for inspection visits, transporting officials for official duties, multiple official duties, staff welfare activities, etc. Vehicle revenue licenses, services, and repairs were also carried out. The auctioning activities of 04 vehicles were carried out during the year, and bids were accepted from interested parties. This year, facilities were provided for 95 local and foreign training opportunities to enhance the knowledge, attitudes, skills, and performance of the staff. Due to the COVID-19 situation, international organizations are encouraged to participate in their training, workshops, and meetings through virtual platforms. One foreign fellowship training was attended, and the rest of the local/foreign training was held online.

The Commission approved the Annual Procurement Plan for 2021. During this period, 14 Senior Procurement Committee meetings were held. This year, 24 procurement activities carried forward from 2020 were completed, whilst progress of 65% was achieved from the procurement plan of 2021. The Annual Board of Survey for 2020 was conducted in January 2021 with a board comprising seven members. Identified items to be disposed and steps were taken to dispose of the items according to the standard procedure. The auction of goods for 2019 was held, and an auction committee was appointed to conduct the auction for the year 2020. Action Plan 2022 and Corporate Plan 2022-2024

were prepared in collaboration with all Heads of Divisions. These reports were submitted to the relevant ministries and institutions per the guidelines.

Furthermore, TRCSL conducted mandatory quarterly progress review meetings to ensure that the annual action plan 2021 objectives are on track. And quarterly progress reports and monthly project reports were submitted within the stipulated time frame with the assistance of the relevant Division Heads. The Annual Report 2020 with the Financial Statement was submitted to the National Audit Office and other relevant organizations as per the guidelines. The finalized Annual Report was submitted for the concurrence of the Cabinet of Ministers through the Ministry of Technology after obtaining the approval of the Commission.

Digitalization Initiatives: As per the recommendation of the Commission, the Information Technology Unit was established as a division to achieve the digitalization goals of the organization. The work carried out by the IT division in 2021 includes; improvement of network capability, infrastructure development, ensuring information security, management of IT equipment, network switch replacements, PABX system capacity enhancement, IMEI database in-house development, initiation of process automation in selected divisions using the latest technology available in the industry, Human Resource Management system, relevant internal IT policy formulation, IT asset Management System, TRCSL SMS portal, application tracking system, Digital signature implementation, and conducting training/awareness programs for the staff.

Financial Affairs: The Annual Budget and the Statement of Delegation of Financial Authority were completed. Annual Financial Statements for 2020 were prepared and submitted to relevant organizations with the approval of the Commission. Final income tax calculation and preparation of income tax annual returns payable for the assessment year 2020/2021 were completed. The Financial Statement and Quarterly Income Tax Report for the last quarter of 2021 are being prepared. All taxes under the Finance Act and the Telecommunication Levy Act were collected on time and remitted to the Consolidated Fund. TRCSL collected the relevant taxes under the Inland Revenue Act (Valued Added Tax, Pay As You Earn tax / Advance Personal Income Tax, Stamp Duty), and contributions to employee benefits (EPF & ETF) were made. IT division initiated the automation process of the finance division to provide services to the consumers and operators without delay.

Internal Auditing: During this year, TRCSL engaged in supporting internal auditing, making recommendations to improve the organization's objectives, governance, risk management, control processes, operating efficiently, and adhering to the rules. Furthermore, internal audit investigations were conducted and provided relevant audit reviews and evaluations to protect against losses and fraud. Reports of special internal audits were also prepared at the request of the Commission. During this year, 05 Audit Committee meetings were held, and appropriate decisions on the relevant internal audit findings were reported. Actions were taken to implement the recommendations of the Audit Committee in the relevant divisions. It's been decided to conduct IT process audits of the organization in the future.

Achievements: TRCSL participated in the Best Annual Reports Awards Competition organized by the Institute of Chartered Accountants of Sri Lanka in 2019. TRCSL won the gold award in the statutory organizations' segment and the overall silver award across all the public sector organizations in this competition. It signifies the regulatory and financial compliance standards, governance, and reporting standards of the organization.

INITIATIVES OF THE TRCSL FOR 2021 ADAPTING TO COVID-19 PANDEMIC

- Work from Home/Work from Office environment has been set up.
- The arrangement was made to get familiarized with the culture of the Work From Home environment.
- All Government circulars/regulations relating to work from home procedures have been implemented.
- Online meeting/customer online appointment facilities have been introduced for the public to contact TRCSL officials during the Work from Home (WFH) period to obtain essential services.
- PABX system & call routing facility have been upgraded for the customers to contact TRCSL officers easily.
- Travel passes have been arranged for staff to report to the office.
- Health preventive measures have been implemented at office premises.
- Staff details have been collected through online surveys for taking necessary health and safety measures.
- Office transport has been arranged for staff officers who travel on public transport.
- The duty roster for each division has been arranged with regard to reporting to the office to ensure the smooth functioning of office work.
- Online meetings/sessions have been conducted with Heads of Divisions, Ministries and International organizations.
- Awareness programs have been conducted through the official website, social media platforms, and electronic media.
- Public complaints about social media, online harassment, etc., have been addressed.
- COVID-19 related messages have been disseminated through official channels of social media platforms.
- Employees infected with COVID-19 were facilitated to reimburse the expenses relating to PCR tests, and financial aid was also provided through the welfare society.
- Face masks have been distributed among the staff to maintain personal safety.
- Staff coordination and communication during WFH were established through WhatsApp groups, MS Teams and emails.
- Records of duties carried out during WFH have been gathered using the MS Teams platform.
- WhatsApp groups were created among minor staff to circulate information.
- Special tariff packages have been introduced with licenced operators' assistance to meet consumers' rapidly changing demands during the COVID-19 pandemic.
- Study materials related to training have been disseminated among the staff through knowledge-sharing channels.
- Staff and progress review meetings have been conducted through the MS Teams platform.
- Progress review meetings of Colombo Lotus Tower activities were coordinated with relevant parties through online platforms.
- Dedicated email addresses have been created for divisions to receive and respond to official correspondence and customer inquiries.
- Necessary measures have been made to continue the short codes assigned for essential health initiatives of the Health Promotion Bureau to deal with public queries and follow-up actions with operators.
- Short codes have been assigned for obtaining COVID-19 information in coordination with fixed and mobile operators.
- Regulatory and operational issues that arose during the COVID-19 emergency were addressed in coordination with relevant parties.
- Facilities have been arranged to continue the free data access of state e-learning platforms of schools and universities.
- Revenue was collected with the support of relevant divisions, and receipts of the levies/taxes paid by the operators were confirmed via an e-banking facility.
- Necessary arrangements were made for the universities to conduct their R&D progress presentations.
- Complaints received through the "iNeed" online Portal system have been addressed with the support of Sri Lanka Police and operators.
- Field visits have been arranged in rural areas to verify and gather coverage data under the Gamata Sannivedanaya project.
- Operators were informed to continue their consumer services during the COVID-19 lockdown, irrespective of pending bill payments.
- Operators were encouraged to introduce e-billing mechanisms during the lockdown period.
- Arrangements were made for the customers to obtain payment related information via email and to make POS card payments, direct deposits and bank fund transfers.
- A help desk has been set up to handle customer requests.










INITIATIVES FOR ACHIEVING SUSTAINABLE DEVELOPMENT GOALS






The global understanding of development is now moving towards Sustainable Development which promotes prosperity, economic opportunity, protection of the environment, and greater social well-being. In this context, Telecommunications/Information and Communication Technologies (ICTs) are considered the main enablers in achieving the Sustainable Development Goals (SDGs).







Sustainable Development Goals adopted by the United Nations General Assembly recognize that the proliferation of ICTs associated with global interconnectedness has great potential in accelerating human progress and bridging the digital divide.

We incorporated SDG initiatives in our action plans for 2021 to accelerate the achievement of the SDGs in the telecommunication/ICTs sector.

| Actions | Achievements | SDG Goals/Objectives |
|---|--|---|
| <i>Introduction of innovative initiatives such as 5G Trials, Number Portability and IPv6 Implementation</i> | <ul style="list-style-type: none"> 5G Road Map Industry consultation and 5G trials are in progress. Number Portability initiative and establishment of a company by telecom operators are in progress. Draft regulations relevant to the number portability were sent to operators. Under IPv6 implementations, the work plan was finalized, and questions to collect the status of networks were sent to operators. The collection of responses is in progress. Undersea Submarine Cable Resilience Framework was launched by the Ministry of Foreign Affairs and the United Nations Office on Drugs and Crime. |  <p>SDG 8 – Decent work and economic growth. Promote inclusive and sustainable economic growth, employment, and decent work for all.</p>  <p>SDG 9 – Industry, innovation and infrastructure. Build resilient infrastructure, promote sustainable industrialization and foster innovation.</p> |
| <i>Process for formulating amendments / new Act to meet the rapid developments of the telecom industry</i> | <ul style="list-style-type: none"> The Cabinet of Ministers has approved, authorizing the Telecommunications Regulatory Commission of Sri Lanka to appoint a committee comprising of intellectuals and experts, including a representative from the Attorney General’s Department, to prepare a Concept Paper. Accordingly, the Commission has nominated members to the Committee to prepare a Concept Paper to amend the Sri Lanka Telecommunications Act, No.25 of 1991. Awaiting acceptance of the nomination by Chairman & Committee. |  <p>SDG 8 – Decent work and economic growth. Promote inclusive and sustainable economic growth, employment and decent work for all.</p> |
| <i>Ensure the Operators’ adherence to the Quality-of-Service parameters set by TRCSL for voice and data/broadband services.</i> | <ul style="list-style-type: none"> Existing Quality of Service parameters have been analyzed and relevant QoS reports were obtained on time. <ul style="list-style-type: none"> ⇒ For Fixed operators- All three operators have submitted measurements of 16 parameters. ⇒ For Mobile Operators-All four mobile operators have submitted measurements of 14 parameters. Voice QoS rules were introduced to operators. Internet speed was measured in different locations in the country prior to the discussion with operators to make amendments to existing broadband parameters. |  <p>SDG 8 – Decent work and economic growth. Promote inclusive and sustainable economic growth, employment and decent work for all.</p>  <p>SDG 9 – Industry, innovation and infrastructure. Build resilient infrastructure, promote sustainable industrialization and foster innovation.</p> |

| | | |
|---|---|--|
| <p><i>Conduct awareness programmes for general public on the requirement of obtaining licenses under the provisions of the Act to provide various telecommunication services.</i></p> | <ul style="list-style-type: none"> • Awareness had been made to educate the general public on basic information about the legal framework of TRCSL via leaflets, Radio & TV programs, and social media. • Due to the Covid-19 limitations, physical awareness programs were not carried out. |  <p>SDG 8 – Decent work and economic growth. Promote inclusive and sustainable economic growth, employment and decent work for all.</p> |
| <p><i>Efficiently processing of Tariff proposals submitted by the operators</i></p> | <ul style="list-style-type: none"> • Tariff proposals processed during the year are as follows: <ul style="list-style-type: none"> ⇒ Seasonal proposals - 19 ⇒ Promotional proposals - 48 ⇒ Permanent Proposals - 27 • New packages were introduced for work from home and learn from home requirements |  <p>SDG 8 – Decent work and economic growth. Promote inclusive and sustainable economic growth, employment and decent work for all.</p> |
| <p><i>“Gamata Sannivedanaya” project was commenced (Connect Sri Lanka) to fulfil island wide 100% 4G/Fiber broadband coverage</i></p> | <ul style="list-style-type: none"> • Thirty-five (35) tower constructions have been planned in Rathnapura District. Out of the above, 24 towers are currently in operation. • Forty-seven (47) sites were allocated in Kurunegala District. The tower approval process for tower erection is in progress and 02 towers were commissioned. • No. of towers allocated for respective districts are as follows; <ul style="list-style-type: none"> ⇒ Matara : 22 ⇒ Kandy : 33 ⇒ Anuradhapura : 31 ⇒ Badulla : 34 ⇒ Kalutara : 34 ⇒ Kegalle : 34 ⇒ Jaffna : 11 ⇒ Trincomalee : 08 |  <p>SDG 8 – Decent work and economic growth. Promote inclusive and sustainable economic growth, employment and decent work for all.</p>  <p>SDG 10 – Reduced inequalities. Reduce inequality within and among countries.</p>  <p>SDG 11 – sustainable cities and communities. Make cities inclusive, safe, resilient and sustainable.</p> |
| <p><i>Ensure reasonable and justifiable solutions to customers and operators.</i></p> | <ul style="list-style-type: none"> • Correspondence of consumer complaints was processed on nuisance calls, signal/coverage, billing, telephone faults, connection, VAS, data, internet etc. • Requests on misplaced mobile phones were handled with the use of the “iNeed” system to trace lost mobiles. |  <p>SDG 8 – Decent work and economic growth. Promote inclusive and sustainable economic growth, employment and decent work for all.</p>  <p>SDG 10 – Reduced inequalities. Reduce inequality within and among countries.</p>  <p>SDG 16 – Peace, justice and strong institutions. Promote just, peaceful and inclusive societies.</p> |
| <p><i>Ensure customer protection with regard to telecommunication.</i></p> | <ul style="list-style-type: none"> • Meetings were conducted with licenced operators and steps were taken to resolve consumer issues. |  <p>SDG 10 – Reduced inequalities. Reduce inequality within and among countries.</p> |

| | | |
|---|---|---|
| <p><i>Review the existing numbering plan and introduction of toll-free number range.</i></p> | <ul style="list-style-type: none"> • Clarifications were obtained from operators regarding the toll-free number allocation. |  <p>SDG 8 – Decent work and economic growth. Promote inclusive and sustainable economic growth, employment and decent work for all.</p>  <p>SDG 9 – Industry, innovation and infrastructure. Build resilient infrastructure, promote sustainable industrialization and foster innovation.</p> |
| <p><i>Tower reconciliation process</i></p> | <ul style="list-style-type: none"> • TRCSL has continued the reconciliation of the On-Air site list of the operators with the data available at the Antenna Structure Management System, and the reconciliation process for two mobile operators was completed. • Once the reconciliation process is over Operators are requested to submit fresh applications for regularizing unverified towers. |  <p>SDG 9 – Industry, innovation and infrastructure. Build resilient infrastructure, promote sustainable industrialization and foster innovation.</p> |
| <p><i>Monitoring the operations of Cable TV Service Providers.</i></p> | <ul style="list-style-type: none"> • Technical details of the cable TV network system are collected from the operators. • TRCSL engaged in controlling the illegal cable TV operations throughout the country with the assistance of the Criminal Investigation Department. |  <p>SDG 9 – Industry, innovation and infrastructure. Build resilient infrastructure, promote sustainable industrialization and foster innovation.</p> |
| <p><i>Coordinating with international organizations regarding the training activities</i></p> | <ul style="list-style-type: none"> • International Organizations conducted Conferences and training programs through virtual/online platforms due to the COVID-19 pandemic. • Upon the approval of the Advanced Training Committee and the Ministry, officials were selected to participate in online training programs. • Online knowledge-sharing programs were conducted to disburse the staff's knowledge gained from the training programs. |  <p>SDG 4 – Quality education. Ensure inclusive and quality education for all and promote lifelong learning.</p>  <p>SDG 9 – Industry, innovation and infrastructure. Build resilient infrastructure, promote sustainable industrialization and foster innovation.</p> |
| <p><i>Development of NVQ certification for telecom tower technicians' occupation in collaboration with TVEC and NAITA</i></p> | <ul style="list-style-type: none"> • National Competency Standard (NCS) and Curriculum development process was carried out stage-by-stage as a series of online workshops. • NCS, Curriculum development and validation of NCS and Curriculum have been completed in coordination with NAITA. • Developed NCS and Curriculum were endorsed by TVEC. |  <p>SDG 4 – Quality education. Ensure inclusive and quality education for all and promote lifelong learning.</p>  <p>SDG 9 – Industry, innovation and infrastructure. Build resilient infrastructure, promote sustainable industrialization and foster innovation.</p> |
| <p><i>WTISD theme programme 2021</i></p> | <ul style="list-style-type: none"> • Awareness programs were conducted on the theme of WTISD 2021 "Accelerating Digital Transformation in challenging times" |  <p>SDG 4 – Quality education. Ensure inclusive and quality education for all and promote lifelong learning.</p> |

| | | |
|--|---|---|
| <p><i>ICT capacity building (IT and other staff)</i></p> | <ul style="list-style-type: none"> • ICT Capacity building programs were conducted on the ICT solutions introduced to the staff. |  <p>SDG 4 – Quality education. Ensure inclusive and quality education for all and promote lifelong learning.</p> |
| <p><i>Local ICT Volunteer program with the assistance of MOE and VTA</i></p> | <ul style="list-style-type: none"> • The program was jointly organized with the ICT Branch, Ministry of Education, to develop ICT literacy, especially among students in remote areas. • The ICT volunteers are also considered target beneficiaries since the experience and exposure they gain through this initiative will enable them to find better employment opportunities or become future entrepreneurs. • Volunteers were trained for one month through an online boot camp with the assistance of government organizations, universities, and operators. • ICT volunteers were dispatched to 17 schools in Monaragala, Hambanthota, Matara, Kurunegala, and Kegalle districts in coordination with the Ministry of Education for two months. |  <p>SDG 4 – Quality education. Ensure inclusive and quality education for all and promote lifelong learning.</p>  <p>SDG 9 – Industry, innovation and infrastructure. Build resilient infrastructure, promote sustainable industrialization and foster innovation.</p>  <p>SDG 10 – Reduced inequalities. Reduce inequality within and among countries.</p> |
| <p><i>ITU / APT assistance programmes.</i></p> | <ul style="list-style-type: none"> • ITU Expert assistance for Spectrum Road Map was completed. The ITU presented the final report in this regard. • ITU Expert assistance for Licensing was completed. TRCSL received the final report in this regard from the ITU. • APT Expert assistance program for Preparation of IPV6 transition road map and data collection from ISPs have been initiated. |  <p>SDG 9 - Industry, innovation and infrastructure. Build resilient infrastructure, promote sustainable industrialization and foster innovation.</p>  <p>SDG 17 - Partnerships for the goals. Revitalize the global partnership for sustainable development.</p> |

TELECOMMUNICATIONS SECTOR DEMOGRAPHICS

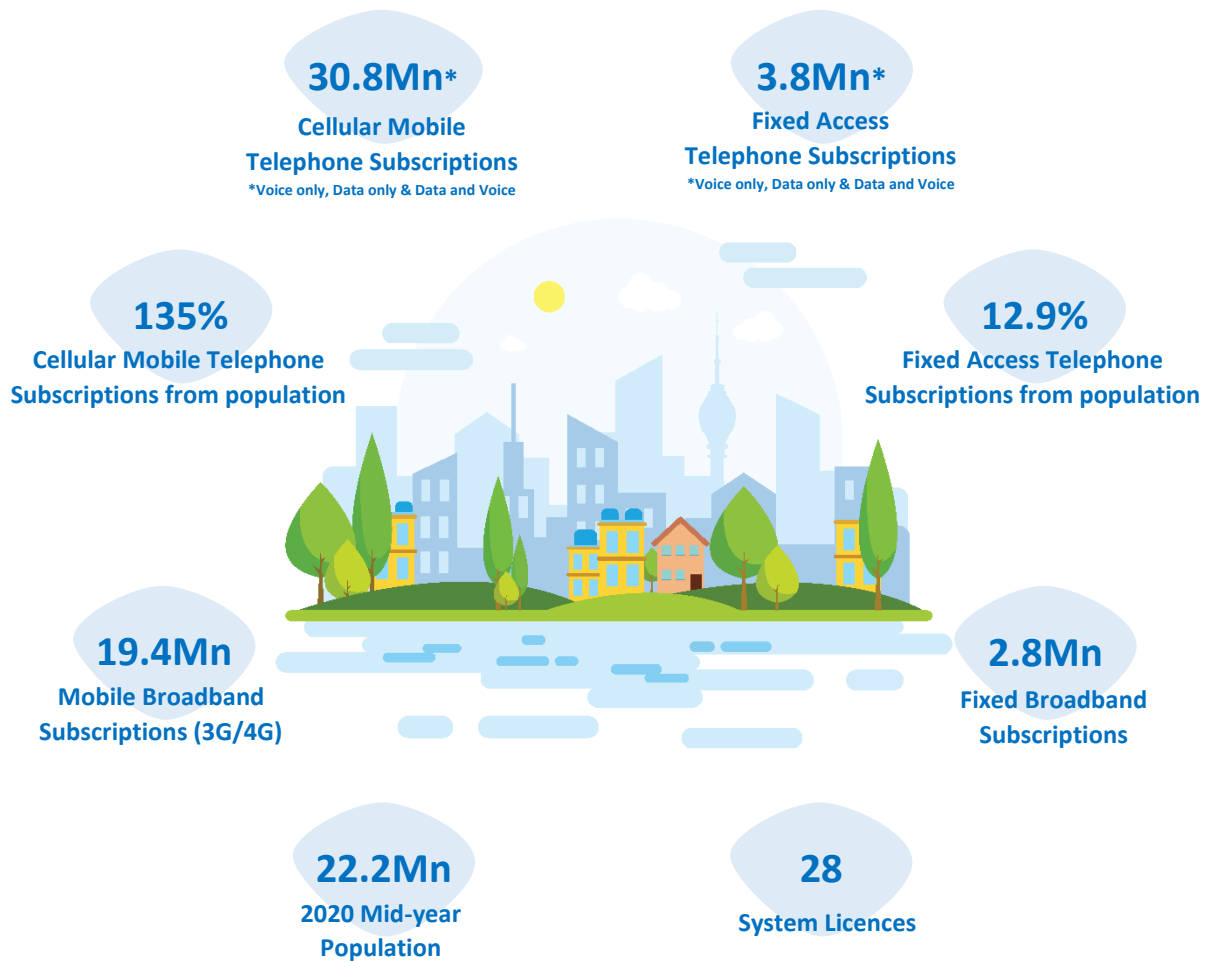


Table 01: Statistical Overview of the Telecommunication Sector

| | |
|--|-------------|
| Number of System Licenses | 28 |
| Fixed Access Telephone Subscriptions (Voice Only) | 995,219 |
| Fixed Access Telephone Subscriptions (Voice & Data) | 1,856,370 |
| Fixed Access Telephone Subscriptions (Data Only) | 986,702 |
| Total Fixed Access Telephone Subscriptions | 3,838,291 |
| Fixed Access Telephone Density (per 100 inhabitants) | 12.9 |
| Cellular Mobile Telephone Subscriptions (Voice only) | 8,375,246 |
| Cellular Mobile Telephone Subscriptions (Voice & Data) | 21,583,606 |
| Cellular Mobile Telephone Subscriptions (Data Only) | 865,276 |
| Total Cellular Mobile Telephone Subscriptions | 30,824,128 |
| Cellular Mobile Density (per 100 inhabitants) | 135 |
| Fixed Broadband Subscriptions | 2,813,742 |
| Mobile Broadband Subscriptions (3G, 4G) | 19,422,091* |

*Provisional data

Chart 01: No. of System Licences

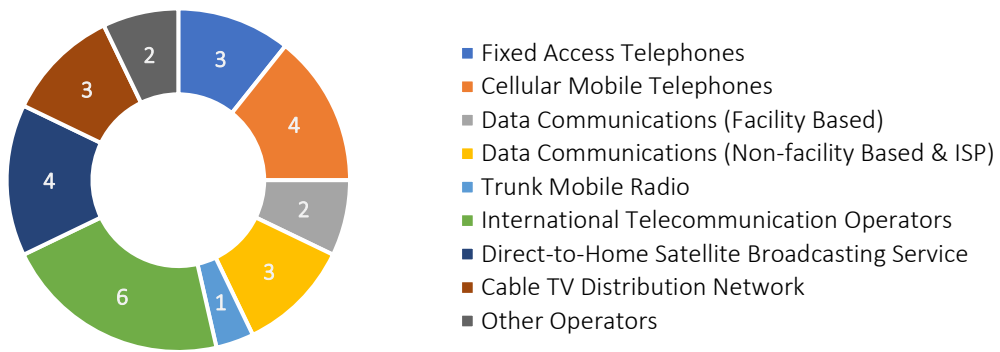
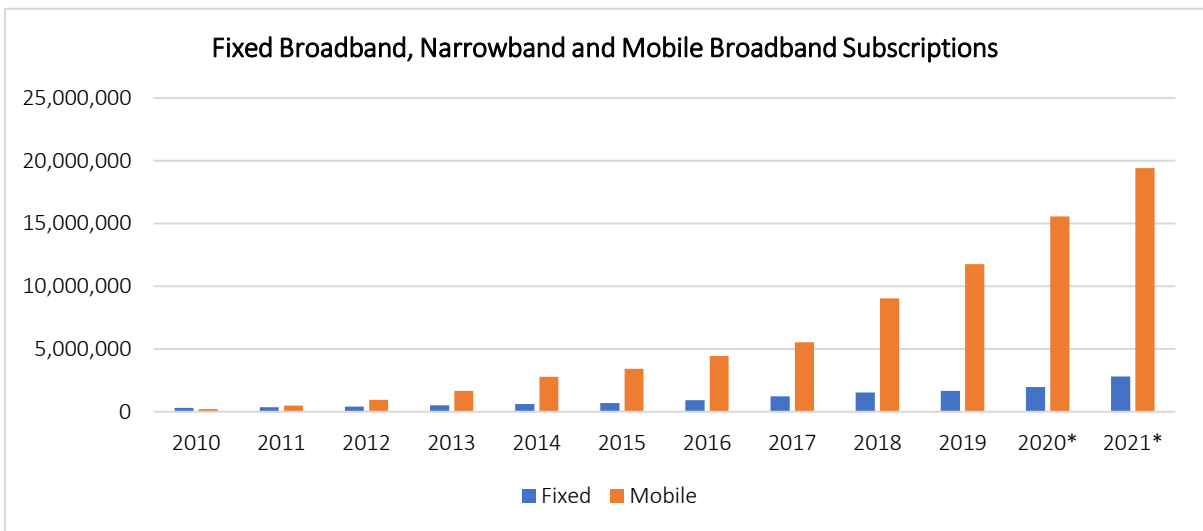
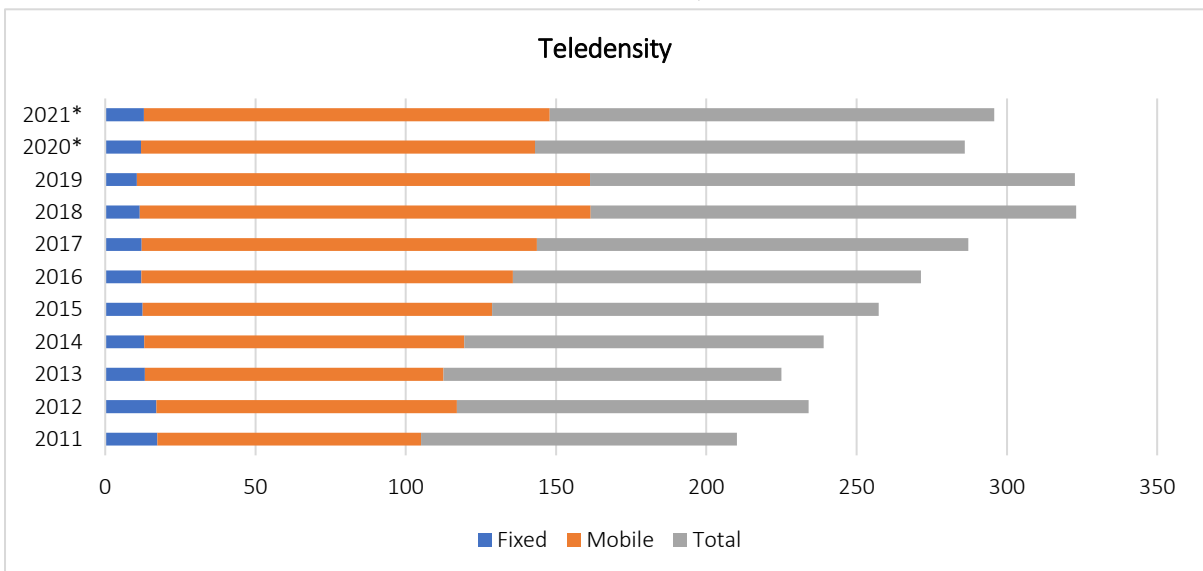


Chart 02: Fixed Broadband, Narrowband and Mobile Broadband Subscriptions



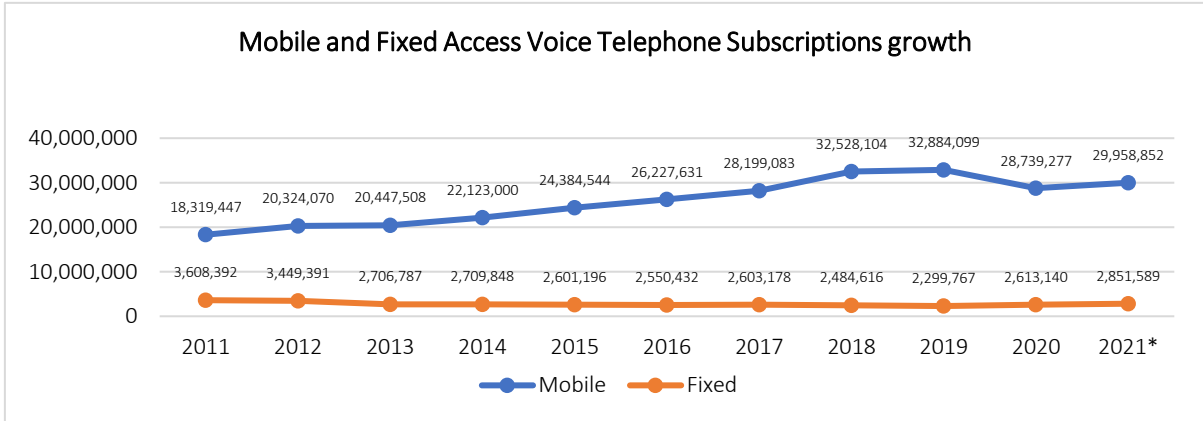
*Provisional data

Chart 03: Teledensity



*Provisional data

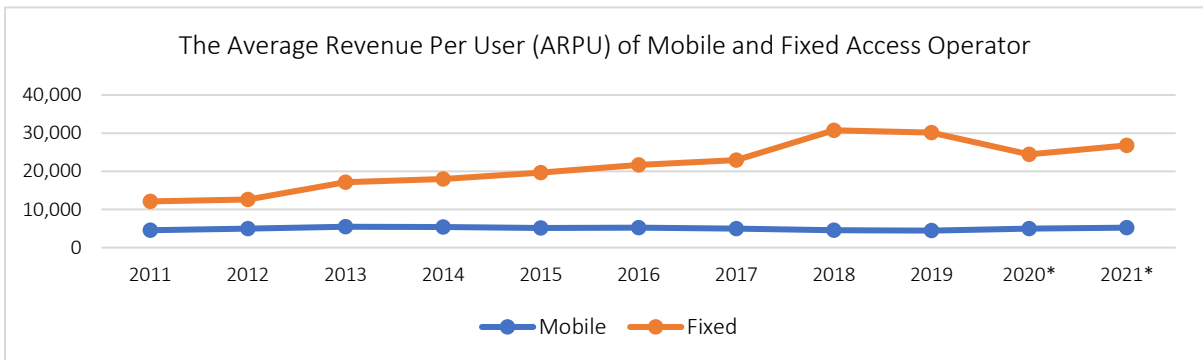
Chart 04: Mobile and Fixed Access Voice Telephone Subscriptions growth



*Provisional data & Mobile and Fixed Data Only Subscriptions were not included for easy comparison

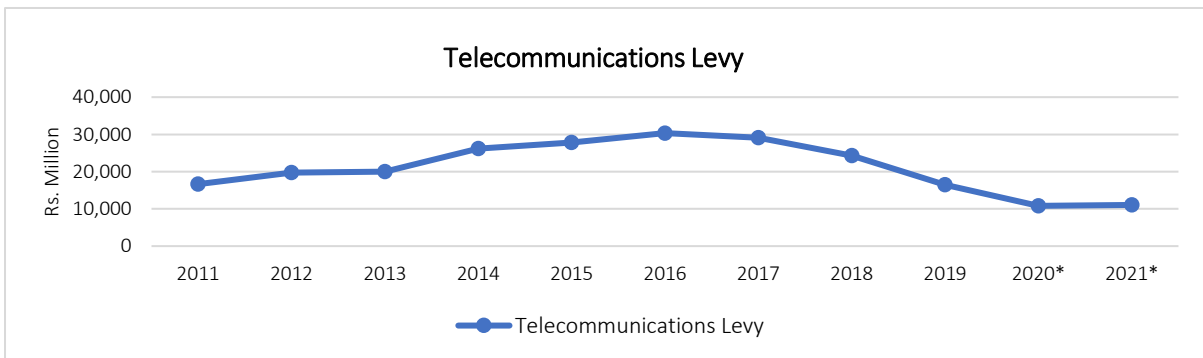
Following table and chart displays on yearly basis the new investments made by the Mobile and Fixed service providers. [Investments include the additions to property plant, equipment, and intangible assets and work in progress]

Chart 05: The Average Revenue Per User (ARPU) of Mobile and Fixed Access Operator



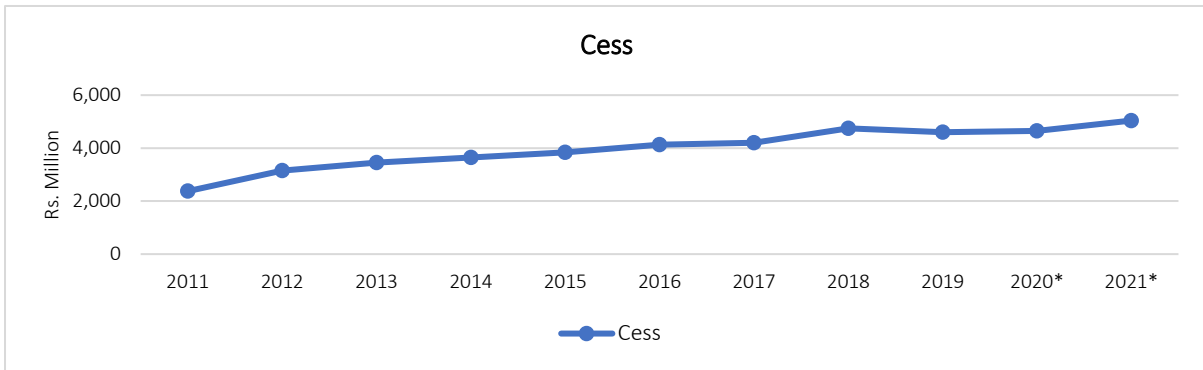
*Provisional data

Chart 06: Growth of Telecommunications Levy



* Provisional data

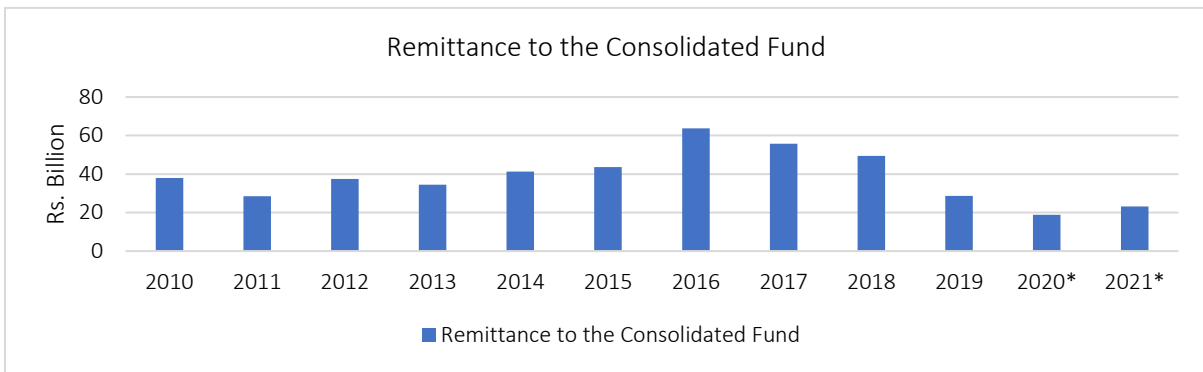
Chart 07: Cess



*Provisional data

TRCSL remittances the sector revenue to the Government Treasury consolidated fund for the country socio economic development.

Chart 08: Remittance to the Consolidated Fund



*Provisional data

LICENCE MANAGEMENT

OVERVIEW

Telecommunications Regulatory Commission must ensure the provision of reliable and efficient national and international telecommunication services in Sri Lanka to satisfy all reasonable demands for such services considered essential for the national wellbeing.

The licenced operator ensures that services are delivered as per the provisions in Section 17 of the Telecommunication Act No. 25 of 1991 as amended by Act 27 of 1996.

As per the section mentioned above of the Act, no person shall operate a public telecommunication system in Sri Lanka except under the authority of a system licence.

The Minister formally granted the system licenses, subject to public consultation and recommendation of the Commission.

Legal Framework

TRCSL is mandated to ensure the provision of reliable and efficient national and international telecommunication services to satisfy all reasonable demands for such services. Telecommunication services can be made available only by means of Telecommunication Systems established and operated by Telecommunication Operators.

The Telecommunication Sector in Sri Lanka is governed by the Telecommunication Act No 25 of 1991 as amended. The licensing of telecommunication operators is governed by Section 17-20 of the Act.

- Section 17 stipulates that no person shall operate a telecommunication system except under the authority of a licence granted by the Minister, which may be on the recommendation of the Commission.
- As per Section 18 of the Act, the Commission may recommend the modification of any condition of any licence to the Minister.
- As per Section 19, a person who operates a telecommunication system without obtaining a Licence under Section 17 of the Act shall be guilty of an offence under the Act.
- As per Section 18 A of the Act, an operator shall not permit the use of the telecommunication system in respect of which a licence is issued to such operator by any person for the purpose of sending and receiving messages by such person by way of business on the payment of a fee or reward, without obtaining the prior approval of the Commission. On the application being made by an operator, the Commission shall grant approval by the issue of a permit to the operator, which shall be subject to such terms and conditions as may be specified therein.
- As per section 20 of the Act, any private network that extends beyond the boundaries of an area corresponding to the premises occupied by the person operating the system shall obtain a Licence from the Commission for the type of telecommunication system being operated.

Licences Issued

The current Licensing regime in Sri Lanka are as follows;

- a) Facility based operators (FBO)
Operators are authorized to own network facilities and provide services
- b) Non-Facility Based operators (NFBO)
Operators are authorized to own network facilities, but Limited Resources are not assigned, and such resources shall be shared with FBOs
- c) Facility Providers
Operators are authorized to own network facilities but not allowed to provide retail services. Connectivity facilities can be provided only to operators and broadcasters.

All are system operators as per Section 17 of the Act, and no service-only permits are issued as per Section 18 A of the Act. Most of the Licences are of the category (a) mentioned above. There are three Licences issued under category (b) and one Licence issued under category (c).

Current Service Authorization Regime

- Single Authorization (e.g., DTH)
- Multiple Authorization (most of the Licences)

All are individual Licences and no class Licences have been issued.

Licensing Framework

To provide a conducive environment for market growth and improvement of the well-being of society, the Commission expects the convergence of technologies and services. TRCSL also considers the following features in this respect.

- Promote the competition
- Quality of service
- Deployment of new technology
- Efficiency and convergence
- Open Access

A total of 28 licences have been issued under a variety of different network categories under multiple service authorization-regime as at 31st December 2021.

- Fixed Telecommunication System Operators (“Fixed”) – 3 licences
- Mobile Telecommunication System Operators (“Mobile”) – 4 licences
- External Gateway Operators (“EGO”) – 6 licences
- Cable Distribution Network Operators (“CDN”) – 3 licences
- Data Communications system Operators (“Data”) – 2 licences
- Non-facility-based Internet Service Providers (“ISP”) – 3 licences
- Direct-to-Home Satellite Broadcasting Service Providers (“DTH”) – 4 licences
- Trunk Mobile Communication Service Providers (“TMCS”) – 1 licence
- Infrastructure Service Providers (“Infrastructure”) – 1 licence
- Satellite Service Providers (“Satellite”) – 1 licence

Full details of all the licences are available on the TRCSL website.

Different types of services authorized under the above 28 licences are as follows.

- Leased Line Service
- Public Payphone Service
- Backhaul Services
- Data Communication Service
- Facsimile Service
- International Television Transmission
- Maritime Services
- Network Access Service
- Next Generation (NGN) Services
- Satellite Services including INMARSAT
- Voicemail Service
- Voice Telephony Services
- Wireless Fidelity (Wi-Fi) Services
- Leasing of excess capacity on Microwave or Optical backbone to other licensed operators
- Data Service including circuit switch data SMS, USSD, WAP, MMS, GPRS, EDGE and future developments of cellular-related Data Services
- GSM based service including location-based services and any future developments of GSM based services
- Wireless Fidelity (Wi-Fi) based Data Communication Service for indoor application
- Television Transmission Service
- Virtual Private Network (VPN) Service
- Internet Services
- Switched and non-switched data communication Service
- Telex
- Electronic mail
- Data Processing services related to air transport industry

- SITAFAX-featuring multi addressing and multi-copy capabilities
- Cable TV
- Group calling
- Priority calls over-ride
- Fleet / Dispatch call
- Closed User Group
- Leased Line Services (restricted)
- Capacities associated with space stations on board of a space object for domestic/foreign operator
- Control, monitor and test functions related to use, maintenance, operation and control of space objects
- International Transit Service
- Telemetry, Tracking and Command (TT&C)
- Colocation (Hosting) Services
- Maritime Connectivity.

Regulatory Aspects

As the country moves toward a converged digital economy, the telecom service categories of the conventional licensing framework will become outdated. Therefore, adopting a more holistic and sustainable licensing framework is necessary. The Commission wishes to gradually migrate to a new licensing framework to achieve socio-economic development in the country, considering the industry's sustainability.

The aim is to establish a robust regulatory framework that implements international best practices along with the provisions set out in the Act. It enables licensees to develop affordable and widely available services to meet the rapidly changing needs of the consumers.

Licensing framework will be adopted considering the following:

- Technology consolidation and neutrality
- Service consolidation and neutrality
- Fewer licence categories
- Licence categories that reflect current and future policy prerogatives
- Use of unified licences (a single licence for multiple services)
- Simplified and more efficient administration.

The first step to adopt the above-mentioned principles is to consolidate the current individual operator licences in terms of service and network categories. The second step is the introduction of converged or unified licences.

Divisional Performance

TRCSL conducted a public consultation in collaboration with ITU regarding a proposed new licencing framework with the aim of service and technology convergence and shifting the existing licencing framework towards unified licensing. A road map was prepared for this purpose.

Vital prerequisites to be implemented before introducing a new framework were identified during the public consultation. Infrastructure sharing guideline is scheduled to be implemented with the assistance of ITU as one of the prerequisites. TRCSL will orderly migrate its licensing framework after fulfilling the prerequisites.

Network approval is considered an essential requirement of the Section 17 licence. Therefore, an initiative has been taken to implement this network approval process based on the inspection of the operating system/service. Network Approvals were issued with regard to two licences after the inspection of the complete telecommunication systems.

The current licence guideline covers the procedures for issuance, renewal and modifications of Licences. However, no dedicated chapter is available for the renewal of licences in the current licence guideline. The current renewal procedure for a new Licence causes an undue delay in the renewal of licences. Therefore, a new guideline was prepared and referred to AG's department for legal clearance to enhance the licensing procedure. It includes new aspects of the transfer of ownership, revocation etc.

Following Licences have been renewed in 2021.

- Lanka Communication Services (Pvt) Ltd Facility based Data service Licence
- City Cable Links (Pvt) Ltd facility based CDN Licence
- TATA Communications Lanka Limited Non-facility-based ISP licence
- Dialog Broadband Networks (Pvt) Ltd Non-facility-based ISP Licence

Following Licences are under renewal process:

- Sri Lanka Telecom PLC Facility based Fixed Service licence
- Hutchison Telecommunications Lanka (Pvt) Limited Facility based Mobile Service Licence
- Lanka Education and Research Network (LEARN) Non-Facility based ISP Licence
- Dish TV Lanka (Pvt) Limited Facility based DTH Licence
- Dialog Television (Pvt) Limited Facility based DTH Licence

NETWORKS

OVERVIEW

The Networks Division of the Telecommunication Regulatory Commission regulates issues related to public and private telecommunication networks operating in Sri Lanka.

Areas that come under the purview of the Networks Division are managing the National Numbering Plan for public telecommunications networks, assigning signaling codes, assigning mobile network codes, assigning object identifiers, facilitating telecom infrastructure deployment, licensing of telecommunications equipment vendors, issuance of type approval certificates, import and customs clearances for network equipment, enabling the introduction of new technologies to the telecommunication networks in Sri Lanka.

FUNCTIONS

Main functions carried out by Networks Division under different areas in the year 2021 in accordance with the provisions in the Telecommunications Act are described below.

Numbering

Numbering resource that is required for telecommunications networks is a scarce resource. TRCSL is responsible for managing the National Numbering Plan of the telecommunications industry of Sri Lanka. The Numbering Plan sets out the framework and guidelines for using numbering resources available for telecommunications networks in the country. Since Numbering is a scarce resource, it has to be managed with proper planning. Hence the Numbering plan is revised from time to time according to the industry's demand, which depends on new developments and current trends in the industry. Given below is a summary of the activities related to this function.

- Managing the national numbering resource
- Assigning Short Codes for government and private organizations
- Coordinating with telecommunications operators on matters related to Short Codes
- Allocating International and National Signaling Point Codes, network codes to telecommunications operators
- Allocating Object Identifiers (OID)s

Implementation of Number portability

The Commission has taken a policy decision to implement Number portability in telecommunication networks of Sri Lanka. An internal committee has been formed under the leadership of the Networks Division. A public consultation was carried out to get views of the industries and other interested parties. Based on the responses and the discussions had with the industry, a suitable operational and technical model was decided. TRCSL and telco operators are taking further steps required to implement number portability.

Preparation of IPv6 Roadmap

Action has been taken to implement the IPv6 roadmap considering the international best practices. The work plan was finalized in consultation with an expert nominated by APT. Questionnaires to collect the status of networks were sent to operators, and responses were collected.

Infrastructure Deployment

Main functions carried out by the Network division include facilitating the deployment of telecommunications infrastructures such as copper or optical fibre networks, undersea cable landing stations, and telecommunication antenna towers. Telecommunications operators make requests to obtain clearance for expansions of existing networks or to introduce new services using above mentioned physical infrastructure facilities. Networks Division facilitates those by issuing relevant approvals through coordination with several other related government organizations.

Due consideration is given to the matters related to environmental impacts, health and safety issues, national security, and public interests while maintaining sustainable development of the telecommunication industry. The duties carried out by the Division with regard to these activities are summarized as follows.

- Coordinating with Government organizations such as the Ministry of Defence, Central Environment Authority, Urban Development Authority, Civil Aviation Authority and Board of Investment of Sri Lanka on matters related to telecommunication infrastructure deployment.
- Processing applications for the erection of antenna structures submitted to the Antenna Structure Management System (ASMS) software.
- Reconciliation of Operators On-Air site list with the data available at ASMS has been completed for two mobile operators. The data reconciliation process of other operators is in progress. Once the reconciliation process is over, operators are required to submit fresh applications for regularizing unapproved towers.
- Grant recommendations for the locations identified for the erection of telecommunication towers under the Gamata Sannivedanaya project considering the details of existing towers and farm locations.
- Processing tower applications of Gamata Sannivedanaya project to ensure timely implementation of this National project by providing telecommunication services to the unserved areas of the country.
- Introduced the concept of utilization of Multi-Purpose Lamp Pole (MPLP) for developing telecommunication coverage for limited areas, especially for 4G and 5G technologies.
- Facilitating licensed telecommunications operators in the implementation of their infrastructure deployment projects.
- Handling public complaints regarding issues related to telecommunications towers.
- Study project proposals submitted by individuals/organizations with regard to telecommunication infrastructure deployments and make recommendations and submit reports on the same.
- Propose revisions to the Antenna Structure Management System (ASMS) for effective system functioning.
- Preparing Technical Standards Guide for Provision of Communication Services in High Rise Buildings.

Control of Illegal Operation of Cable TV Services

In accordance with Section 22(A) (1) of the Act, no person shall perform cabling work on any premises except under the authority of a license issued by the Commission for that purpose. Networks Division engaged in controlling the provision of illegal cable TV services throughout the island with the assistance of the Criminal Investigation Department.

Monitoring the operation of Cable TV Service Providers

As per paragraph 22 of the System licence issued under section 17 of the Sri Lanka Telecommunications Act No. 25 of 1991 as amended, the operator is obliged to provide technical, commercial and other information to the Commission if directed to do so.

The Networks Division collects the above information pertaining to the Cable TV Network Operation quarterly and makes arrangements for random physical inspections of the control rooms.

Type Approval & Equipment clearance

TRCSL is empowered to approve types of telecommunication apparatus which may be connected to a telecommunication system in the provisions of Section 5(q) of the Telecommunication Act. In exercising the duties entrusted in section 5(q), TRC has mandated all operators in Schedule 2 of System Licence issued under Section 17 of the Act to connect telecommunication apparatus which is type approved by the Commission.

Accordingly, telephone instruments, fax machines, PABXs (Private Automated Branch Exchange), modems, cordless telephones, and any other customer premises equipment to be connected to the licensed networks require type approval whether those are locally manufactured or imported either by operators, vendors or individuals.

Networks Division is responsible for carrying out type approval procedure for terminal network equipment and issuing authorization letters to Customs/BOI/Import controller for importing all network-related equipment. The functions carried out in this regard are summarized as follows.

- Carrying out type approval procedure of telecommunication terminal and network equipment.
- Making recommendations to Customs/BOI/Import controller for clearance purposes by issuing approval letters.
- Ensuring compliance with technical standards of network equipment in the telecommunications sector in Sri Lanka in accordance with the recommendations and guidelines of the ITU.
- Issuing approvals to telecommunications operators to unblock Voice over Internet Protocol (VOIP) ports, protocols and applications to prevent illegal international call terminations.

- Assisting Police/Criminal Investigation Department (CID) investigations associated with public security, law and order in telecommunications-related matters.
- Participating in Technical Evaluation Committees (TECs) of Government Institutions and Public Corporations and providing technical inputs related to telecommunications.

Vendor Licensing

In accordance with Section 21 of the Telecommunications Act, no person shall manufacture, import, sale, offer for sale, deal in, hire, lease, demonstrate, maintain or repair any telecommunications equipment or radio communication equipment in Sri Lanka by way of trade except under the authority of a license issued by the Commission. The Vendor Licence is the authorization issued by the Telecommunication Regulatory Commission to perform the activities mentioned above. Commission approval was granted to revise the Vendor Licence renewal procedure. The functions carried out related to issuing Vendor Licences are as follows.

- Processing applications for Vendor Licenses and issuing Licences after making sure that the applicant fulfils required conditions
- Managing Vendor License regime
- Assisting Police/Criminal Investigation Department (CID) investigations related to public security law and order in matters related to Vendor Licences.

Investigation of Illegal Vendors

Networks Division continued public awareness campaigns and investigation of illegal vendors with the assistance of Sri Lanka Police in order to force/encourage the setting up of legal selling points of telecommunication equipment, including mobile phones.

Modification to the conditions of Vendor License

The market for SIM-enabled devices has increased, and the importation and sale of these devices have to be regularized for the security and safety of the public. Therefore, the existing condition of the vendor license has been modified to accommodate this requirement.

PERFORMANCE

Statistics pertaining to activities undertaken by the Networks Division are shown below in Table.

Table 02: Statistics pertaining to activities undertaken by the Networks Division

| Description | 2020 | 2021 |
|---|------|------|
| Total No. of Vendor licenses issued | 794 | 844 |
| Cumulative No. of Towers approved | 7312 | 7665 |
| Total No. of Tower complaints received | 183 | 153 |
| Total No. of investigations handled (Tower related) | 26 | 15 |
| Total No. of court cases related to towers | 00 | 01 |
| Total No. of New Type Approvals given | 09 | 07 |
| Total No. of issuance of Import clearances | 2400 | 3059 |
| Total No. of Individual Clearances | 06 | 27 |
| Cumulative No. of New Short codes issued | 18 | 16 |

NUMBERING

Allocation of Short Codes

Short codes are assigned to organizations in situations where expeditious access by the general public or customers is required. Two different short code ranges have been identified based on the nature of the organization, one range for government organizations and the other for private sector organizations. Short code range 19XX has been allocated for the assignment of Four Digit Short Codes for Government organizations. Similarly, short code range 13XX has been allocated for the assignment of Four Digit Short Codes for Private Sector organizations.

Short Codes Assigned in 2021

Government Organizations

In the year 2021, thirteen (13) short codes in 19xx range were assigned to Government organizations. Organizations and the respective short codes are listed in table given below.

Table 03: Short Codes Assigned to Government Organizations

| Organization | Short Code |
|---|------------|
| State Ministry of Education Reforms Open Universities & Distance Education Promotions | 1916 |
| Land Reform Commission | 1931 |
| Coconut Research Institute | 1928 |
| Ministry of Health | 1907 |
| Dept. of National Community & Water Supply | 1914 |
| Prime Minister office | 1965 |
| Sri Lanka Customs | 1915 |
| Central Bank of Sri Lanka | 1935 |
| Sri Lanka Airforce Covid – 19 Vaccination Centre | 1945 |
| National Operation Centre for Prevention of Covid – 19 Outbreak | 1904 |
| National Operations Centre for Prevention of Covid-19 Outbreak | 1903 |
| Geological Survey & Mines Bureau | 1921 |
| Tea Small Holdings Development Authority | 1974 |

Private Sector Organizations

In 2021, three (03) short codes in 13xx range were assigned to Private sector organizations. Organizations and the respective short codes are listed in table given below.

Table 04: Short Codes Assigned to Private Sector Organizations

| Organization | Short Code |
|---------------------------|------------|
| Prime Lands Pvt Ltd | 1310 |
| Homeland Skyline Pvt Ltd | 1325 |
| Homeland Holdings Pvt Ltd | 1320 |

INFRASTRUCTURE DEPLOYMENT

Construction of Telecommunication Towers

The cumulative number of telecommunication towers constructed increased up to 7665, which includes 353 new towers constructed in 2021 with 81 Multi-Purpose Lamp Poles.

Handling of Infrastructure Deployment Complaints

Networks Division carried out 15 investigations in 2021 for the complaints made by the general public against tower construction. There was one telecommunication tower-related court case in 2021. One hundred fifty-three tower-related public complaints were received in 2021, out of which 151 issues were attended during the same year.

Vendor Licensing

844 vendor licenses were issued to different types of telecommunications equipment vendors in the year 2021.

Type Approval & Equipment Clearance

Networks Division continued the regulatory function entrusted to the Division in processing requests made for the issuance of type approvals and clearance letters for the importation of network-related equipment.

Table 05: Type Approval & Equipment Clearance

| Description | No. of clearances issued in 2021 |
|----------------------|----------------------------------|
| Equipment clearances | 3086 |
| Type Approvals | 07 |

Reconciliation of On Air towers and identification of unauthorized towers

This year Network Division has continued the reconciliation of the Operators On-Air site list with the data available at ASMS. This reconciliation process has been completed for two mobile operators. Accordingly, Airtel has been informed to submit the fresh applications for the final list of unverified towers.

The data reconciliation process of other operators is in progress. Once the reconciliation process is over, Operators are requested to submit fresh applications for regularizing unverified towers.

The Covid 19 pandemic situation in the country has affected the progress of these activities as expected this year, and the activities related to this will be continued next year.

SPECTRUM MANAGEMENT

OVERVIEW

Radio Frequency Spectrum is a natural and limited resource that must be appropriately managed to maximize the benefits accrued using the same to enrich society's quality of life and the economy's growth. The Commission has empowered the Spectrum Management Division to fulfil its obligations mandated by the Sri Lanka Telecommunications Act in respect of all spectrum-related matters and to efficiently manage the radio frequency spectrum as a scarce national resource.

Under Section 10(a) of the Sri Lanka Telecommunications Act, the Telecommunications Regulatory Commission of Sri Lanka (TRCSL) is the sole lawful authority in Sri Lanka to manage and control the use of the radio frequency spectrum and matters relating to the stationary satellite orbit and exercise power when it deems necessary to withdraw or suspend its use or prohibit any such use of frequencies.

The Commission is also vested with authority under Section 22 of the Act to issue licenses for the users of radio communication services, conserve the radio spectrum and enforce compliance with rules to minimize electromagnetic disturbances produced by radio communication installations.

FUNCTIONS

- Allocating frequency bands under the Radio Regulations (Article 5) of the International Telecommunications Union and the national priorities.
- Spectrum planning
- Maintaining Master Frequency Register (MFR) such as frequencies, the locations, transmitting power, call signs, etc.
- Assigning frequencies through the issuance of Section 22 licences.
- Monitoring radio spectrum to detect illegal use, unused spectrum, and under-utilized spectrum.
- Establishing regulations, technical parameters, and standards governing the use of radio spectrum and use of satellite orbit belonging to the country.
- Defining technical standards for radio communication equipment.
- Managing the spectrum to make adequate provision for various services based on their relative importance to the country's socio-economic goals.
- Conduct license conformity inspections of radio communication stations to ensure their operation follows the technical standards and parameters stipulated in the license.
- Spectrum re-farming systematically phases out waning radio communication services to free up new spectrum space to accommodate emerging technologies and new services.
- Maintaining regional and international coordination and cooperation for the use of radio frequencies.
- Verifying the compatibility and the interference-free use of authorized emissions, detecting and identifying the origin of the interferences, and resolving them.
- Collecting license fees payable for the use of spectrum.
- Conducting Amateur Radio and Global Maritime Distress Safety System (GMDSS) examinations.
- Granting Type Approvals for Radio Terminal Equipment (RTE)
- Issuing clearance/ recommendations to Sri Lanka Customs, Import-Export Controller, and Board of Investments for importing telecommunications equipment.
- Issuing recommendations to the Ministry of Defence for importing and use of telecommunications equipment.

The radio frequency spectrum is divided into various bands according to the type of service used. The type of service is a broad classification, and the division's work is implemented as per such classification.

As per Section 22 of the Telecommunications Act, any person who uses a radio frequency emitting apparatus should have a valid license issued by the Commission. Licence conditions may differ from service to service. In the breach of any such condition, TRCSL has the power to seal the equipment and revoke the license.

Before issuing an importation clearance at the request of a citizen or a company, it is ensured that the radio equipment complies with necessary standards and has a frequency approved by TRCSL for operating the equipment. This action minimizes radio interferences occurring to licensed spectrum users.

However, Spectrum Management Division receives complaints from users whenever they experience interference affecting their transmissions. The arrangements are then made to identify the source of interference and to take the necessary steps to resolve the issues.

PERFORMANCE OF THE YEAR

Introducing Radio Spectrum Licensing Rules Including Revision of Spectrum Fees

Necessary steps have been taken to issue licences to all users who have been exempted from the frequency licence fee. (Spectrum licence fees have been amended for some licenses and approved by the Commission). Some of the current spectrum fees have not been revised for more than 20 years. The Commission approval was obtained for the proposed spectrum fee revision. The completed draft document has been submitted to the AG's Department for legal clearance.

Upgrading of IMEI Verification System

IMEI Verification System is a database of the IMEI numbers of SIM-enabled devices imported by telecommunication vendors in Sri Lanka and used to ascertain that the TRCSL approves SIM-enabled devices sold at the market. The system is more than ten years old and needs to be upgraded with new options to cater to the devices' new features. The action was started to upgrade the system to include all radio communication apparatus and type approval information. This activity has been carried out with the Information Technology Division.

Preparation of Spectrum Road Map for next 5 Years / Spectrum Assignment for 5G

Initiatives have been taken to prepare a National 5G Spectrum Policy and strategy in moving towards the implementation of commercial 5G services in Sri Lanka. These endeavours will lay the groundwork for Sri Lanka to innovate new 5G-related products and services, paving the way to access the global 5G marketplace and facilitating industries to leverage the benefits of 5G.

5G is an emerging technology in the world. TRCSL plans to introduce 5G Mobile Technology next year to enhance the broadband capacity and expansion of the network coverage. It is essential to meet the ever-increasing demand for broadband, especially during the COVID-19 pandemic. The TRCSL granted approval for testing the basic 5G to all telecom operators and has set aside a frequency spectrum in the 3.5GHz band to regulate pre-commercial 5G services. ITU expert assistance was sought in preparing strategic spectrum policies, products, and service innovation. Accordingly, the final consultation report has been submitted by the ITU consultants. Consultations are being carried out with the stakeholders regarding the 5G roadmap. As the first step, the 3.5GHz band is expected to be used to deploy 5G technology, and spectrum assignment will take place through a competitive bidding process. The 3.5GHz spectrum auction is scheduled for next year. In the National Budget-2022, the measures have been proposed and announced to implement 5G Emerging Technology in Sri Lanka.

Assignment of frequencies & reforms

The National Table of Frequency Allocation was prepared and posted on the website for the information of the public. Master Frequency Register was updated with System Management Database cleansing.

Introduction and Enforcement of Type Approval Rules 2020 for Radio and Telecommunications Terminal Equipment (RTTE)

The TRCSL has published a new Type Approval Procedure for RTTE that came into effect on 16th December 2020. The new Type Approval Procedure is applied to all types of RTTE intended to be imported, marketed, manufactured, or used in Sri Lanka. Under the old scheme, all type approval certificates issued before 16th December 2020 expired automatically on 17th June 2021.

Frequency Monitoring and Investigation

Radio Frequency Spectrum Monitoring is an integral part of spectrum management activities. Issuance of Section 22 licence is ensured a guaranteed use of an interference-free radio communication system. The use of radio communication services without interference is challenging as Radio Frequency transmitters generate spurious and unwanted out-of-band emissions. Also, they drive sensitive receivers into saturation which can cause unexpected interferences. Therefore, detection and mitigation of interference is a highly crucial task, and modern state of the art equipment is required to detect them. Spectrum Management Division maintains three Regional Monitoring Centers (RMC) at Colombo, Kadirana, and Kandy. TRCSL owns a modern spectrum surveillance vehicle for its spectrum monitoring.

Spectrum Division initiated an action to expand monitoring activities island-wide by procuring a network of equipment for this purpose.

Issuance of frequency licenses

Table 06: Number of Licenses issued for Spectrum Users

| Category of Service | Year | | | |
|--|-------|-------|-------|-----------------------|
| | 2018 | 2019 | 2020 | 2021 (Provisional) |
| Fixed service | 167 | 160 | 159 | 43 |
| Broadcasting service (Television and Radio) | 39* | 49 | 41 | 36 |
| Trunking/Paging/Citizen Band | 10 | 07 | 5/1 | |
| Data / Radio Telemetry Service | 20/28 | 45/47 | 18/23 | 23/19 |
| Cellular Service (Mobile Operators) | - | - | - | 05 |
| Aeronautical and Maritime Services | | | | |
| (i) Aircraft stations | 74 | 69 | 67 | 67 |
| (ii) Ship stations | 94 | 121 | 105 | 106 |
| (iii) Maritime mobile | 1041 | 575 | 174 | 450 |
| (iv) Aeronautical mobile | 12 | 08 | 08 | 06 |
| Private mobile radio service | 361 | 193 | 159 | 142 |
| Amateur Radio | 33 | 64 | 46 | 71 |

*Only Main Licence count

Table 07: Complaints Received and Investigations Undertaken

| Service | No. of Complaints Received | | | |
|---------------------------|----------------------------|------|------|-----------------------|
| | 2018 | 2019 | 2020 | 2021 (Provisional) |
| TV and Sound Broadcasting | 5 | 5 | 2 | 5 |
| Other Services | 32 | 22 | 23 | 11 |

Table 08: Number of Clearance letters issued

| Category of Service | Year | | | |
|-------------------------------------|------|-------|------|-----------------------|
| | 2018 | 2019 | 2020 | 2021 (Provisional) |
| Fixed service including CDMA | 506 | 765 | 781 | 781+ |
| Broadcasting service (TV and Radio) | 57 | 81 | 90 | 60 |
| Cellular Mobile Services | | | | 2082 |
| (i) Dealer Licence | 6526 | 7263 | 5010 | 6756 |
| (ii) Mobile Operators | 757 | 11011 | 1030 | 2082 |
| (iii) Private Mobile Radio | 190 | 155 | 95 | 144 |
| Data Service/ Radio Telemetry | 173 | 130 | 113 | 15/4 |
| Satellite Service | 153 | 222 | 138+ | 278 |
| Amateur Radio | 21 | 78 | 20 | 30 |
| Low Power Devices | 1036 | 1215 | 466* | 1902 |
| (i) Vendor licence holders | | | | 1114 |
| (ii) Individual customers | | | | 788 |
| Maritime Communication | - | - | 118 | 119 |
| Ship stations | | | | 09 |

*Provisional data

The Amateur Radio Operator's Licence exam conducted by the Commission

The Commission is responsible for issuing certificates of competence in Amateur Radio Operation. TRCSL conducts three examinations with the assistance of the Department of Examinations. The Amateur Radio Operator's License comprises three categories:

1. Amateur Radio Operator's Advance Class Licence
2. Amateur Radio Operator's General Class Licence
3. Amateur Radio Operator's Novice Class Licence

Any person above fourteen (14) years of age is eligible to enter the examination. The examination comprises two compulsory written papers, one on Advanced Electrical Technology & Radio Communications and the other on Licensing conditions, operating practices & procedures. There will be a practical test on Morse Code only for the Advance class candidates who passed the written papers.

Examinations are usually conducted in English Medium once a year. The required application form could be obtained from the Commission or the TRCSL website. The other details could be obtained from the Commission and the gazette notification, which would appear four weeks before the examination date. The syllabus could be obtained by making a payment to the Telecommunication Regulatory Commission of Sri Lanka.

Examination fees:

| Category of Examination | Fee for Part 01 (Rs.) | Fee for Part 02 (Rs.) |
|-------------------------|-----------------------|-----------------------|
| Advance Class | 250.00 | 125.00 |
| General Class | 125.00 | - |
| Novice Class | 125.00 | - |

Note: Excluding Government Taxes and Levy.

TRCSL gazetted the Amateur Radio Operator's Licence exam last year, and 160 numbers of candidates applied for the examination. Due to Covid- 19 pandemic, we have not received a date for the examination from Examination Department.

COMPETITION

OVERVIEW

The Competition Division undertakes regulatory activities to provide an efficient, fully fledged telecommunication service that fulfils the interest of consumers and operators. While maintaining fair charges and quality service in the telecom industry, the division regulates tariff matters and interconnection services, publishes industry information, analyses operator performance and provides necessary advice to the parties concerned. It also involves promoting operators to provide telecommunication facilities to unserved and underserved areas and collection of telecommunication levy, International Telecommunication operators levy, Cellular tower levy, Mobile short message service levy and Cess. Foreign experts involved in the telecommunication industry that provide new services are essential for the projects of operators, and necessary arrangements are made to process visas of such professionals.

FUNCTIONS

- Monitor trends by analyzing the financial and operational performance of licensed operators.
- Collect and analyze statistical information about the industry.
- Collection of Government taxes/levies (Telecommunications Levy, Cess, Cellular Tower Levy and Mobile Short Message Service Levy) from the industry.
- Facilitate obtaining relevant visas for foreign experts involved in the Telecommunications related projects in Sri Lanka.
- Collect information relating to interconnection & handle relevant issues when they arise.
- Regulates tariff
- Conduct projects for improving telecommunication infrastructure facilities in unserved and underserved areas through licensed telecom operators.
- Organize awareness programs on Telecommunication & ICT waste management.
- Ensure collection of International Telecommunication levies correctly and timely.
- Collecting of Audited Accounts of Licensed Operators.
- Analyzing PSTN Operators' financial performance and industry investment.

PERFORMANCE OF THE YEAR 2021

Subscriber base

The Mobile and Fixed Access Subscriber base as of 31st December 2021 was 34,662,419. In the year 2021, Cellular Mobile Operators demonstrated an increase in subscriber base by 5% compared to the year 2020 and Fixed Access Operators demonstrated an increase of 13% in subscriber base compared to 2020.

Table 09: Number of Mobile and Fixed Access Subscriber bases

| Category | 2018 | 2019 | 2020 | 2021 | % Change 2018-2019 | % Change 2019-2020 | % Change 2020-2021 |
|--------------|------------|------------|------------|------------|--------------------|--------------------|--------------------|
| Mobile | 32,528,104 | 32,884,099 | 29,457,351 | 30,824,128 | 1% | -10% | 5% |
| Fixed Access | 2,484,616 | 2,299,767 | 3,400,008 | 3,838,291 | -7% | 48% | 13% |
| Total | 35,012,720 | 35,183,866 | 32,857,359 | 34,662,419 | 0.5% | -6% | 5% |

Operators Revenue

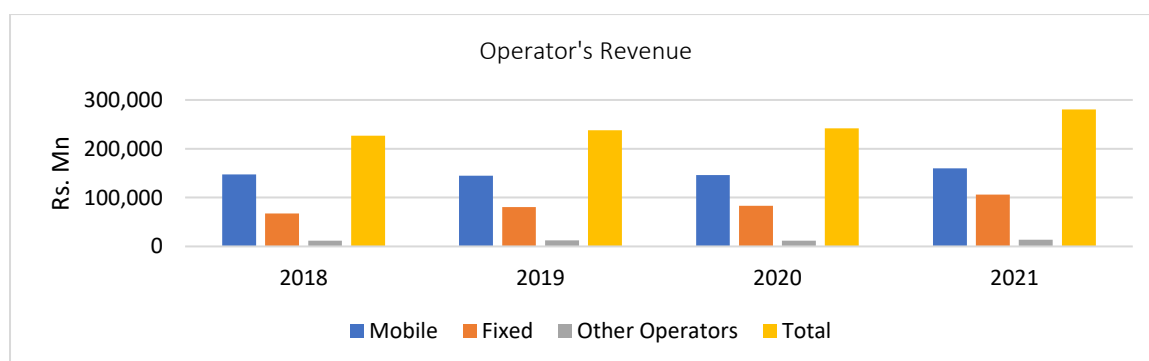
Revenue of Mobile, Fixed and other operators demonstrated a considerable increase in year 2021 compared to other years.

Table 10: Operators Revenue

| Industry | 2018 (Rs. Mn) | 2019 (Rs. Mn) | 2020 (Rs. Mn) | 2021 (Rs. Mn) * |
|-----------------|----------------|----------------|----------------|-----------------|
| Mobile | 147,815 | 144,603 | 146,512 | 160,031 |
| Fixed | 67,374 | 80,938 | 83,059 | 106,508 |
| Other Operators | 11,571 | 12,463 | 12,047 | 14,090 |
| Total | 226,760 | 238,004 | 241,618 | 280,629 |

* Unaudited

Chart 09: Operators' Revenue



Profitability of Operators

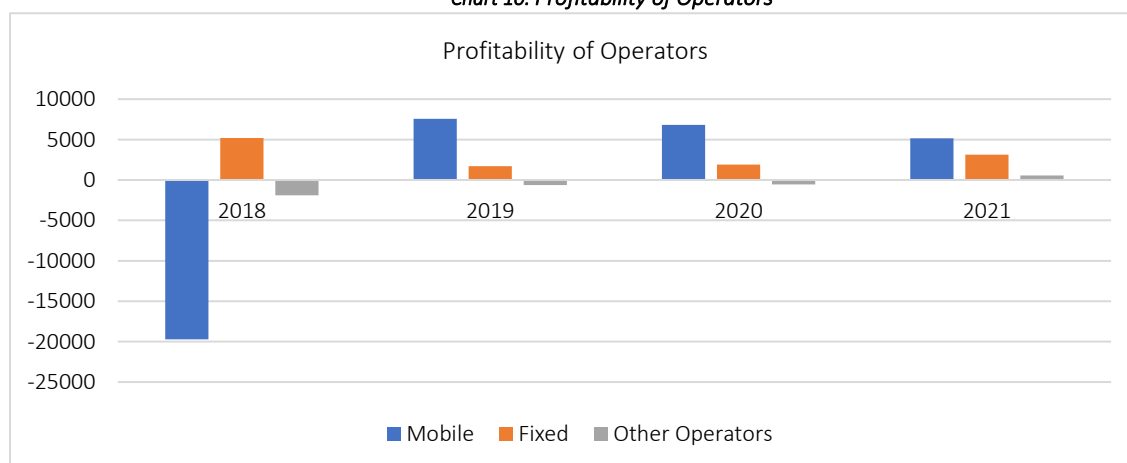
The table below indicates that the profitability of fixed operators has increased, while there is a decrease in mobile operators' profitability during the year. It is highlighted that; other operators' profitability illustrates a positive figure in 2021 compared to the previous years.

Table 11: Profitability of Operators

| Industry | 2018 (Rs. Mn) | 2019 (Rs. Mn) | 2020 (Rs. Mn) | 2021 (Rs. Mn)* |
|-----------------|-----------------|---------------|---------------|----------------|
| Mobile | (19,733) | 7,564 | 6,805 | 5,146 |
| Fixed | 5,179 | 1,696 | 1,910 | 3,146 |
| Other Operators | (1,909) | (612) | (546) | 543 |
| Total | (16,463) | 8,648 | 8,169 | 8,835 |

*Unaudited

Chart 10: Profitability of Operators



Average Revenue Per User (ARPU)

The ARPU (per annum) for the year 2021 for the Mobile Operator category was Rs 5,227 and demonstrated a 5% increase compared to the ARPU of 2020. The Fixed Access Operator category also demonstrated a 9.5% increase against last year.

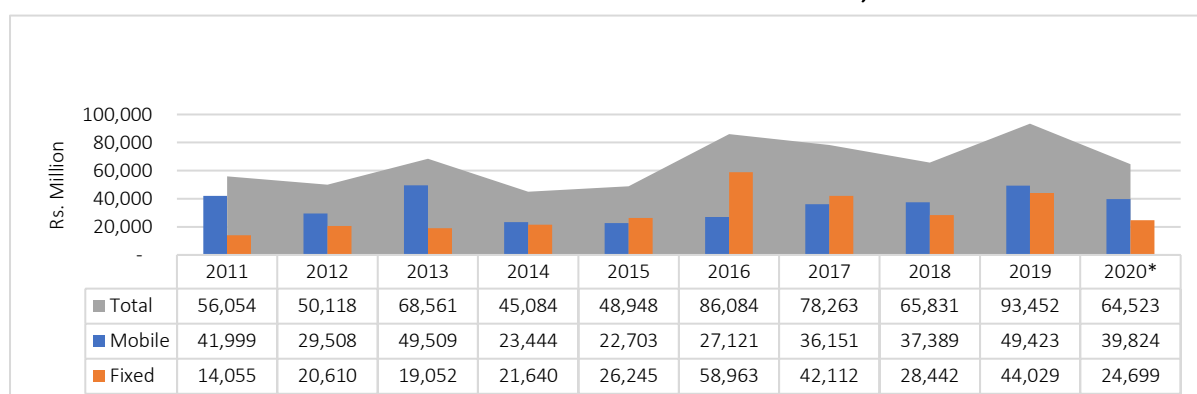
Table 12: The ARPU of Mobile and Fixed Access Operator

| Category | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | % Change 2016-2017 | % Change 2017-2018 | % Change 2018-2019 | % Change 2019-2020 | % Change 2020-2021 |
|--------------|--------|--------|--------|--------|--------|--------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Mobile | 5,258 | 4,977 | 4,591 | 4,441 | 4,973 | 5,227 | -5% | -7.7% | -3.3% | 12% | 5% |
| Fixed Access | 21,691 | 22,911 | 30,745 | 30,171 | 24,429 | 26,759 | 6% | 34% | -1.9% | -19% | 9.5% |

Investments in Telecommunications Industry

The following chart depicts the new investments made by the Mobile and Fixed service providers from 2011 to 2020. [Investments include the additions to property plant, equipment, intangible assets and work in progress]. Compared to 2019, mobile and fixed services industry investments have decreased.

Chart 11: Investments in Telecommunications Industry



Mobile handsets/ end equipment :

Since the 1980s, mobile telecommunication services have been available in Sri Lanka. At its inception, the services were provided through analog technology. In the mid-1990s' mobile technology was shifted from analog to digital technology, identified as GSM (Global System for Mobile Communication). GSM 2nd Generation (2G) supports operators in providing voice and basic data services like SMS and GPRS services to their mobile customers. However, mobile broadband services were popularized with the development of GSM technology and the introduction of 3G and 4G networks. As a result, customers shifted to more sophisticated and portable equipment such as smartphones, tabs, dongles, etc.

The following table shows the end equipment connected to the mobile networks as of 31st December 2021. It is highlighted that smartphones and tabs cover 54% share of the total number of end equipment.

Table 13: Mobile handsets/ end equipment

| Type | No. of Equipment | % |
|----------------------|-------------------|------------|
| Basic/Feature Phones | 8,838,288 | 28 |
| Smart Phones/Tab | 17,213,760 | 54 |
| Dongles/Routers | 275,314 | 1 |
| Others | 5,382,527 | 17 |
| Total | 31,709,889 | 100 |

Fixed Access Telephony

Currently, three operators have been licensed to provide fixed access telephone services to the citizens of Sri Lanka, and 23% of the total customer base of the fixed telephone indicates voice telephony service provided through the copper line and wireless technology (CDMA). The majority of the customers consume both voice and data services received through different access technologies. Fiber and wireless technology (LTE) are becoming more popular among customers as such technologies are supporting to get high-speed broadband services. The following table describes the types of fixed access telephone services and the number of connections.

Table 14: Fixed Access Telephony

| Types | No. of Connection | % |
|--------------|-------------------|------------|
| Copper Line | 561,234 | 17 |
| ADSL | 326,092 | 10 |
| Fiber | 334,290 | 10 |
| CDMA | 172,617 | 6 |
| LTE | 1,789,526 | 55 |
| Other | 64,875 | 2 |
| Total | 3,248,634 | 100 |

Social Media Users (Mobile)

Social media plays a key role in the communication arena of Sri Lanka, similar to most countries in the world. As per the following table, around 25 million mobile customers use Facebook, YouTube, and WhatsApp, which accounts for 70% of the social media users.

Table 15: Social Media Users (Mobile)

| Media | No of Users | % |
|--------------|-------------------|------------|
| Facebook | 9,490,861 | 26 |
| YouTube | 8,663,346 | 24 |
| WhatsApp | 7,422,038 | 20 |
| Viber | 2,110,806 | 6 |
| Imo | 2,720,878 | 7 |
| Instagram | 3,293,017 | 9 |
| Snapchat | 2,724,762 | 8 |
| Total | 36,425,708 | 100 |

Direct Employments

The telecommunication industry has generated over Rs. 280 billion within 2021 and created 11,283 direct employment opportunities. However, indirect job opportunities have also been created more than direct employment opportunities. The following table depicts the distribution of direct employment between two industry segments.

Table 16: Direct Employments

| Type | No of Employments |
|--------------|-------------------|
| Mobile | 4,413 |
| Fixed | 6,870 |
| Total | 11,283 |

Provincial Distribution of Mobile Subscribers – (VLR basis)

As mobility is an inbuilt feature of mobile technology, customers can commute worldwide having connectivity with relevant parties (if the mobile cellular network is available). Due to this mobility, getting the exact number of subscribers for a given geographical area is difficult. The below table illustrates the number of mobile subscribers that existed in each province at the end of December 2021, as per the Visitor Location Register (VLR) of mobile operators. Though 33% of mobile subscribers were reported within the Western Province, the North Central Province shows the highest Mobile Teledensity, and all provinces have exceeded 100% Teledensity.

Table 17: Provincial Distribution of Mobile Subscribers – (VLR basis)

| Province | No of Subscribers | % | Mobile Tele-Density % |
|---------------|-------------------|------------|-----------------------|
| Western | 9,347,184 | 33 | 150 |
| Southern | 3,322,055 | 12 | 123 |
| Central | 3,237,828 | 11 | 115 |
| Uva | 1,526,882 | 5 | 109 |
| Eastern | 2,095,771 | 7 | 118 |
| North Central | 2,152,030 | 8 | 153 |
| Northwestern | 3,086,647 | 11 | 119 |
| Northern | 1,396,726 | 5 | 120 |
| Sabaragamuwa | 2,374,315 | 8 | 114 |
| Total | 28,539,438 | 100 | 129 |

Note: 2021 midyear (estimated) population information published by the Department of Census and Statistics has been considered to calculate mobile Teledensity.

Provincial Distribution of Fixed Subscribers

As per the following table, 50% of fixed Access telephone connections have been provided to customers of the Western province. The Fixed Access Teledensity of the Western province was 29%. Uva, Eastern, and North Central provinces show 8% Teledensity, the lowest amongst other provinces.

Table 18: Provincial Distribution of Fixed Subscribers

| Province | No of Subscribers | % | Fixed Tele-Density % |
|---------------|-------------------|------------|----------------------|
| Western | 1,776,500 | 50 | 29 |
| Southern | 330,916 | 9 | 12 |
| Central | 350,356 | 10 | 12 |
| Uva | 118,266 | 3 | 8 |
| Eastern | 145,878 | 4 | 8 |
| North Central | 116,914 | 3 | 8 |
| Northwestern | 326,875 | 9 | 13 |
| Northern | 135,615 | 4 | 12 |
| Sabaragamuwa | 226,999 | 7 | 11 |
| Total | 3,528,319 | 100 | 15 |

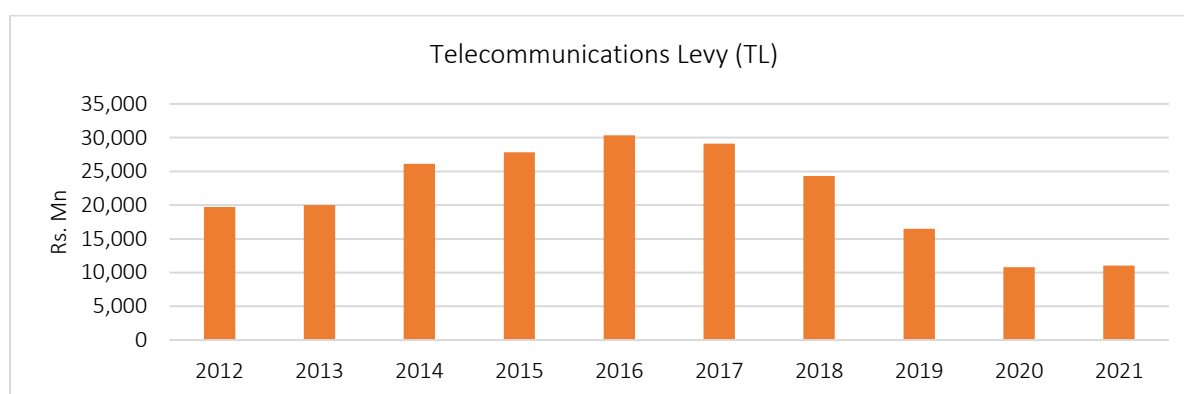
Telecommunications Levy (TL)

Telecommunications Levy was introduced by the Government of Sri Lanka as a “single rate tax” for the telecommunications industry in 2011. Initially, the levy rate was 20% on the value of supply. A concessionary TL rate of 10% was imposed on Internet Services at the beginning of 2013 with a view to promoting broadband services. The TL rate on other Telecommunications services remained unchanged. In January 2014, the TL rate of 20% was increased to 25%, and the TL rate on internet services remained unchanged at 10%. Subsequently, with effect from September 2017, the Levy on internet services was abolished, resulting in a decline in TL collected for 2017 compared to 2016. In November 2018, the TL rate on Telecommunication services was changed from 25% to 15%. Again, the TL rate was reduced to 11.25% in December 2019.

Table 19: Telecommunications Levy

| Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Telecommunications Levy (TL) (Rs. Mn) | 19,746 | 20,027 | 26,152 | 27,837 | 30,347 | 29,128 | 24,319 | 16,486 | 10,817 | 11,046 |

Chart 12: Telecommunications Levy



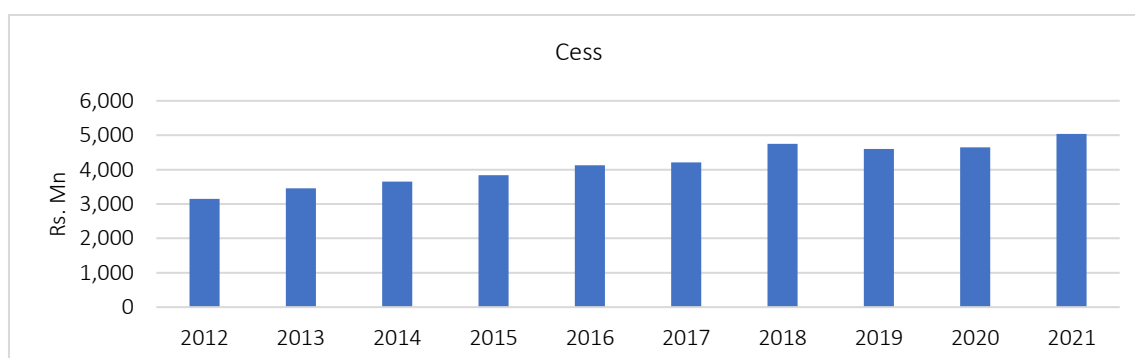
Cess

Cess is collected from Operators under the provisions of Section 22G of the Sri Lanka Telecommunications Act No. 25 of 1991 as amended.

Table 20: Cess

| Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total Cess (Rs. Mn) | 3,152 | 3,455 | 3,652 | 3,841 | 4,127 | 4,209 | 4,750 | 4,601 | 4,652 | 5,041 |

Chart 13: Cess



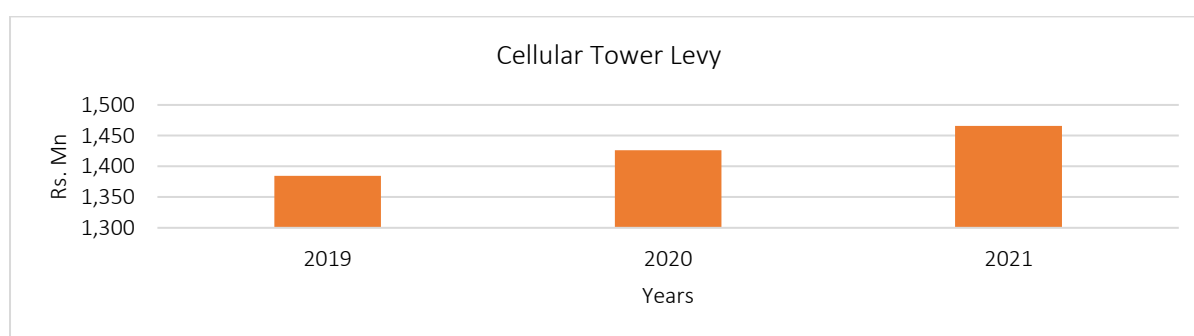
Cellular Tower Levy (CTL)

Cellular Tower Levy was imposed under Part XII of the Finance Act No. 35 of 2018, effective from 01st January 2019. As per the aforesaid Finance Act, each Mobile Operator must annually pay Rs. 200,000 per tower. Further, Mobile Telephone operators must pay the cellular tower levy for the towers that are being used but do not belong to the operators. A Levy of Rs. 200,000 must be equally shared by the operators who shared the tower. The Levy should be paid to the Telecommunication Regulatory Commission quarterly. The collection of CTL for 2021 demonstrated a 2.8% increase against 2020.

Table 21: Cellular Tower Levy Collection

| Year | 2019 | 2020 | 2021 | 2019-2020 % of Change | 2020-2021 % of Change |
|-----------------------|-------|-------|-------|--------------------------|--------------------------|
| Total (In Mn.) | 1,384 | 1,426 | 1,466 | 3% | 2.8% |

Chart 14: Cellular Tower Levy



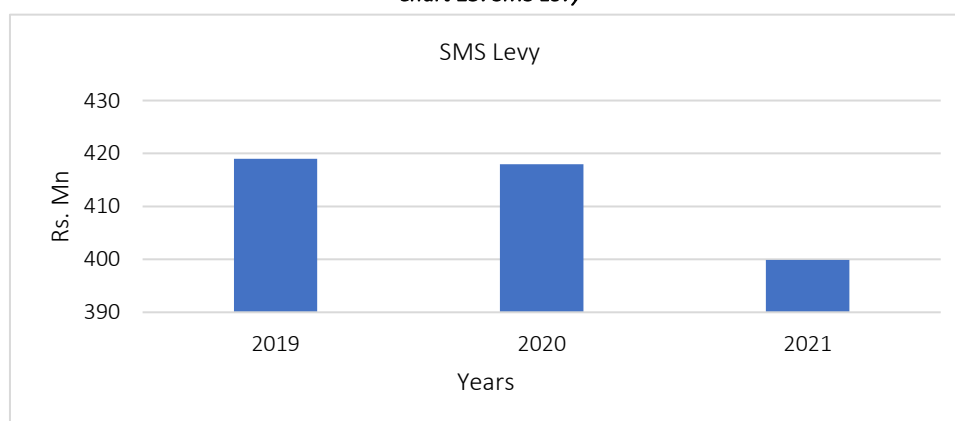
Mobile Short Message Services Levy (SMS Levy)

Levy on Bulk SMS was imposed by Part XIII of the Finance Act No 35 of 2018, and regulations for implementing this levy have been permitted under Gazette Notification No. 2014/16. Accordingly, Mobile Operators must pay Rs. 0.25 per SMS sends through mobile phones to a group of recipients for commercial purposes. This levy is collected by the Telecommunications Regulatory Commission monthly from 01st January 2019. Collection of SMS Levy of 2021 demonstrated a 4.3% decrease against 2020.

Table 22: Mobile Short Message Services Levy Collection

| Year | 2019 | 2020 | 2021 | 2019-2020 % of Change | 2020-2021 % of Change |
|-----------------------|------|------|------|--------------------------|--------------------------|
| Total (In Mn.) | 419 | 417 | 400 | -0.09% | -4.3% |

Chart 15: SMS Levy



Telecommunication Development Charge (TDC)

Telecommunications Development Charge (TDC) collection was 3,621Mn in 2021.

Table 23: Telecommunication Development Charge (TDC)

| Year | 2018 | 2019 | 2020 | 2021* |
|------------|-------|-------|-------|-------|
| In Million | 5,579 | 5,337 | 4,293 | 3,621 |

* Provisional

Recommendation of Visa Applications

As the Telecommunications sector is a rapidly changing industry, the operators continuously strive to upgrade their networks with emerging technologies. In order to obtain the expertise, the operators hire overseas industry professionals to work on their particular projects. On behalf of the Operators, the Commission recommends visas of such professionals to the line ministry. During the year 2021, a total no. of 50 visa applications of professionals were processed by the Division.

Handling Industry Information

Industry information required for Government organizations such as the Central Bank of Sri Lanka and the Department of Census and Statistics was submitted, and statistical information requested by international organizations (ITU, APT, etc.) through their questionnaires were provided in coordination with other divisions. Collected industry data are published periodically on the TRCSL website.

Handling Interconnection

The Competition Division commenced the process of reviewing the existing Interconnection rates, which were determined in 2010. All PSTN Operators have submitted their views on the existing Interconnection rates. Currently, the cost evaluating process is done, and the Commission has decided to hold an industry meeting to start the process.

Tariff

- In line with the consumer requirement, a further step was taken to make available unlimited tariff plans without limiting them to specific applications. These approved tariff plans cater to different aspects, segmenting different levels of speeds that address the balance of affordability and quality.
- Approval was granted for tariff plans with Any Net minutes that allow consumers for convenient and affordable voice communication.
- Three types of tariff plans are approved by TRCSL. In 2021, 19 seasonal approvals were granted, allowing operators to offer short-term benefits to their customers. Further, 48 promotional tariffs were approved, and 27 permanent tariffs were approved by the Commission.
- TRCSL supported the NanaDiri Data Scholarship program, which is part of the 'Dialog Axiata with Manusath Derana' initiative. This initiative offered 10GB of Data for each student for online learning and educational purposes for six months, and up to 1,000 schools, /100,000 students were selected based on the financial difficulty and schools with lack of facilities or schools in remote areas subject to Network coverage.



තාක්ෂණයෙන් බල ගැන්වුණු ශ්‍රී ලංකාවක්

கம ட

சன்னிவேதனய

"இலங்கையை இணைப்போம்"

Gamata Sannivedanaya "Connect Sri Lanka"

Aligned with the Government Vision of the creation of a technology-based society (smart nation) and a digitally inclusive Sri Lanka, TRCSL initiated the "Gamata Sannivedanaya" project to identify unserved and underserved areas of the country to achieve a countrywide 100% 4G/Fiber Broadband coverage which is also in line with the ITU Connect 2030 agenda.

This project aims to provide the basic infrastructure required for every citizen of Sri Lanka to access Broadband Internet Services through 100% 4G/Fiber Technology.

As a first step, the Telecommunications Regulatory Commission has conducted a survey covering 37,659 villages in 14,022 Grama Niladhari Divisions in Sri Lanka. The data from that survey were scientifically analyzed, and information was obtained, making project plans to provide full coverage to Sri Lanka through 4G/Fiber technology.

The "Gamata Sannivedanaya" project has been identified as a national project, and priority was given by the 2021 National Budget. Cabinet approval has also been granted to provide funding for the project implementation.

To encourage the operators to implement this project, TRCSL provides 50% of the infrastructure investment required to expand their telecommunications networks.

The project's first phase was launched in October 2020 in the Ratnapura District with the full support of telecom operators and relevant Government agencies. It was planned to construct 35 towers in the Ratnapura District, and 24 of them have already been completed with the 4G coverage. The remaining towers will be constructed expeditiously, providing the entire Ratnapura district with 4G coverage.

In 2021, construction of towers commenced in 09 districts under the “Gamata Sannivedanaya” project, and so far, this project has been launched in 10 districts covering all provinces. A summary of the tower constructions of 10 districts is given in the below table.

Table 24: Summary of the tower constructions under Gamata Sannivedanaya Project

| District | No. of telecom towers proposed by the “Gamata Sannivedanaya” project (No. of sites) | No. of telecom tower constructed and under operation (On aired sites) | No. of Towers work in Progress |
|----------------|---|---|--------------------------------|
| Ratnapura | 35 | 24 | 11 |
| Kurunagala | 35 | 02 | 33 |
| Matara | 22 | | 22 |
| Kandy | 33 | | 33 |
| Anuradhapuraya | 31 | | 31 |
| Kalutara | 34 | | 34 |
| Badulla | 34 | | 34 |
| Kegalle | 34 | | 34 |
| Jaffna | 11 | | 11 |
| Trincomalee | 08 | | 08 |
| Total | 277 | 26 | 251 |

It was planned to construct 35 towers in selected rural areas in the Kurunegala District, and the work is in progress. Two telecom towers have already been erected in the Hiruwalpola village of Udubadawa Divisional Secretariat Division and the Kaduruwewa Village of Ehetuwewa Divisional Secretariat Division.

The 26 towers constructed under the “Gamata Sannivedanaya” project in the Ratnapura, and Kurunegala Districts have enabled people living in 400 villages (approximately) of 130 Grama Niladhari Divisions to experience telecommunication facilities with 4G coverage.

Necessary work has already been commenced to construct 22 new towers under this project in the Matara District.

In addition, the construction of 33 towers in the Kandy District, 31 telecom towers in the Anuradhapura District, and 34 telecom towers in the Kalutara Badulla and Kegalle Districts will be initiated in the future.

Under this project, constructing 11 telecom towers in the Jaffna District and 08 telecom towers in the Trincomalee District. Construction of all towers in the above ten districts is scheduled to be completed by 2022.

The uniqueness of this project is that all telecom towers required for the project are manufactured in Sri Lanka, creating a new local industry. Telecom operators are encouraged to engage and utilize tower infrastructure manufactured locally based on the local raw materials, technical knowledge, and workforce. TRCSL has further ensured a tower sharing methodology ensuring optimization on required capital expenditure for infrastructure, which has also resulted in a minimal impact on the environment. Also, this infrastructure is designed to provide easy access to new technologies such as 5G in the future.



School fiberization project with collaboration of the Ministry of Education under the “Gamata Sannivedanaya” Project

With the use of Information and Communication Technology in education, the learning and teaching process is moving in different directions. The expansion of the distance education system through Information Technology has tremendously contributed to ensuring fairness, opportunity, and equality in accessing education from anywhere, regardless of geographical boundaries.

Creating smart technocrats has been identified as a top priority in the Government’s Vision for setting up a technology-based society. To ensure this, internet access in the school system is essential in creating a technologically experienced and knowledgeable society through such education.

Internet facilities currently cover about 20% of the entire school system. Those facilities are made available by various methodologies that do not provide students and teachers with quality subject content with continuous and uninterrupted internet access. The internet facilities used in most schools are insufficient to meet the needs of technological requirements, especially in an online classroom. Therefore, it is essential to establish a national program to provide high-speed internet access to all schools to adapt to distance learning methods and access distance learning resources equally.

In this COVID-19 epidemic, there is a need to establish a reliable and high-speed Internet service in the entire school system to empower students and teachers in the new online educational opportunities and practices being implemented globally.

Accordingly, under the “Gamata Sannivedanaya” Project, the TRCSL, with the collaboration of the Ministry of Education and the telecom operators, will be able to provide all 10,155 schools in Sri Lanka with fiber technology and provide broadband internet facilities to schools to empower their children with technology as the first step Siyambalanduwa National School was facilitated with high-speed fiber technology.

Cabinet approval has been granted to launch the project “Providing high-speed fiber internet to all Schools in Sri Lanka” with the collaboration of the Ministry of Technology and Ministry of Education under the “Gamata Sannivedanaya” Project.

Accordingly, the necessary expertise and technical committees have been set up to implement this project.



Special projects under the “Gamata Sannivedanaya” project

In line with the implementation of the “Gamata Sannivedanaya” project to empower Sri Lanka with 4G/Fiber technology, it is necessary to find out the difficulties of rural children engaged in online education who are trying to locate signal coverage. With immediate coordination of the telecom operators, necessary initiatives were taken to improve the existing service conditions while providing IT equipment and setting up IT laboratories & smart classrooms for schools in those areas.

1. Commissioning of towers covering Bukandayaya, Katuwana and Beralihela areas in the Hambantota District.
2. Commissioning a new tower to Kumbukwewa Thihawa village in Kurunegala district. With this tower, it was possible to provide 4G coverage to the Thihawa, Ganegoda, Kumbukkulama and Godaratmale Grama Niladhari Divisions.
3. 4G coverage was provided to the Bambarawana area in Galle District, and IT equipment was donated to Bambarawana Vidyalaya.
4. Commissioning of a tower to provide necessary communication services to the Komarika area in the Badulla District.
5. Necessary steps were taken to provide communication facilities to the Matara District's Kotapola, Pitabaddara, Akuressa, Deniyaya, Deiyandara, and Hewandeniya areas.
6. Necessary steps were taken to provide communication facilities to Beliatta, Walasmulla, Siyambalagoda, Polonnaruwa, Bowara North, and Omara areas in the Hambantota District.
7. Necessary steps were taken to provide communication facilities to the Kekirawa area in the Anuradhapura District.
8. Necessary steps were taken to provide communication facilities to the Kuruduhena Radawana area in the Gampaha District.

Currently, 08 towers have been constructed under “Gamata Sannivedanaya” special projects to provide 4G facilities for people living in 120 villages (approximately) of 24 Grama Niladhari Divisions. Accordingly, the “Gamata Sannivedanaya” project has provided communication facilities to the people living in 520 villages.

POLICY & INTERNATIONAL RELATIONS

OVERVIEW

In accordance with the Sri Lanka Telecommunications Act, TRCSL is vested with the authority to advise the Government on policy matters relating to the provision of public telecommunications services and is responsible for coordinating with International Telecommunication Union (ITU) or its affiliated bodies in all matters associated with telecommunications regulations. One of the objectives outlined in the Act is to promote research into the development and use of new techniques in telecommunications and related fields. The Policy and International Relations Division is empowered by the Commission to assist the local universities/research institutions in conducting research studies. The division is also entrusted to involve in implementing international and local programs/projects relating to the promotion of international best practices for the development of the telecom sector.

As the TRCSL's focal point for international regulatory bodies responsible for telecommunications, the division undertakes a wide range of regulatory, coordination, and sector development activities with the assistance of ITU, Asia Pacific Telecommunity (APT), South Asian Telecommunications Regulators Council (SATRC) and South Asian Federation for Infrastructure Regulation (SAFIR).

FUNCTIONS

POLICY

- Provide advice on regulatory matters relating to the telecommunication sector.
- Provide financial assistance to conduct telecommunication-related research studies with the assistance of universities and research institutions.
- Carrying out projects to promote ICT literacy among students in remote areas and communities with special education needs either through TRC funds or with the assistance of international organizations.
- Provide assistance in implementing skill development programs & national certifications with regard to creating local technical manpower for the telecom industry.

INTERNATIONAL RELATIONS

- Coordinate with International Telecommunications Union (ITU), Asia Pacific Telecommunity (APT), South Asian Telecommunications Regulators Council (SATRC), and South Asian Federation for Infrastructure Regulation (SAFIR) and regional regulatory bodies in matters related to expert/technical assistance, organizing bilateral meetings, etc.
- Coordinate the representation of Sri Lanka in conferences and meetings organized by the International Telecommunications Union (ITU), Asia Pacific Telecommunity (APT), South Asian Telecommunications Regulators Council (SATRC), and South Asian Federation for Infrastructure Regulation (SAFIR)
- Coordinate with ITU, APT, and other international organizations for capacity-building related matters such as participation in seminars, workshops, and training programs.
- Disseminate information received from international organizations within the TRC.
- Collect and compile relevant data in coordination with other divisions of the Commission/telecom operators/other government organizations for responding to surveys/questionnaires received from international organizations.

PERFORMANCE OF THE YEAR 2021

POLICY

Research & Development in the field of Telecommunications

As per the provisions of the Sri Lanka Telecommunication Act, TRCSL is responsible for promoting Research & Development and the use of new techniques in telecommunications & related fields. Policy and International Relations Division provides financial assistance to conduct telecom-related Research and Development activities by State Universities and Research Institutions in Sri Lanka.

Nineteen research proposals were received from the State Universities, and the following research proposal of the University of Ruhuna was selected for the year 2021.

“Blockchain and AI empowered Cryptographic Dynamic Spectrum Access for 6G and Beyond”, Department of Electrical & Information Engineering, Faculty of Engineering, University of Ruhuna.

The research team of the University of Ruhuna was invited to make the initial presentation for the research committee and representatives of the industry through MS Teams after the approval of the Senior Procurement Committee for the above research proposal. The initial presentation was carried out by the research team headed by the principal researcher of the University of Ruhuna.

Research studies on the following proposals for 2019 and 2020 have been completed after conducting the final presentations and submitting the final reports. Financial grants for the respective organizations were completed.

- **“Fast Uplink Grant- An adaptation of Artificial Intelligence System for Machine Type Communication”** by Dr. C.K.W.Seneviratne, Department of Electrical & Information Engineering, Faculty of the Engineering University of Ruhuna. (2020) A research paper on this study has been published at one of the leading international research conferences (IEEE GlobeCom 2020).
- **“Real time monitoring of tank and canal water level in urban areas for light flood advance decision points”** by Eng. J.K. Jayawardana, Communications Division, Arthur C Clarke Institute for Modern Technology. (2020).
- **“EO/IR based Maritime Surveillance System in Sri Lanka”** by Dr. C.K.W.Seneviratne, Department of Electrical & Information Engineering, University of Ruhuna. (2019)

The universities highly appreciated this R&D program as it facilitated the researchers to acquire the necessary resources and complete their projects with expected research outcomes. It was reported that the research papers published regarding the research projects mentioned above had benefited some research students to obtain scholarships from renowned foreign universities to pursue their post-graduate studies and advance their careers.

TRCSL ICT Volunteer Programme 2021

The ICT volunteer program is highlighted as one of the capacity-building initiatives taken by TRCSL for uplifting the ICT education of the students in rural areas. TRCSL started the local ICT volunteer program as a pilot project in 2019 by restructuring the ITU’s International ICT Volunteer Programme. It has been reported that the beneficiaries of our local ICT volunteer program for the last two years include over 300 students and a few teachers.

ICT Volunteer Programme 2021 was organized in collaboration with the Ministry of Education, Vocational Training Authority, and with the assistance of universities and telecom operators to promote ICT literacy among students in remote areas. Students who have passed NVQ level 4 or 5 (National Certificate in ICT) and recommended by the Vocational Training Authority (VTA) were interviewed, and seventeen out of them were selected for the program.

These volunteers were trained for one month through a boot camp with the support of resource persons from state universities, telecom operators, and other government organizations. During this training, they were taught entrepreneurship, programming, web development, smart education, awareness of cybersecurity, and pedagogical aspects. After training the volunteers at the boot camp, they were dispatched to 17 schools in Matara, Hambantota, Kurunegala, Moneragala, and Kegalle Districts for their volunteering work for two months.

In addition to the students in remote areas, the ICT volunteers are also considered target beneficiaries of this initiative since the experience and exposure gained through this program will enable them to find better employment opportunities or become future entrepreneurs. It is envisaged that this TRCSL ICT Volunteer Programme could be developed as a major train-the-trainer program with the intention of bridging the digital divide of the country.



Telecommunications Tower Technician Program

The Telecommunications Tower Technician workforce plays a key role at the operational level in expediting the expansion of telecommunication/broadband services across the country and in rolling out more advanced telecom networks, including 5G services in the future. It has been identified that there is a shortage of professional Telecom Tower Technicians/Telecom Tower Riggers in the country, and it has also become difficult for the telecom operators to recruit competent Telecommunications Tower Technicians as there is no valid certification established for this occupation. Besides, there were many instances where skilled tower technicians were hired from other countries. There is a high demand for this job category in foreign countries too. Therefore, developing an NVQ (National Vocational Qualification) certification for Telecommunications Tower Technicians was considered a timely and important program for creating high-quality local technical manpower for the telecom industry in Sri Lanka. In view of specifying standards for the education and training of technical manpower in telecommunication as per the provisions set out in the Act, necessary steps were taken to initiate the development of an NVQ Certification for Telecommunications Tower Technicians in collaboration with the Tertiary & Vocational Education Commission (TVEC), National Apprentice and Industrial Training Authority (NAITA) and telecom operators. TVEC approved the development of the National Competency Standard (NCS) and Curriculum related to NVQ Level 4 Certification for Telecommunications Tower Technicians. A resource panel consisting of professionals from the telecom industry, broadcasting sector, and TRC was appointed to develop NCS and Curriculum as per the advice of TVEC. After that, TVEC assigned the task of developing NCS and Curriculum to NAITA along with the appointed resource panel.



NCS and Curriculum development process was carried out stage-by-stage as a series of online workshops. Telecom Tower Technician NCS and Curriculum development and validation of NCS and Curriculum have been completed. Validation of the newly developed NCS and Curriculum was completed by a panel appointed by NAITA in accordance with the guideline of TVEC. After that, the NCS and Curriculum were endorsed by TVEC.

The next step of this process is the preparation of assessment guidelines for the course. The final stage of the NVQ Certification & Curriculum for Telecom Tower Technician program is expected to complete during the following year.

INTERNATIONAL RELATIONS

Sri Lanka is a long-standing member of the International Telecommunications Union (ITU), Asia Pacific Telecommunity (APT), South Asian Telecommunications Regulators Council (SATRC), and South Asian Federation for Infrastructure Regulation (SAFIR). TRCSL is the sole lawful authority to negotiate with International Telecommunication Union (ITU) or its affiliated bodies in all matters associated with telecommunications regulations.

Membership in the aforementioned international organizations enabled TRCSL to receive technical assistance, expert assistance, collaborative projects, programs, and fellowship opportunities for capacity building in telecommunication/ICTs. P & IR Division functions as the focal point for coordinating the activities mentioned above and providing required information to international organizations through their surveys/questionnaires and circulating information from international organizations to relevant divisions of TRCSL.

Collaboration with International Organizations and Regional Regulators

Coordinating the ITU/ APT Expert Assistance Programs

ITU and APT provide technical or expert assistance in ICT/telecommunication to their member countries upon their requests. This expert assistance process often takes the form of recruiting experts, executing a project while visiting a country for a limited time to study a given subject and to deliver advice.

TRCSL received Expert assistance from ITU and APT on key subjects given below. P & IR division organized online meetings between TRCSL and experts and coordinated online discussions between experts, TRCSL, and telecom operators when necessary.

ITU Expert Mission 2021

- Spectrum Management Roadmap by ITU Expert Mr Siow Meng Soh
- Introduction of New Licensing Regime by ITU Expert Mr. David Rogerson

APT Expert Mission 2021

- Preparation of a road map for IPv6 migration by Dr Yong Wan Ju and the team

Coordination with Regional Regulators

Bilateral meetings were arranged with telecom regulators of the South Asian region, such as the Pakistan Telecommunication Authority (PTA), to share information and experiences. Multiple meetings were arranged with PTA experts on Number Portability to share their experiences with TRCSL officials to kick off the project “Implementation of Number Portability in Sri Lanka.” Subsequently, another meeting was arranged with the same experts for industry representatives who are involved in the implementation of Number Portability in Sri Lanka. Another fruitful meeting was arranged with PTA experts who have vast experience in RTTE (Radio and Telecommunications Terminal Equipment) Rules to find solutions for some issues in implementing the recently gazetted RTTE rules.

Coordinating the Country Representations in High-Level Meetings & Conferences

International regulatory bodies in the telecommunication sector encouraged the member countries to continue their active participation and contribute to related programs through virtual platforms due to the COVID-19 pandemic. In this context, the division coordinated with relevant international organizations (ITU, APT & SATRC) and made arrangements for the Director General and executive staff of TRCSL to participate in the following high-level meetings/conferences.

1. Ministerial Roundtable at ITU Digital World 2021, 14th October 2021
 - Director General attended this meeting and delivered a speech on “Digitalizing daily life: government services and content driving digital transformation.” In his speech, he outlined the government’s vision of a digital, inclusive Sri Lanka driven by a smart society and future economy, built on institutional governance and committed leadership from the very top.
2. Sixth World Telecommunication/ICT Policy Form - ITU (WTPF-21), 16th December 2021
 - Director General delivered a policy statement during the “High-Level Policy Statements” session attended by high-level decision-makers from governments and industries around the world.
3. The 45th Session of the Management Committee of the Asia-Pacific Telecommunity, 30th November - 3rd December 2021 and Seminar on Progress in APT for the year 2021 (SPA-2021), 29th November 2021
 - These virtual meetings were attended by Executive Officers of TRC.

4. The 22nd Meeting of the South Asian Telecommunication Regulators' Council (SATRC-22), 01 November 2021 - 03 November 2021
- The meeting was attended by the Director General and a few executive officers of TRC. Director General made a statement at the opening session represented by Heads of Regulators on Sub-Regional Cooperation through SATRC.
 - The Director General made his contributions by being a panelist in the Regulators' Roundtable and Regulator-Industry Dialogue.
 - Director General also contributed to the Heads of Regulators' session to discuss a new Action Plan & financial contribution for the next phase.

Coordinating the Capacity Building and Training programmes

The division coordinated with ITU, APT, Japan International Cooperation Agency (JICA), GSMA, and External Resources Department (ERD) of Sri Lanka and arranged capacity-building and training programs for officers of the organization. Knowledge-sharing sessions have also been organized subsequently by means of conducting post-training presentations.

Necessary arrangements have been made to nominate the relevant TRC officers to participate in the following programs for the year 2021 with the approval of the Advance Training Committee (ATC).

Table 25: Summary of the ATC approved International Programs

| Category | ITU | APT | GSMA | ERD | Other | Total | No. of TRCSL Participants |
|--------------|-----------|-----------|----------|----------|----------|-----------|---------------------------|
| Trainings | 14 | 16 | 1 | 1 | 0 | 32 | 39 |
| Seminars | 1 | 1 | 0 | 1 | 0 | 3 | 5 |
| Webinars | 11 | 2 | 1 | 0 | 0 | 14 | 52 |
| Conferences | 4 | 1 | 0 | 0 | 1 | 6 | 11 |
| Meetings | 16 | 8 | 0 | 1 | 0 | 25 | 37 |
| Forums | 1 | 1 | 0 | 0 | 1 | 3 | 4 |
| Workshops | 0 | 2 | 0 | 0 | 0 | 2 | 4 |
| Total | 47 | 31 | 2 | 3 | 2 | 85 | 152 |

Table 26: Funding Type of approved International Programs

| | ITU | APT | GSMA | ERD | Other | Total |
|------------------------------------|-----|-----|------|-----|-------|-------|
| Fellowship Programs | 0 | 18 | 0 | 0 | 0 | 18 |
| Free of Charge Programs | 37 | 13 | 2 | 3 | 1 | 56 |
| TRCSL Funded Programs | 10 | 0 | 0 | 0 | 1 | 11 |
| No. of TRCSL participants attended | 92 | 49 | 4 | 4 | 3 | 152 |

Furthermore, APT offered a local training program in collaboration with GSMA on the undermentioned topic. It was conducted online due to the COVID-19 pandemic situation. Ten TRC officials who are actively involved in the "Gamata Sannivedanaya" project attended the training.

- APT Local Training Programme on "Unlocking Rural Mobile Coverage" in partnership with GSMA organization, 29th -30th November 2021.

World Telecommunication and Information Society Day 2021

World Telecommunication and Information Society Day (WTISD) is celebrated annually with the objective of creating global awareness of the ways and means of utilizing ICTs for socio-economic development. This year marks 156 years since the signing of the First International Telegraph Convention on 17 May 1865, which established the International Telecommunication Union (ITU).

In celebration of WTISD 2021, ITU invited all its member states to make their contributions and to create awareness under this year's theme, "Accelerating Digital Transformation in challenging times." Member countries were also invited to take necessary measures for digital transformation and bridging the digital divide while ensuring social, economic, and environmental sustainability. These measures will enable realigning the national strategies towards a data-centric digital economy.

The division made necessary arrangements to issue WTISD special messages from H.E. the President, Hon. Prime Minister, Secretary General of the ITU, Chairman and Director General of the TRCSL and published on the TRCSL website. An online event was successfully conducted with the participation of TRCSL staff, highlighting the role of ICTs during the Covid-19 global pandemic. Necessary steps have also been taken to create public awareness through the TRCSL website, social media & electronic media focusing on this year's WTISD theme.

Telecommunications Regulation Related Surveys and other Questionnaires

▪ ITU World Telecommunication /ICT Indicators Questionnaire 2021

ITU annually collects the most comprehensive range of statistics on Telecommunication/ICT infrastructure and access from its member countries through two questionnaires. Upon the request made by the ITU, the above two questionnaires were completed with the support of telecom operators. Statistical data received from telecom operators in this regard have been aggregated, compiled, and submitted within the given time limits. "ITU ICT Indicators Short Questionnaire 2021" was completed in April 2021. The "ITU ICT Indicators Long Questionnaire 2021," which consists of 70 ICT indicators, was completed during the fourth quarter of the year.

The objective of the survey was to collect/update global data for the calculation of the ICT Development Index since the analysis of the state of global ICT development is extensively relied upon by governments, international organizations, development banks, and private sector analysts worldwide. The provided data was used to update the World Telecommunication/ICT indicators database, ITU's statistical publications, World Bank publications, etc.

▪ ITU/APT Study Group Questionnaires and other surveys

The division made necessary arrangements to obtain relevant data in coordination with other divisions/telecom operators/other government organizations and completed the following surveys and questionnaires after compilation of the collected information.

- ITU Survey on Covid-19 Initiatives (REG4COVID 2.0)
- ITU Survey on Conformance and Interoperability
- ITU ICT Price Basket Questionnaire 2021
- APT Questionnaire on "Collaborative Response Measures to Prevent Unsolicited Commercial Communications (Spam) in Asia-Pacific Region"
- ITU Survey on Digital Infrastructure and Ecosystem Reinforcement Against COVID-19 in Asia-Pacific (Connect2Recover (C2R))

Annual Subscriptions of International Organizations

As a member of international regulatory organizations in the telecom sector such as ITU, APT, SATRC & SAFIR, TRCSL receives technical/expert assistance to implement projects aimed at adopting the latest technologies, developing ICT infrastructure, and promoting ICT literacy. Being a member of the above international organizations also enables TRCSL to obtain training and fellowships for strengthening the human and institutional capacity of the country and adapting to an evolving telecommunication sector. ITU is a specialized agency of the United Nations responsible for all matters related to information and communication technologies. The ITU promotes the shared global use of the radio spectrum, facilitates international cooperation in assigning satellite orbits, assists in developing and coordinating worldwide technical standards, and works to improve telecommunication infrastructure in the developing world. Subscriptions are paid by TRCSL on an annual basis to maintain the membership of the ITU.

The Asia-Pacific Telecommunity (APT) is a leading intergovernmental organization for the development of telecommunications and ICT in the Asia-Pacific region. APT was established by ESCAP and ITU in July 1979 with the objective to promote the development of telecommunications and ICT services in the Asia-Pacific region, with particular emphasis on developing countries. APT facilitates and supports regional cooperation by engaging decision-makers in government, business, and other sectors in developing and implementing policies that are beneficial to the telecommunication and ICT sectors in the region. Subscriptions are paid by TRCSL on an annual basis to maintain the membership of the APT. Membership payments made to APT and ITU in 2021 are given in the below table.

Table 27 : Membership payments

| ITU | APT |
|--------------|--------------|
| CHF 159,000 | USD 15,420 |
| January 2021 | January 2021 |

In 2021, it was decided to discontinue the Commonwealth Telecommunications Organization (CTO) membership as the benefits/assistance received in return from CTO is minimal compared to the expenses made as an annual membership fee.

COMPLIANCE & INVESTIGATION

OVERVIEW

One of the main objectives of TRCSL is to ensure the provision of reliable and efficient national and international telecommunication services in Sri Lanka. For this purpose, regulatory measures need to be taken to ensure that telecommunication service providers comply with their regulatory obligations to provide a reliable, efficient, and quality telecommunications service. This necessitates continuous surveillance, investigation & intelligence of the industry and enforcement of appropriate regulatory measures. Processing consumer complaints and finding reasonable solutions to their problems result in customer satisfaction and enhancement of the profile. These responsibilities were handled by the Compliance & Investigation Division of TRCSL.

QUALITY OF SERVICE (QoS)

FUNCTIONS

- Monitor the adherence to QoS Standards set out in the License and the Interconnection Agreements by PSTN Operators.
- Monitor the achievement of QoS Parameter Target Values set by TRCSL for PSTN Operator's network performance.
- Monitor the adherence to the Value Added Services (VAS) guidelines issued by TRCSL for PSTN operators.
- Preparation of a report on comparison between measured QoS Parameter values by PSTN Operators for voice and broadband services and the audited values by the TRCSL.
- Circulating the comparison report among PSTN Operators for information and improvement of the accuracy of performance measurements.
- Evaluate the accuracy of QoS performance measurements made by PSTN Operators by conducting periodical audits.
- Preparation of Rules and Regulations for QoS of Telecommunication services.
- Monitoring & auditing the QoS at the cell level and discussing with operators the improvements of QoS provided to subscribers.
- Field Strength Measurements on the signal coverage of Mobile Operators.

PERFORMANCE

- Analyzed eighty-four (84) monthly QoS reports received from seven (07) PSTN Operators and discussed improvements with them on the QoS parameters where necessary.
- Prepared twenty-four (24) comparison reports of seven (07) PSTN Operators and circulated amongst them for information and improvement of the accuracy of performance measurements.
- Network Audit: PSTN Operators obtain performance measurement data from the Network Counters, compute according to the equation given by TRCSL, and report back in the form of a QoS parameter. TRCSL visited the operator's network and re-evaluated the computational methodology and the raw data obtained from Network Counters to calculate QoS parameters.
- Conducted twenty-one (21) Network Audits on Customer Service Parameters and Network Parameters of Voice Services of seven (07) PSTN operators.
- Conducted twenty-one (21) Network Audits on Customer Service Parameters and Network Parameters of Broadband Services of seven (07) PSTN operators
- Conducted sixteen (16) audits on the adherence to VAS guidelines by PSTN operators.
- Conducted three (3) network capacity audits of mobile operators.

Highlights of Customer Service Key Performance Indicators of Mobile Operators

As per the QoS Gazette of the Democratic Socialist Republic of Sri Lanka (Extraordinary) No. 2211/2 of 18.01.2021, the below parameters have been measured by the operators and audited by TRCSL.

- Bill correctness complaints – postpaid
- Bill correctness complaints – prepaid
- Bill correctness complaints resolution time for postpaid (resolved within six months)
- Bill correctness complaints resolution time for prepaid (resolved within three months)
- Bill correctness complaints resolution time for prepaid (resolved within five working days)
- Bill correctness complaints resolution time for prepaid (resolved within three working days)
- Human operator response time within 40 seconds
- Human operator response time within 80 seconds
- Interactive Voice Response (IVR) initial response time

Chart 16: Bill correctness complaints - postpaid

Operators achieved the target if the value (%) was less than (<) 0.5%

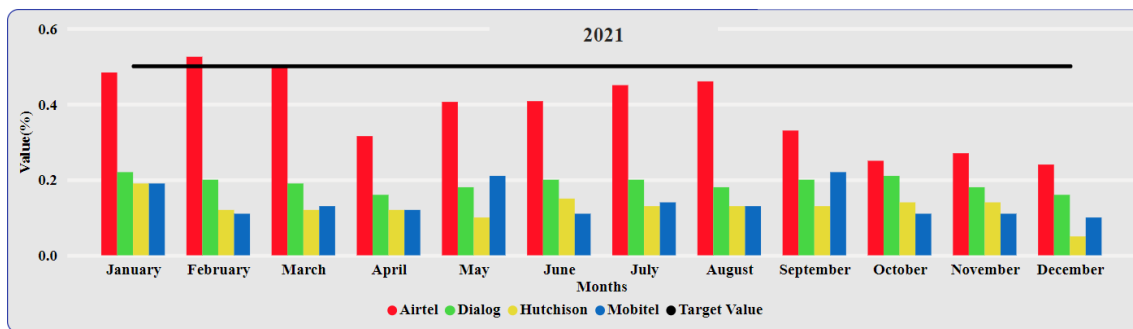


Chart 17: Bill correctness complaints - prepaid

Operators achieved the target if the value (%) was less than (<) 0.1%

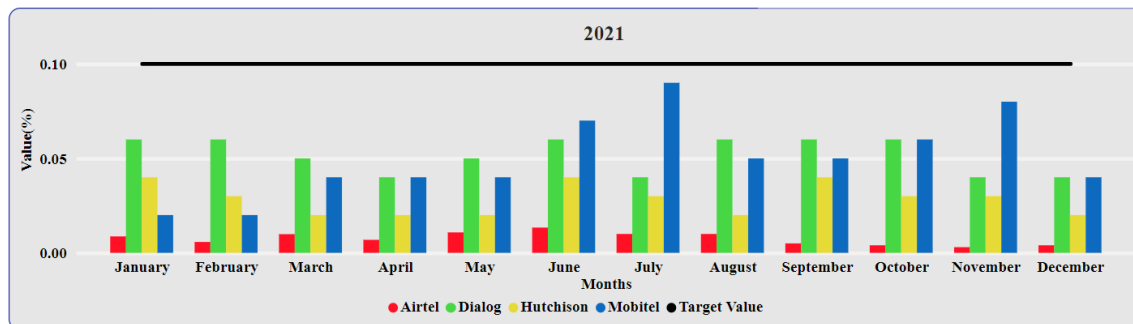


Chart 18: Bill correctness complaints resolution time for postpaid (resolved within six months)

Operators achieved the target if the value (%) was within the range of 95% to 100%

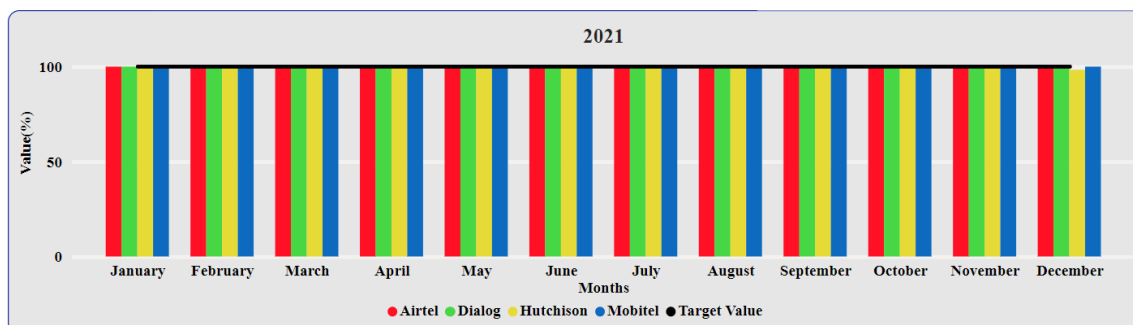


Chart 19: Bill correctness complaints resolution time for postpaid (resolved within three months)

Operators achieved the target if the value (%) was within the range of 90% to 95%

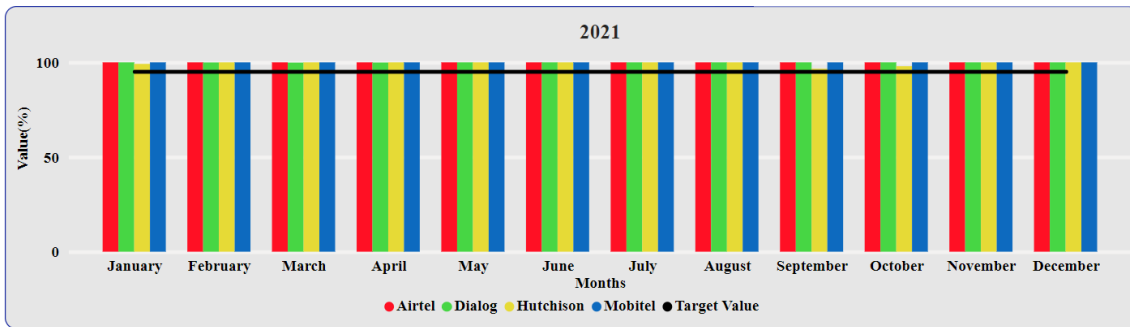


Chart 20: Bill correctness complaints resolution time for prepaid (resolved within five working days)

Operators achieved the target if the value (%) was within the range of 95% to 100%

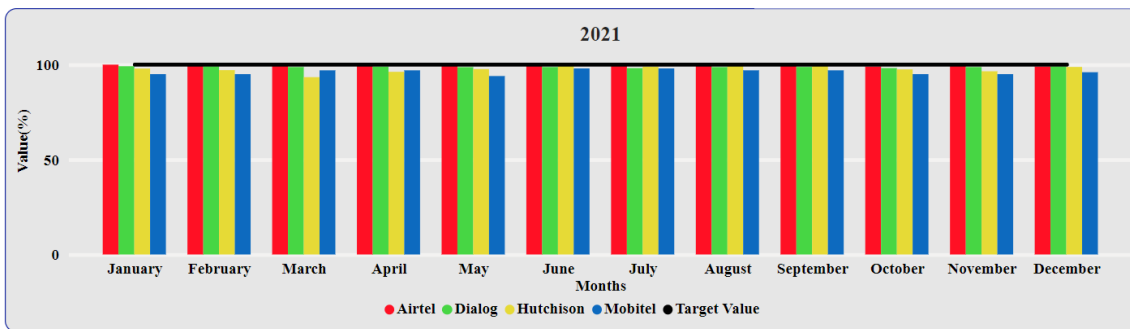


Chart 21: Bill correctness complaints resolution time for prepaid (resolved within three working days)

Operators achieved the target if the value (%) was 85%

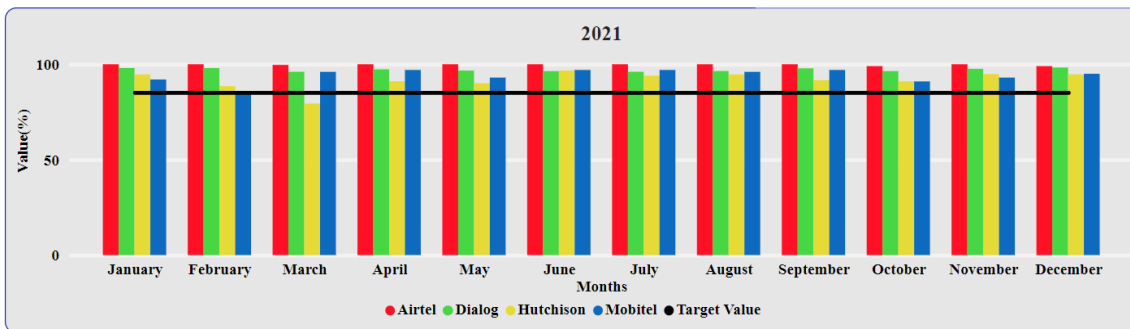


Chart 22: Human operator response time within 40 seconds

Operators achieved the target if the value (%) was greater than (>) 60%

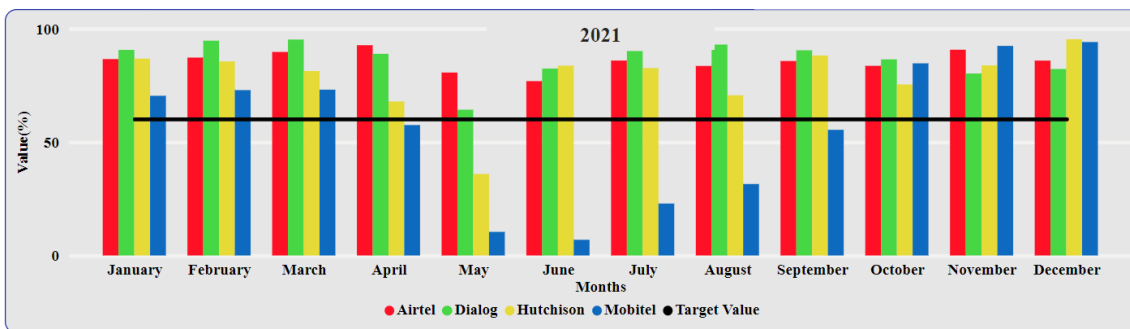


Chart 23: Human operator response time within 80 seconds

Operators achieved the target if the value (%) was greater than (>) 85%

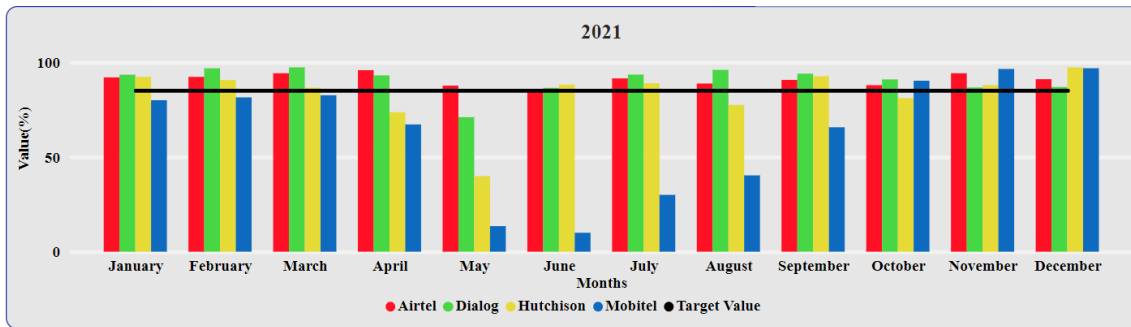
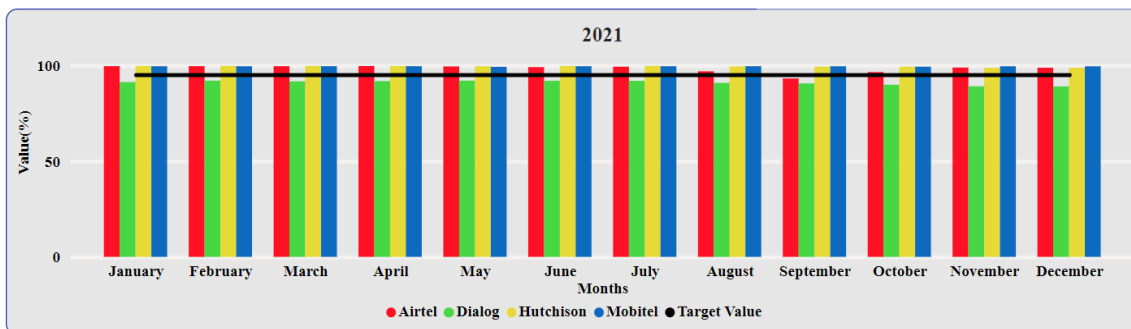


Chart 24: IVR initial response time

Operators achieved the target if the value (%) was greater than (>) 95%



SURVEILLANCE

FUNCTIONS

- Monitor the adherence to the terms and conditions of the license issued by the TRCSL under Section 17 of the Sri Lanka Telecommunications Act No. 25 of 1991 as amended by PSTN operators.
- Monitor the adherence to the conditions of the licenses issued under Section 21 of the Act and take necessary regulatory measures on non-compliance with the conditions.
- Monitor, analyze, and adopt regulatory measures to control the offer of unapproved tariff packages by licensed PSTN operators.
- Investigate illegal call termination complaints to licensed operators' networks and take appropriate regulatory action as deemed necessary.
- Conduct investigations into the sale of non-type approved telecommunication apparatus by license holding vendors and take appropriate measures if the findings reveal infringement of the terms and conditions of the licence.
- Monitor and investigate the illegal sale of telecommunication equipment by vendors lacking a valid vendor license issued by TRCSL. Take appropriate regulatory measures as deemed necessary upon any finding of illegal conduct.
- Monitor and take necessary regulatory measures on the licensed operators' offer of unapproved tariff packages in the market.
- Preparation of Rules and Regulations relevant to compliance activities.
- Streamline the importation of IMEI-enabled devices to the country.
- Monitor, Inspect and take necessary regulatory measures on the SIM registration by operators.
- Conduct awareness programs to the general public on the requirement of obtaining licenses under the provisions of the Act for the provision of various telecommunication services.

PERFORMANCE

- Investigated twelve instances of sale of non-type approved telecommunication equipment by vendors.
- Eight inspections had been carried out to monitor operators' adherence to Section 17 license conditions.
- Conducted five (5) awareness programs on the requirement of a license to provide telecommunication services.
- Twenty Four (24) audits had been carried out to verify whether operators have taken measures to re-register subscribers according to SIM Gazette Notification.
- Sixteen (16) audits had been completed on charging mechanisms of tariff packages offered to subscribers.

INVESTIGATION & INTELLIGENCE

FUNCTIONS

- Investigate into operation of unlicensed services
- Investigate necessary regulatory measures to make and enforce compliance with rules to minimize technical disturbances and all unauthorized practices.
- Intelligence and investigation in regulatory measures to comply with Government directives on National Security, Public order & Defence.
- Provide intelligence advice through advisory bodies as may be deemed necessary for advising it on any matter pertaining to the exercise, performance, and discharge of the powers, functions, and duty.

PERFORMANCE

- Investigate five instances of provisioning of illegal cable tv services.
- Provided required assistance to Police/CID for their investigations upon their requests.
- Carried out technical investigations on illegal operations of telecommunication services.
- Streamlined SIM Device/Vendor Registration Processes, which includes an IMEI verification solution.
- Mitigation of illegal DTH/Cable TV service providers.
- Management of Cyber harassment complaints.
- Provided assistance in resolving 1684 social media complaints.

CONSUMER COMPLAINTS & PUBLIC AWARENESS

Section 9 of the Act (No. 25, of 1991), as amended, allows a subscriber or a member of the public to make written complaints along with clear reasons to the Commission regarding telecommunications services provided by an operator. The Commission is empowered to make investigations and appropriate remedial measures to be taken as required. Section 9(2) provides for the Commission to direct an operator to take necessary steps for the rectification of such case or matter and to direct the operator to provide financial redress wherever necessary.

FUNCTION

- Handling correspondence of consumer complaints received from any member of the public or a subscriber for a telecommunications service.
- Investigate consumer complaints and forward them to relevant service providers with required recommendations.
- Following up on the consumer complaint with the service provider and taking necessary actions to offer a reasonable justifiable solution to the complainant.
- Arranging meetings that facilitate both the service provider and complainant to discuss the issues with the involvement of TRCSL in case the complainant is not satisfied with the solution offered by the service provider. It provides both parties to reach an amicable solution for the issue.
- Resolution of consumer complaints through an Internal Committee of TRCSL if the discussions arranged with the service provider and complainant are unsuccessful.
- Conducting public awareness programs on the use of telecommunications/ICTs and other consumer-related issues.

PERFORMANCE

Handling requests on misplaced mobile phones

Sri Lanka Police & TRC have introduced an online solution to report lost phone details where you can avail of the service on “www.ineed.police.lk”. The digital facility now offers the convenience of completing the process without physical visits to TRCSL.



As part of social obligation, TRCSL acts as a mediator in the process of finding lost mobile phones. We forward complaints received through the online solution (iNeed) to mobile operators on a daily basis, and responses received for the same are sent to relevant police stations for necessary action.

The chart below shows the number of new complaints and results from mobile operators regarding misplaced mobile phones during 2021. Out of 27,137 complaints received regarding misplaced mobile phones, 18,522 mobile phones were detected by operators. The found results were submitted to Police stations for further action.

Table 28: Finding misplaced mobile phones

| New Complaints | Found results submitted to police stations |
|----------------|--|
| 27,137 | 18,522 |

Awareness Programme

It was observed that the importance of creating awareness among the general public on the use of telecommunications/ICTs and other consumer-related issues. This program can be considered a social responsibility initiative of TRCSL to educate the general public on the importance of telecommunications/ICTs to ensure the general public is future-ready and prepared to embrace the challenges of the knowledge economy.

Furthermore, TRCSL strongly believes that the general public should be educated on the ethical usage of telecommunications.

Awareness programs have been conducted for the following audiences.

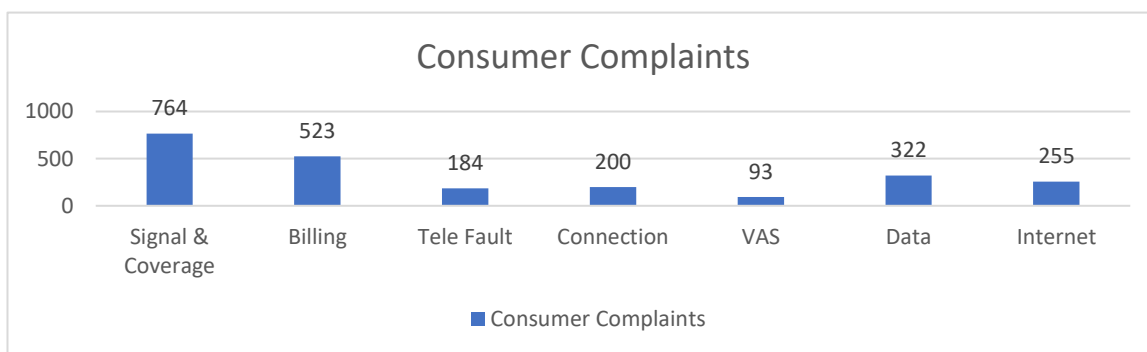
1. Police, Special Task Force and Army Officials
Awareness programs/lectures have been conducted at National Police Academy Katana, Kalutara Police Training College, In-service Mirihana Police, Special Task Force Colombo, and Sri Lanka Army as resource persons.
2. General public
Posters, leaflets, and stickers have been published to educate the general public on the ethical use of communication. The posters were delivered to all railway stations, police stations, schools, and the stickers were delivered to Public Transport Commission. Several TV/Radio programs and social media awareness programs have been conducted to educate the general public on basic information within the legal framework of TRCSL.

The following table illustrates the number of consumer complaints handled against the types of complaints. Most of the complaints were received under the signal coverage and billing categories. Necessary arrangements were made to take action regarding the rest of the signal and coverage complaints that couldn't be resolved. It is highlighted that 94% of all consumer complaints have been resolved.

Table 29: Summary of Customer Complaints

| Type of Customer Complaint | No. of complaints received | No. of complaints resolved | Percentage of the resolved complaints |
|----------------------------|----------------------------|----------------------------|---------------------------------------|
| Signals/Coverage | 764 | 650 | 85% |
| Billing | 523 | 520 | 99% |
| Tele Fault | 184 | 184 | 100% |
| Connection | 200 | 200 | 100% |
| VAS | 93 | 90 | 97% |
| Data | 322 | 319 | 99% |
| Internet | 255 | 245 | 96% |
| Total | 2341 | 2208 | 94% |

Chart 25: Consumer Complaints



Meetings arranged with operators and complainants

TRCSL arranged meetings with the service providers and complainants to solve consumer-related issues when the complaint was not satisfied with the solution offered by the telecom operator. To reach an amicable settlement with both parties, 35 meetings were conducted.

LEGAL

Overview

Legal Division plays a pivotal role for the Commission in rendering advice to the Commission on all legal & regulatory issues. The division manages all litigation matters in which TRCSL is a party.

The role of a legal division is necessary for the regulatory functions of the TRCSL. Legal Division has the responsibility to provide legal opinions in terms of the Sri Lanka Telecommunications Act No. 25 of 1991 as amended and other directly related legislations in the regulatory activities carried out by TRC.

FUNCTIONS

- Advising the Commission in the cases requiring legal input on various regulatory matters and initiation of legal proceedings under the Sri Lanka Telecommunications Act No. 25 of 1991.
- Providing legal opinions/advice on matters referred by other divisions of TRCSL, licensees, stakeholders, Ministries, forums, and other regulatory matters.
- Drafting agreements, interpreting, advising, and reviewing primary and secondary legislation pertaining to the telecom sector (E.g., laws, rules, regulations, and standards).
- Handling cases filed in Courts of Law (Supreme Court, Court of Appeal, Magistrate Court, High Court, and Labor Tribunal, etc.) where TRC has been cited as a party.

PERFORMANCES

- Legal advice was provided for issues relating to Section 17 System licence, the Vendor licence, radio frequency spectrum, networks, and telecom operators.
- Advised and supported on compliance matters ranging from customer complaints, SIM registration, internet website-related issues, and other initiatives for Compliance. The division also advised on Administrative and Human Resources related issues.
- Participated and advised on many initiations of TRCSL, including the introduction of Mobile Number probability, IMEI Registration System, and Internal Committee for Resolution of Consumer Complaints.
- The Quality of Service (QOS) Rules were gazetted. Steps were taken to obtain Parliamentary approval for the SIM Registration Regulations.
- Processed over 347 Court orders required for Criminal investigations in the year 2021. An initiation has also been launched to assist the Law enforcement authorities in investigating offenses.
- In year 2021 the division was actively involved and contributed towards the following regulatory activities of the Commission despite the lockdowns due to Covid 19. The year 2021 in review was a very productive one.

▪ Legal activities of the Special Projects

Colombo Lotus Tower Project

- Assistance was given to the Special Project Division on matters pertaining to the Contract Agreement for Colombo Lotus Tower (CLT) Construction Project. Cabinet approval was obtained in this regard.
- Cabinet approval was also received for the CLT Company formation, and the decisions were referred to Special Project Division for taking necessary actions.
- Steps were taken to acquire land for the CLT and further acquisition of land required to expand activities of the CLT commercial operations.
- Arrangements were also made to obtain necessary advice on key issues relating to the construction, takeover of the tower, loan agreement and commercialization of the CLT and the formation of the Management company.

IT Park Hambanthota Project

- Arbitration Proceedings before the Arbitration Tribunal were concluded and awaiting the award from Arbitration Tribunal.

Amendment of the Telecommunications Act

- Initial steps were taken this year towards the process of amending the Sri Lanka Telecommunications Act to meet the rapid development of the telecommunications industry.
- Cabinet of Ministers has granted approval, authorizing the TRCSL to appoint a committee comprising of intellectuals and experts, including a representative from the Attorney General's Department, to prepare a Concept Paper to amend the Sri Lanka Telecommunications Act, No. 25 of 1991.

Litigation

- The legal division has initiated legal action to recover statutory dues from defaulting operators. It was a successful year in the perspective that litigation that had dampened the Mobile & Fixed Operators in the Telecommunication sector was resolved through settlement by parties. TRCSL, as the Regulator, was able to facilitate the stakeholders to deploy 4G broadband connectivity, which was significant for the industry's progress.

Table 30: Summary of the Progress Achieved

| Action item | Progress and Performances | |
|---|--|----------------------------------|
| Filing defending of court actions and obtaining legal opinions/advice | No. of new court cases | 1 |
| | Pending cases | 9 |
| | Legal opinions obtained | 26 |
| Handling of court cases | Observations | 2 |
| | Co-ordinating with counsels, consultations | 18 |
| | Proceedings obtained | 2 |
| Providing inhouse legal advice to the Commission and other divisions | SM | 20 |
| | LM | 20 |
| | NW | 10 |
| | ADM & HR | 26 |
| | CPT | 06 |
| | Compliance | 61 |
| | PIR | 3 |
| | SP | 26 |
| | Finance | 1 |
| | IA | 4 |
| | IT | 1 |
| Drafting of rules, regulations and guidelines | Quality of Service Rules gazetted | Completed |
| | Sim regulation | Preliminary approval was granted |
| Review of agreements | Service agreements | 11 |
| Proceeding of court orders | Criminal investigations | 347 |
| | Letters issued to operators | 1393 |
| | Letters issued to police stations and courts | 415 |
| | Website blocking | 55 + 104 |
| Administration & Human Resource | Loans | 22 |
| Proceedings of RTI requests | Processed RTI requests | 131 |

SPECIAL PROJECTS

Overview

The Special Projects Division is responsible for implementing the projects of national interest and the development projects of TRCSL.

The division mainly engaged in implementing projects to improve the telecommunication industry by providing necessary infrastructure facilities. Furthermore, the division involves conducting research projects that enable the introduction of new technologies in the telecommunication sector.

FUNCTIONS

- Implementation of Colombo Lotus Tower Project
- Continue the development of Telecommunication Media Center (Hambantota IT Park Project)
- Development of TRCSL Head Office New Building as an extension to the main building
- Renovation and Rehabilitation of Kadirana Frequency Monitoring Station
- Development of Solar Project

Performance of the year

Special Projects division continued the implementation of the following projects in 2021.

Colombo Lotus Tower Project

A centralized broadcasting tower is a common feature in almost all the developed cities in the world. The main objective of such a tower is to support hosting TV and Radio broadcasting services and act as a hub station for telecommunication networks.

The key benefit that the general public gained through this project is the good reception of broadcasting signals, with the use of a single antenna, from one direction. The lower capital & operational expenditure due to infrastructure sharing are among the key benefits to broadcasters.

A centralized broadcasting tower is considered an iconic symbol of the main cities, and it further improves the beauty of the city skyline by reducing the excess construction of broadcasting facilities.

As Colombo Lotus Tower is located at the heart of Colombo city, the development cost, including the land value, is substantially high. It includes many attractions such as high elevation observation deck, restaurants, shopping spaces, and parking facilities to enhance the usability of the complex, ensure revenue to justify the investment, and sustain the operation of the tower complex.

Main attractions of Colombo Lotus Tower

- High elevation observation deck for visitors to enjoy the panoramic view of Colombo city and suburbs
- Two Banquet Halls – for weddings, social and cooperative functions.
- State Guest House to support Banquet Hall operation, accommodations to VIP guests
- Large shopping area and food courts
- Revolving restaurant
- Antenna Mast is capable of supporting Digital Video Broadcasting services, Audio broadcasting, and co-location of analog broadcasting facilities covering Colombo City and its suburbs.
- Large garden space with parking facilities.

Summary of the Project Contract

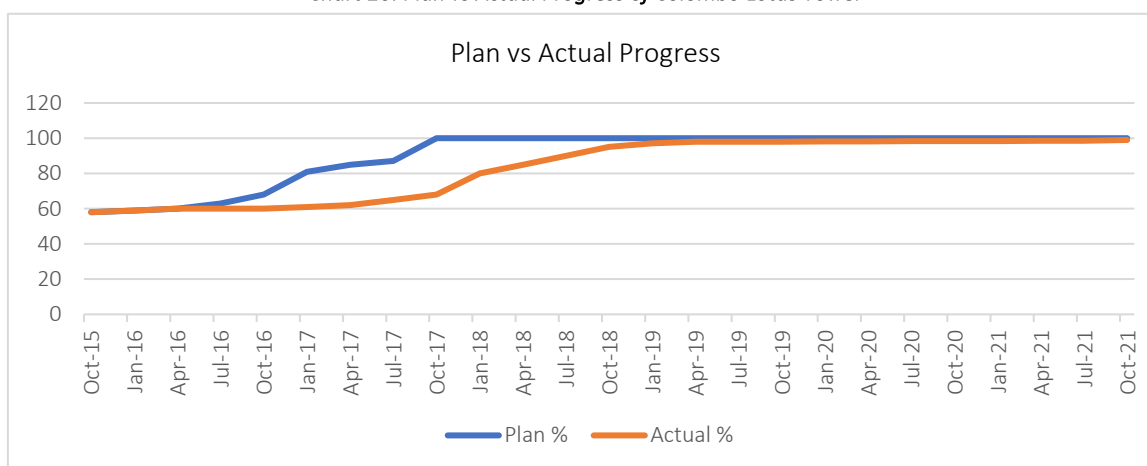
| | |
|-------------------------------------|---|
| Client (investor) | TRCSL |
| Contractor | CEIEC & ALIT |
| Type of Contact | Design and Build |
| Engineer to the Project | Project Consultancy Unit of University of Moratuwa |
| Contracted Price | USD 104.3 Mn. |
| Date of Commencement | 16 th November 2012 |
| Contractual Project Completion Date | 31 st October 2017 (Initial construction period of 912 days + TRCSL granted Extension of Time) |

Progress as of 31st December 2021

| Description | % Completion |
|---|--------------|
| Antenna Mast | 100% |
| Cleaning & Painting of Mast Base | 100% |
| Installation at Tower House | 100% |
| Tower Body Painting | 100% |
| Interior Decoration | 100% |
| Electrical installation tower house | 100% |
| Fire Water at Tower House | 100% |
| Water Supply & Drainage at Tower House | 100% |
| Electrical Installation at Tower base | 100% |
| Water Supply & Drainage at Tower Base | 100% |
| Outdoor Electrical Installation | 100% |
| Tower Base roof | 100% |
| Illumination Tower House, Base and Body | 100% |
| Lift and escalators | 99% |
| Building Management Intelligent System | 95% |
| Air conditioning & Ventilation | 99% |
| Fire Detection & Alarm System | 99% |

Planned Vs Actual Progress and continue without a target completion date

Chart 26: Plan vs Actual Progress of Colombo Lotus Tower



Summary of the Projects

| Colombo Lotus Tower Project | | |
|---|---|--|
| Action Item | Outcome | Performance |
| Colombo Lotus Tower Construction | <ul style="list-style-type: none"> Percentage of construction. Value of the Project Delivery. Percentage of testing and commissioning/coordinate investigation and clear/handover. EXIM bank loan repayment Percentage of defect rectifications. Delivery of contractual documents Percentage of completion of training. | <ol style="list-style-type: none"> Appointment of the CANC/PC. Minor Defect rectification and inspection. Major defect rectifications. Testing and acceptance of Fire Protection System with the help of Fire Services Department. Testing of MBS and Fire Alarm System. Force majeure was reported due to the outbreak of COVID-19. Additional sewage connection was requested. Scrutinization of training documents. Extension for PCU consultancy Cabinet paper is under review regarding the repayments of work related to PI cover. Continuation of PCU consultancy services. |
| Commercialization of the Colombo Lotus Tower Complex | <ul style="list-style-type: none"> Progress of setting up of Government own company under the treasury and finalize the business model. Establish tower operation team Obtaining insurance cover Enter into maintenance agreements with local agents/suppliers Procurement of assets for the smooth functioning of the CLT Marketing campaign/ Company formation. Monetization from broadcasting infrastructure. | <ol style="list-style-type: none"> Obtaining approvals from the Cabinet of Ministers for the proposed commercialization of CLT. Appointment of a team to initiate operations. Initiated discussions with Mass Media for the use of the CLT infrastructure for Digital Broadcasting. |
| Testing & Commissioning | <ul style="list-style-type: none"> Percentage of commissioning of systems Percentage of acceptance of systems | <ol style="list-style-type: none"> The contractor completed rectification works of the generator and modifications to the generator auto switch. The test has been completed by the outsourced subcontractor of CEIEC, with representatives from CEIEC and PCU. PCU, as the Engineer for the Project, has reviewed and confirmed the test and the report. Completion of Weak Current System and initiated testing and commissioning. |
| Taking over of the CLT | | <ol style="list-style-type: none"> Drafting Cabinet Memorandum with regard to taking over of the CLT. Requested recommendations from PCU for taking over CLT. |
| Management Agreement & Maintenance agreements of the CLT | <p>Signing agreements with the treasury and the management company for the lease of the tower.</p> <p>Signing maintenance agreements with local agents.</p> | <ol style="list-style-type: none"> Initiated discussion on Maintenance Agreements. TRCSL approval for a committee for drafting Maintenance Agreements for Colombo Lotus Tower. Appointment of Cross-Functional committee for recommending maintenance of systems of CLT. Commission appointing a committee for attending tasks of Maintenance Agreements of System & Structures – CLTP Appointment consultants for selection of system and infrastructure maintenance service providers. Finalizing Maintenance Agreements of Colombo Lotus Tower Project (CLTP). |

| | | |
|---|---|---|
| | | 6. Initiated the process to finalize AoA, Management Agreement, and Lease Agreement with the treasury and the CLT company. |
| DVB for CLT | Digital Video Broadcasting from CLT and Making CLT the Broadcasting hub of Sri Lanka. | <ol style="list-style-type: none"> 1. Facilitated a joint visit comprising teams from JICA, Media Ministry, TRCSL, and PCU to CLT to study the facilities available in CLT supporting DVB transmission from Colombo Lotus Tower. 2. Initialization of discussions with MOD to mobilize Defence requirements. 3. Drafting an MOU to be signed with the Ministry of Mass Media |
| Lotus Tower Phase 02 Project | Vehicle parking facility along with mixed development. | Land acquisition is in progress under the Legal division. |
| Administrative Progress of the project | | <ol style="list-style-type: none"> 1. CANC/PC meetings were organized. 2. Weekly Progress review Meetings of CLTP were conducted. 3. Registration of TRCSL for importing CLT goods in customs of Sri Lanka. 4. Meeting to discuss comments/inputs from CECB on taking over of CLT. 5. Seeking advice from Hon. Attorney General on the legal aspects of obtaining a refund from the export-import bank of China & China export and credit insurance operation in terms of the contract. 6. Processing EXIM Bank loan re-payment (Principle & Interest) due date is 21st January 2022. |

Other Development Projects

| Project | Outcome | Performance |
|--|--|---|
| TRCSL New Building Construction | Percentage of completion. Values of the delivery of the project components. | <ol style="list-style-type: none"> 1. The superstructure of the building – 100% 2. Wall finishes – 100% 3. Lift installation – 100% 4. Air-condition and Ventilation – 90% 5. Electrical – 85% 6. Firefighting System – 95% 7. Water supply and Drainage – 100% 8. Floor Finishes – 100% 9. Connecting Bridges – 100% 10. Door Windows– 99% 11. Roof and sealing – 100% 12. Data Cabling, IP-PABX, CCTV and Wi-Fi - 85% 13. Landscaping – 0% |
| IT Park – Humbanthota | The parentage of completion of the market survey, planning the project completion. Value and delivery of the project | The arbitration process by the legal division is in progress. |
| Kadirana Rehabilitation, Renovation & Refurbishment Project | Percentage of completion. Values of the delivery of the project components. | TRCSL approved the variations and requested the Engineer to complete the project with approved variations. |
| Solar Project | Percentage of completion. | The project concept & specifications are drafted. TRCSL requested a feasibility report from CEB. |

ADMINISTRATION, HUMAN RESOURCE & CORPORATE AFFAIRS

OVERVIEW

The role of the division is crucial for the smooth functioning of the entire organization, and its scope of it encompasses a wide range of functions and responsibilities. The division is responsible for the administration, management & development of human resources and corporate affairs.

The scope of the division also extends to planning and monitoring activities of TRCSL, maintaining and creating a physical environment conducive for the employees to improve their standards of work, and coordinating within the organization & with other organizations.

Furthermore, the division manages the provision of office requisites and supportive facilities for staff, ensuring the welfare of the staff, providing library facilities, and media coverage of important events of the organization.

FUNCTIONS

- Preparation of rules, circulars, regulations, and procedures in relation to human resources management and general administration.
- Attending to all matters pertaining to recruitment, confirmation, performance appraisal, promotions, leave records, attendance, transfers, disciplinary control, release, and retirement of staff.
- Maintenance of personal files of the staff.
- Preparing a personnel plan for the Commission along with job descriptions for each position, in consultation with respective senior managers.
- Preparing human resources development budget.
- Coordinating training activities (both local and foreign) and making necessary travel, registration, and other arrangements for staff.
- Coordination of activities relating to outsourced services such as security, cleaning, building maintenance, repair, and purchase of machinery/equipment under procurement activities. Procurements can be mentioned as a key task handled by the Admin division.
- Ensuring the efficient supply of utility services such as electricity, water, and telephone services.
- Maintenance of vehicle fleet and handling property insurance/vehicle fleet insurance.
- Provision of logistic support for other divisions of TRCSL.
- Preparing and implementing the annual procurement plan
- Make recommendation/approval of payments as per the delegation of financial authority.
- Maintenance of archives/record-room
- Make arrangements to conduct an annual Board of Survey, Auction and dispose of recommended items based on the annual Board of Survey.
- Make arrangements to implement the office Automation System & Digitalization Process.
- Ensuring occupational health and safety measures.
- Coordinating with the Department of Public Enterprises, Department of Management Service, National Salaries and Cadres Commission, and other relevant government institutions.
- Administering the life assurance and medical insurance scheme for employees.
- Coordinating welfare activities to provide welfare services to the staff and handling grievances.
- Coordinate activities relating to preparing the action plan, corporate plan, progress report, and annual report.
- Coordination of activities related to submitting answers to parliamentary questions, submitting reports to the Auditor General and the Committee on Public Enterprises (COPE), and submitting Cabinet memoranda.
- Coordination with other intuitions on matters relating to the general functions of the TRCSL.
- Attending to matters regarding previous Corporate Social Responsibility (CSR) activities.
- Introduction and implementation of productivity activities.
- Administration of the Library and Media units.

PERFORMANCE

Establishment Work and Management of the Cadre

The Administration division carried out the establishment work of the staff such as maintenance of personal files, recruitment, confirmation, promotions, leave records, attendance, performance appraisal of employees, disciplinary inquiries, etc.

In 2021, necessary actions were taken by the division to prepare the performance evaluation for employees and to provide salary increments for 213 permanent staff officers. 02 number of employees were confirmed in their posts upon the completion of a 3-year probationary period. Besides, the division was engaged in preparing employees' progress review reports, preparation of salary conversions regarding the confirmation and promotion of officers, and registration of officers in the Employees Provident Fund. 03 preliminary investigations/inquiries were also conducted during the year.

Employees of TRCSL can reimburse 2/3 of the loan interests obtained for housing purposes, while they are also given loans for their multiple distresses and to purchase a vehicle. The total number of new 2/3rd reimbursements, distress loans, and vehicle loans arranged by the division for the year 2021 were 01, 24, and 01, respectively. Gratuity payments were also made for three retired employees.

The total staff as at 31st December 2021 was 220. Out of the total staff, 05 were in Senior Managerial posts, 27 were in Middle managerial posts, 146 were in subordinate ranks, and 42 were in minor grades. The number of cadres approved for the TRCSL was 298.

The division continued its work on the proposed Scheme of Recruitment (SOR) during the year. The consultant for the task submitted the draft report for the review of TRCSL. Accordingly, discussions with heads of divisions were carried out to verify the proposed organigrams for the respective divisions whilst arranging discussions on the other provisions of the proposals. This activity is being carried out under the direction and guidance of the Commission of TRCSL.

Under the internal promotion scheme, 03 Office Aides were promoted from Grade II to Grade I, while 03 Management Assistants were promoted from Grade II to Grade I. The recruitment activities for the recruitment of 06 Consumer Relations Officers (CROs) were concluded during the year. 05 Development officers & 01 Assistant Accountant were appointed as CROs.

Seventeen students from Government universities and vocational training institutes were enlisted as trainees for a 06-month training period enabling them to gain industry exposure.

Despite mobility restrictions imposed throughout the year, the division successfully conducted Efficiency bar examination for Assistant Directors, Secretary to DG, Management Assistants (Technical) Grade II, Management Assistants (Non-Technical) Grade II, Driver Grade II, and Office Aide Grade II categories of the staff.

Upon consideration of successful performance and fulfillment of entry requirements, 07 contract employees were offered permanent employment whilst one officer was absorbed into the permanent cadre of TRCSL after being permanently released from public service.

Fulfilling a long-standing need of TRCSL, the Information Technology Division was formally established to address the escalating demands on the IT requirements of the organization.

Issuance of Office Circulars and Introduction of Office Procedures

Internal Circulars

| Circular | Date of issue |
|---|---------------|
| Introduction of Performance Appraisal system for Senior Officers of the Telecommunications Regulatory Commission of Sri Lanka | 2021.12.30 |

In 2021, the above circular was issued by the Administration & Human Resources Division to streamline and enhance the productivity of the organization. In addition, necessary steps were taken by the division to introduce office procedures to improve the consistency, efficiency, and professionalism within the organization.

Upon the directives of the Audit Committee of TRCSL, the administration division reviewed and amended the procedure for issuing distress loans for the staff and obtained the approval of the Commission of TRCSL for the draft circular.

Process automation was introduced to allocate vehicles for official duties and to issue travel passes to undertake official duties during the COVID-19 lockdown periods.

Training

The TRCSL provided local and overseas training opportunities for the staff to enhance their knowledge, skills, and positive attitudes and to apply them in the office environment. Information relating to the participation of TRCSL officials in training programs/fellowships/seminars for 2021 is given below. Due to the mobility restrictions, all foreign programs were conducted online.

Participation of TRCSL Staff in Foreign & Local Training programs in 2021

Table 31: Participation for Foreign Training Programmes

| | Foreign Programme | Funding Type | Period | | Number of Officials Participated |
|----|--|----------------|------------------|------------------|----------------------------------|
| | | | From (D/M/Y) | To (D/M/Y) | |
| 01 | APT online seminar/workshop for the Effectiveness of Radio Broadcasting in Rural Areas where the limited Broadband Network (KDDIF, Japan) | Fellowship | 12 January 2021 | 19 January 2021 | 01 |
| 02 | APT Training Course on Radio Management and Monitoring for Wireless Broadband Infrastructure (TELEC, Japan) | Fellowship | 20 January 2021 | 28 January 2021 | 02 |
| 03 | Cyber Security Technologies Recent Trends of Risks and Countermeasure to them (KDDIF, Japan) | Fellowship | 03 February 2021 | 18 February 2021 | 02 |
| 04 | ITU Strategic Aspects for Internet Governance & Innovation | TRCSL | 01 February 2021 | 08 February 2021 | 01 |
| 05 | APT Training Course on Latest Wireless Communication Technology Trends & Planning of effective Utilization of Frequency Spectrum (JTEC, Japan) | Fellowship | 24 February 2021 | 26 February 2021 | 02 |
| 06 | APT Training Course on ICT Services to Achieve SDG's and Digital Transformation (BHN, Japan) | Fellowship | 02 March 2021 | 22 March 2021 | 03 |
| 07 | Virtual Meeting of ITU T Study Group 3 | Free of charge | 24 May 2021 | 28 May 2021 | 02 |
| 08 | The 27th Meeting of the APT Wireless Group | Free of charge | 22 March 2021 | 30 March 2021 | 03 |
| 09 | The 2nd Meeting of the APT Conference Preparatory Group for WRC-23 | Free of charge | 19 April 2021 | 23 April 2021 | 02 |
| 10 | ITU Webinar on Last Mile Connectivity in Asia and the Pacific | Free of charge | 22 February 2021 | 22 February 2021 | 03 |
| 11 | ITU E-Learning Course on " Wireless Access Technologies to Internet Network | TRCSL | 08 March 2021 | 15 March 2021 | 02 |
| 12 | ITU Virtual Forum on the Role of Standards in Accelerating Digital Transformation for Cities and Connection on | Free of charge | 23 April 2021 | 23 April 2021 | 01 |
| 13 | ITU Meeting of Working Parties 1A, 1B, 1C e-Meeting 25 May-2nd June 2021 ITU-R Study Group (Spectrum Management E Meeting 3rd June 2021) | Free of charge | 25 May 2021 | 03 June 2021 | 02 |
| 14 | GSMA Webinar Recognizing the potential of Industry 4.0 om Asia Pacific | Free of charge | 02 March 2021 | 02 March 2021 | 02 |

| | | | | | |
|----|--|----------------|-------------------|-------------------|----|
| 15 | ITU R Study Group 1 (Spectrum Management E Meeting) | Free of charge | 03 June 2021 | 03 June 2021 | 01 |
| 16 | ITU R 2nd Meeting of Task Group 6-1 WRC-23 Agenda 1.5 E- Meeting | Free of charge | 05 July 2021 | 14 July 2021 | 01 |
| 17 | The Asia Pacific-Online Training Course on Basic knowledge and Application of 5G and AI | Free of charge | 19 April 2021 | 30 April 2021 | 01 |
| 18 | 21st Global Symposium for Regulators (GSR-21) Virtual event | Free of charge | 21 June 2021 | 25 June 2021 | 04 |
| 19 | ITU E-Learning Course on Security and QoS in Internet Network | TRCSL | 12 April 2021 | 19 April 2021 | 01 |
| 20 | APT 1st Web Dialog | Free of charge | 17 May 2021 | 17 May 2021 | 01 |
| 21 | Virtual Online Meeting for the 33rd APT Standardization Program Forum (APTAP-33) 7-15 June 2021 | Free of charge | 07 June 2021 | 15 June 2021 | 01 |
| 22 | Head of Regulators Executive Roundtable | Free of charge | 21 June 2021 | 21 June 2021 | 02 |
| 23 | APT Web Dialogue Series Spectrum Management 16th, 30th June & 5th July 2021 | Free of charge | 16 June 2021 | 05 July 2021 | 05 |
| 24 | ITU's Global event on Emergency Technology for Connectivity- Accelerating Digital Transformation in LDCs SIDS and LLDs 5-9 July 2021 and Capacity Building on Emergency Technology | Free of charge | 11 July 2021 | 16 July 2021 | 01 |
| 25 | Emergency Technology Week for Sustainable Development Accelerating Digital Transformation in LDCs, SIDS, and LLDCs 5-9 July 2021 | Free of charge | 05 July 2021 | 09 July 2021 | 02 |
| 26 | 22nd International Space Radio Monitoring Meeting | Free of charge | 21 September 2021 | 23 September 2021 | 01 |
| 27 | JICA Knowledge Co-Creation Program (Online) Digital Terrestrial TV Broadcasting (DTTB) Policy and Engineering | Free of charge | 06 September 2021 | 24 September 2021 | 01 |
| 28 | Training Courses on Spectrum Management and Monitoring, (RGM TTC BSNL, Chennai, India) | Fellowship | 04 August 2021 | 17 August 2021 | 01 |
| 29 | ITU E-Meeting of Radio Communication Study Group 7 Science Services, E-Meeting | Free of charge | 07 September 2021 | 24 September 2021 | 02 |
| 30 | Seminar on Planning and Building Cloud Computing Data Center for Developing Countries (Online) | Free of charge | 03 August 2021 | 16 August 2021 | 02 |
| 31 | 12th Meeting of the Expert Group on Telecommunication ICT Indicators (EGTT) NS 9TH Meeting of the Expert Group on ICT Household Indicators (EGH) to be held in virtual format | Free of charge | 13 September 2021 | 17 September 2021 | 02 |
| 32 | 18 th APT Telecommunication/ICT Development Forum (ADF-18) | Free of charge | 24 August 2021 | 26 August 2021 | 02 |
| 33 | "ITU Centers of Excellence for Asia-Pacific - Online Training Course on Spectrum Management and Technology Application | Free of charge | 09 August 2021 | 22 August 2021 | 01 |

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| 34 | ITU Centre of Excellence for Asia Pacific- Online Training Course on ICT & 5G in Smart City | TRCSL | 13 September 2021 | 14 September 2021 | 01 |
| 35 | ITU Centers of Excellence for Asia Pacific- Online Training Course on Internet of Things Concerns for implementing Industry 4.0, | TRCSL | 08 November 2021 | 10 November 2021 | 01 |
| 36 | ITU Centers of Excellence for Asia Pacific- Online Training Course Latest Trends in Satellite Broadband Access | ITU | 15 November 2021 | 16 November 2021 | 01 |
| 37 | APT Training Course on State Computing in 5G Network and IoT Analytical (Phase 1 Online Training Course, 16 August 13 September 2021 and Phase 11: Virtual Classroom Training | Fellowship | 16 August 2021 | 26 November 2021 | 01 |
| 38 | "South Asian Telecommunications Regulators' Council (SATRC) Workshop on Policy, Regulation and Services (Virtual/Online Meeting" | Free of charge | 31 August 2021 | 01 September 2021 | 03 |
| 39 | SATRC Workshop on Recent Trend and Technologies | Free of charge | 27 September 2021 | 28 September 2021 | 01 |
| 40 | ITU E-Learning course "Technical business and regulatory aspects of 5G Network" | TRCSL | 23 August 2021 | 30 August 2021 | 01 |
| 41 | The 9th Meeting of the Working Group of Management Committee on APT Legal Instruments (WGMC-9) (Virtual/Online Meeting | Free of charge | 20 October 2021 | 21 October 2021 | 02 |
| 42 | APT (Online Training) Course on Intelligent Optical Network (WRIPT, Wuhan, China) | Free of charge | 18 October 2021 | 29 October 2021 | 01 |
| 43 | APT (Online Training) Course on Evolution of Future Network & Ultra Broadband Internet (ALTTC, Ghaziabad, India) | Fellowship | 06 September 2021, | 17 September 2021, | 01 |
| 44 | APT (Online Training) Course on Licensing in a Convergent Environment (Online Training Course (BRBR, AITT, India) | Fellowship | 6 October 2021 | 12 October 2021 | 01 |
| 45 | GSMA Invitation to "Exploring online misinformation and disinformation in Asia Pacific. | Free of charge | 21 July 2021. | 21 July 2021. | 02 |
| 46 | APT-NIA (Online Training) Course on the Advent of Hyper- Connected Intelligence Society in the Asia-Pacific, Region | Fellowship | 28 September 2021 | 29 September 2021 | 01 |
| 47 | ITU E-Learning course on "QoS Technologies and Regulation for Fixed and Mobile" 2021 (Online Course) | Free of charge | 27 September 2021 | 04 October 2021 | 01 |
| 48 | APT Training Course on IoT Technologies & Ecosystem (NTTIPRIT, Ghaziabad, India) | Fellowship | 25 October 2021 | 29 October 2021 | 01 |
| 49 | 22nd Meeting of the South Asian Telecommunication Regulator's Council (SATRC-22) Virtual/Online Meeting | Free of charge | 01 November 2020 | 03 November 2020 | 01 |

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|----|---|--------------------|-------------------|-------------------|----|
| 50 | ITU Centers of Excellence for Asia-Pacific - Online Training Course on Human Exposure to 5th Generation Electromagnetic Fields: Guidelines, Measurements and Case Studies | TRCSL | 04 October 2021 | 17 October 2021 | 01 |
| 51 | ITU Regional Radiocommunication Seminar 2021 for Asia and the Pacific (RRS-21-Asia-Pacific) (Online Seminar) | Free of charge | 11 October 2021 | 22 October 2021 | 01 |
| 52 | Internet Governance Forum (IGF) Katowice, Poland (Online Forum) | Fellowship & TRCSL | 06 December 2021 | 10 December 2021 | 01 |
| 53 | APT Web Dialogue: Unsolicited Commercial Communications - Challenges and Strategies(policy02) (Online) | Fellowship | 24 September 2021 | 24 September 2021 | 01 |
| 54 | The 45th Session of the Management Committee of the Asia-Pacific Tele community (Virtual Online Meeting) | Fellowship | 30 November 2021 | 03 December 2021 | 02 |
| 55 | Seminar on Progress in APT for the year 2021 (SPA-2021) (Virtual Online Meeting). | Fellowship | 29 November 2021 | 29 November 2021 | 05 |
| 56 | Meeting of ITU - T Study Group 11 - Signaling requirements, Protocol and test specification (Online Virtual Meeting) | Free of charge | 01 December 2021 | 10 December 2021 | 01 |
| 57 | Virtual/Online Meeting for the 3rd Meeting of the APT Preparatory Group for WTDC-21 (APT WTDC21-3), The 3rd Meeting of the APT Preparatory | Free of charge | 05 October 2021 | 08 October 2021 | 01 |
| 58 | The 3rd Meeting of the APT Conference Preparatory Group for WRC-23 (Virtual/Online Meeting) | Free of charge | 08 November 2021 | 13 November 2021 | 02 |
| 59 | 5A- Land mobile service above 30 MHz*(excluding IMT); wireless access in the fixed service; amateur and amateur-satellite services | Free of charge | 15 November 2021 | 26 November 2021 | 01 |
| 60 | ITU T Study Group 12 Meeting (Performance Qos and QosE) (Online Meeting) | Free of charge | 12 October 2021 | 21 October 2021 | 01 |
| 61 | APT Training Course on the Development and Application of Artificial Intelligence and Blockchain Technology (BUPT, Beijing, China) | Fellowship | 02 November 2021 | 09 November 2021 | 01 |
| 62 | Virtual meeting of ITU - T Study Group 20 - standardization requirements of Internet of Things (IoT) technologies (Online Meeting) | Free of charge | 11 October 2021 | 21 October 2021 | 01 |
| 63 | Network capabilities and emerging technologies to support IoT-enabled verticals (This webinar will feature the potential of emerging technologies in optimizing IoT-enabled verticals) (Online Webinar) | Free of charge | 18 November 2021 | 18 November 2021 | 01 |
| 64 | ITU Meeting of Radio Communication Study Group 6 (Broadcasting Service) e-Meeting (Online Meeting) | Free of charge | 12 November 2021 | 12 November 2021 | 01 |

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|----|---|----------------|------------------|------------------|----|
| 65 | ITU - T Study Group 9 - Broadband Cable & TV (Online/Virtual Meeting) | Free of charge | 15 November 2021 | 24 November 2021 | 01 |
| 66 | ITU Meeting of Radio Communication Study Group 4 - Satellite services - Systems and networks for the fixed-satellite service, mobile-satellite service, broadcasting-satellite service and radio determination-satellite service. (Online/Virtual Meeting) | Free of charge | 5 November 2021 | 5 November 2021 | 01 |
| 67 | ITU Meeting of Working Parties 1-A- Spectrum Engineering Techniques 1-B- Spectrum Management Methodologies & Economic Strategies 1-C- Spectrum Monitoring (Online Virtual Meeting) | Free of charge | 03 November 2021 | 12 November 2021 | 02 |
| 68 | Interoperability of IoT and Satellite data for earth observation supporting sustainable development (Online Training) | Free of charge | 12 December 2021 | 12 December 2021 | 01 |
| 69 | ITU and USTTI Training Series on Technologies Strategies and Policies to Connect the Unconnected: Empowering Woman Leaders to Bridge Digital Divides and Promote Inclusive Connectivity (Virtual/Online) | Free of charge | 01 November 2021 | 03 November 2021 | 02 |
| 70 | APT Training Course on Developing fundamental network planning skills in regional communities to bridge the digital divide / The ITU Association of Japan (ITU-AJ), Japan (Online Training) | Fellowship | 01 November 2021 | 13 November 2021 | 01 |
| 71 | APT Training Course on Security Measures for the Artificial Intelligence and 5G Technology, Shanghai, PR China (E-CAICT, Shanghai, China) | Fellowship | 15 November 2021 | 26 November 2021 | 01 |
| 72 | Virtual Meeting of ITU T Study Group 3 Economic & Policy Issues (Virtual Online Meeting) | Free of charge | 13 December 2021 | 17 December 2021 | 02 |
| 73 | ERD Training Course on Computer Software, Hardware, Network Technologies for Developing Countries (Online Training) | Free of charge | 09 November 2021 | 29 November 2021 | 01 |
| 74 | ITU E-Learning course "Future Mobile and Wireless Broadband: LTE-A-Pro, WiFi, Satellites, 5G NR and AI" (Online Training) | TRCSL | 16 November 2021 | 13 December 2021 | 01 |
| 75 | ITU Digital Transformation for Cities and Communities Webinar Series Episode – 06 Webinar on Smart Cities Platforms (Online) | Free of charge | 01 November 2021 | 01 November 2021 | 08 |
| 76 | ITU Digital Transformation for Cities and Communities Webinar Series Episode – 07 Webinar on Crowdsourced Systems (Online) | Free of charge | 02 November 2021 | 02 November 2021 | 02 |
| 77 | ITU Digital Transformation for Cities and Communities Webinar Series Episode – 08 Webinar on Network capabilities and | Free of charge | 18 November 2021 | 18 November 2021 | 04 |

| | | | | | |
|----|---|----------------|------------------|------------------|----|
| | emerging technologies to support IoT-enabled verticals (Online) | | | | |
| 78 | TU Digital Transformation for Cities and Communities Webinar Series Episode – 09 Webinar on Addressing the Security Risks of Digital Transformation on IoT (Online) | Free of charge | 06 December 2021 | 06 December 2021 | 05 |
| 79 | ITU Digital Transformation for Cities and Communities Webinar Series Episode – 10 Webinar on the role of digital technologies on aging and health co-organized with Pan American Health Organization (PAHO) | Free of charge | 07 December 2021 | 07 December 2021 | 03 |
| 80 | ITU Digital Transformation for Cities and Communities Webinar Series Episode – 11 Webinar on Blockchain-based data management for supporting Internet of things and smart cities and communities (Online) | Free of charge | 08 December 2021 | 08 December 2021 | 06 |
| 81 | TU Digital Transformation for Cities and Communities Webinar Series Episode – 11 Webinar on Blockchain-based data management for supporting Internet of things and smart cities and communities (Online) | Free of charge | 08 December 2021 | 08 December 2021 | 06 |
| 82 | Episode - 12 Webinar on Interoperability of IoT and satellite data for Earth observation supporting sustainable development co-organized with Mandat International and World Meteorological Organization (WMO) (Online) | Free of charge | 14 December 2021 | 14 December 2021 | 06 |
| 83 | ITU Digital Currency Global Initiative Webinars (Online) | Free of charge | 19 November 2021 | 23 November 2021 | 01 |
| 84 | National Cyber and Information Security Agency of the Czech Republic Prague 5G Security Conference (Online) | Free of charge | 30 November 2021 | 01 December 2021 | 02 |
| 85 | APT Training Course on Radio Spectrum Management and Monitoring for Wireless Broadband Infrastructure and IoT Telecom Engineering Centre (TELEC) Japan | Fellowship | 01 December 2021 | 09 December 2021 | 01 |

Table 32: Participation for Local Training Programmes

| Local Programme | Organization | Duration | Number of Officials Participated |
|--|---|------------------------|----------------------------------|
| Manage your Tax Compliance | The Institute of Chartered Accountants of Sri Lanka | 23 January 2021 | 02 |
| Continuing Professional Development Course on Contract Administration | The Institution of Engineers Sri Lanka | 12 Consecutive Sundays | 01 |
| Improving Workplace Productivity using ICT | Distance Learning Centre | 2,3,9 &10 March 2021 | 01 |
| Advance MS Excel for Data Analysis | Association of Accounting Technicians of Sri Lanka | 04 May 2021 | 01 |
| Certificate Course in Taxation | Association of Accounting Technicians of Sri Lanka | 16 May 2021 | 01 |
| 20 th CAPA Conference and 42 National Conference of the Institute of Chartered Accountants of Sri Lanka | The Institute of Chartered Accountants of Sri Lanka | 06 -08 October 2021 | 04 |
| Preliminary Investigation Training programme | Skill Development Fund Ltd. | 02 & 03 September 2021 | 01 |
| Practical Issues in the Preparation of Income Tax Computations | The Institute of Chartered Accountants of Sri Lanka | 19 October 2021 | 01 |
| Customized Training program on Public Financial Regulations & Inventory Management | Distance Learning Centre | 10 & 01 November 2021 | 18 |
| CPFA & APFASL Annual Conference 2021 | The Institute of Chartered Accountants of Sri Lanka | 29 December 2021 | 03 |

Procurement Activities

The division coordinated activities to supply different types of goods, works, and services to the Commission. These activities include preparing bidding documents, publication of notices, and appointment of Technical Evaluation Committees (TECs) and Procurement Committees (PCs). In addition, the division attends to the preparation and submission of reports for obtaining required approvals, intimation of the decisions to relevant parties, preparation of service agreements in collaboration with the Legal Division, supervision of the work of the service providers, and taking corrective measures when deviations from the service agreements were observed.

All these procurements have been carried out as per the provisions of the National Procurement Guidelines of Sri Lanka. As a line ministry representative was unavailable, the Minor Procurement Committee of TRCSL could not be appointed. Thus, all procurement activities were carried out by the Senior Procurement Committee. During the period under review, 14 meetings of the Senior Procurement Committee were held successfully.

TRCSL successfully conducted virtual bid openings for major procurements overcoming difficulties caused due to COVID-19, with the support of the IT division of TRCSL. This initiative ensured that key procurement activities were conducted on time.

The division ensured an efficient supply of electricity, water, telephone, and cleaning services. It took every measure to ensure a timely supply of stationery, office equipment, and machinery to all the divisions of TRCSL.

These activities were carried out in time to supply the required services and materials in a transparent, cost-effective, and fair manner for the smooth functioning of the organization. These include renewal of the Office 365 licenses, procurement of laptop computers, automation HR system, arranging uniforms for minor staff, and provision of services (insurance, security, maintenance, cleaning, canteen services, and water).

During the year, 24 procurement activities carried forward from 2020 were completed, while progress of 65 % was achieved from the procurement plan of 2021 even in COVID – 19 pandemic situations.

Maintenance of Fleet of Vehicles

In 2021, the fleet of vehicles of TRCSL consisted of eleven cars, two double cabs, four jeeps, six vans, one bus, three lorries, and two motorbikes. The vehicles were allocated for inspection visits, transport facilities for the staff for official duties and welfare activities, etc. Revenue licenses of 25 vehicles were duly renewed, while regular servicing and repairs of the vehicles were also carried out.

The auctioning activities of 04 vehicles were carried out during the year, and bids were accepted from interested parties for the vehicles to be disposed of.

Preparation of Action Plan, Corporate Plan, Progress Reports and Annual Report

Action Plan 2022

The Cabinet of Ministers has approved the National Policy Framework of the Government “A Reconstructed Country with a Future Vistas of Prosperity and Splendour” in 2020. TRCSL is directed to carry out the duties and functions of the institutions in line with the Action Plan. TRCSL Plan of Action for 2022 was prepared with the consultation of all heads of the divisions. The Proposed Action Plan 2022 was forwarded to the Finance division and was incorporated with the Annual Budget 2022 during the Q4 of the year.

The Commission approval was granted to implement the TRCSL Action Plan for 2022 on 10.12.2021, and copies were submitted to relevant Ministries and Authorities. According to the Financial guidelines, TRCSL submitted this information within the given time frame. The Commission-approved Action Plan 2022 was also incorporated in the Corporate Plan 2022-2024.

Progress Review of the Action Plan 2021 and Submission of Progress Reports

1. Quarterly Review of the Action Plan 2021 and Submitting Reports

TRCSL conducted quarterly progress review meetings to review the progress of the Action Plan for the particular year. Due to the COVID-19 situation, a few progress review meetings were held online via MS Teams with the participation of all Heads of the Divisions.

Quarterly progress review meetings were conducted on 30.03.2021 (Q1), 30.06.2021 (Q2), 30.09.2021 (Q3), and 31.12.2021 (Q4). The required information was submitted to the relevant institutions according to the guidelines. The progress of the Action Plan was reported to the Commission each quarter.

2. Submitting Project progress reports

Ensuring compliance with Ministry of Technology requirements, TRCSL provided monthly and quarterly project progress of the institution with the assistance of relevant Heads of Divisions. To fulfill this activity, TRCSL arranged a progress updating system through the MS Teams channel and submitted the information on the set time targets.

Corporate Plan 2022-2024

The telecommunications industry is a dynamic sector due to the rapid development of technology. In the context of this technological development, preparing a corporate plan sets out a robust way forward for the organization to ensure the achievement of its objectives while ensuring the optimal utilization of resources.

The corporate plan incorporates strategies to be implemented by TRCSL and creates an effective regulatory environment for the telecom industry. TRCSL Corporate Plan was updated for a three-year rolling period from 2022 to 2024 in consultation with the Director General and Senior Management of all divisions at the TRCSL. The approved corporate plan was submitted to the relevant institutions within the set time targets.

Annual Report Submission

It is a mandatory requirement for the public enterprises to submit the Annual Report to the Parliament each year subsequent to the Cabinet approval describing their operational performance and financial status along with the observations of the General Audit. It reflects the performance of the institution achieved during 12 months.

Preparatory works of the Annual Report 2020 and relevant supporting documents were completed with the assistance of the Director-General, Heads of the Divisions, and subject officials through virtual platforms due to the COVID-19 situation.

The draft Annual Report 2020 with Financial Statement was submitted to the Auditor General Office and other relevant institutions as per the guideline.

TRCSL waited a few months to obtain the TRCSL Audit Report 2020 from the National Audit Office due to the COVID-19 pandemic to present the final report to the Commission for approval. Upon the receipt of the Auditor General's report, the finalized Annual Report prepared in three languages was submitted for the concurrence of the Cabinet of Ministers through line Ministry after obtaining the Commission approval.

The performance of the TRCSL Annual Report 2020 activities are as follows.

| Annual Report 2020 Activities | Date of Completion | Progress of Work as at 31.12.2021 |
|--|--|--|
| Draft Annual Report and Financial statement submitted to National Audit Office, Department of Public Enterprises and Ministry of Technology | 28.04.2021 | Completed |
| Received Auditor General's report | 08.09.2021 | Completed |
| Submitted Annual Report Commission paper | 09.09.2021 | Completed |
| Obtained Commission approval | 21.09.2021 | Completed |
| Drafted and submitted H.E. the President's Message | 29.10.2021 | Completed |
| Preparation of Annexures and finalizing the translation of the Annual Report in Sinhala and Tamil languages | 24.11.2021 (Tamil) 01.12.2021 (Sinhala) | Completed |
| Received the approved H.E. the President's Message | 01.12.2021 | Completed |
| Translation of H.E. the President's Message (Sinhala & Tamil) | 02.12.2021 | Completed |
| Submitted the Draft Cabinet Paper along with the Board Approved Annual Report 2020 and relevant Annexures to the MoT. | 08.12.2021 | Completed |
| Re-submitted the Cabinet paper with the amendments given by the Ministry of Technology. | 10.12.2021 | Completed |
| Submitted the copies of Annual Report to NAO, PED | 21.12.2021 | Completed |
| Printing and binding of Annual Report and Annexures to submit Cabinet office and Parliament at TRCSL. <ul style="list-style-type: none"> Annexures in three languages – 60 copies Annual Report 2020 (English) – 95 Annual Report 2020 (Tamil) – 55 Annual Report 2020 (Sinhala) - 210 | 31.12.2021 | Completed Completed Completed Completed |

TRCSL Annual Report Achievements

TRCSL participated in the Best Annual Reports Awards Competition organized by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) in 2018 and 2019 for the first time. The CA Sri Lanka recognizes and honors the public sector organizations that have achieved excellence in reporting procedures through this Annual Report Awards Competition.

At the Annual Reports Awards Competition 2018, TRCSL received a compliance award. TRCSL won the Gold award under the statutory organization's category and won the Silver award under the category of all public sector organizations for the Annual Report 2019. It signifies TRCSL's regulatory and financial compliance standards, governance, and reporting standards. TRCSL was able to achieve this remarkable goal with the guidance of the Chairman, Director-General, Members of the Commission & the team commitment of the Heads of the Divisions, subject officials, and the support of the Administration division.



Co-ordination of previous CSR Matters

TRCSL attended the previous Corporate Social Responsibility (CSR) activities while adhering to the decisions of the Commission. Accordingly, the approval of the Cabinet of Ministers was granted for the Line Ministry to assign a three-member committee to conclude pending matters in this regard.

Productivity Improvements

TRCSL conducted an awareness program through MS Teams for the staff to enhance and improve the productivity of their working methods. It benefited from uplifting the working capacity of the staff during the work from home periods due to COVID-19 and work from office periods. Most of the officials improved their ICT skills and got adapted to the new environment, and changed the office working culture. This achievement influenced the demonstration of the TRCSL performance. Most divisions utilized social media web platforms to make the general public aware and resolve consumer matters.

The arranging of extra record room facilities for the divisions was temporarily suspended until the New Head Office building constructions was completed. Therefore, this initiative could not be processed during this year. Furthermore, arranging a staff vehicle pass sticker could not be implemented due to the delay in setting up the CCTV camera system.

TRCSL made arrangements to display special programs, social media publications, activities, and discussions conducted in 2021 through the TV screen placed in the lobby area to aware the public who visit TRCSL. Development of databases relating to security checking of vehicles, transport & record room facilities for the Admin division was commenced in quarter one during the 'Work from Home' period. Two software applications were developed using Microsoft Power BI to handle vehicle requests and travel pass permission requests. The online progress reviewing mechanism was introduced to track the division's progress and to facilitate the subject officers to update the progress through the system. This system enabled the division to report its progress regarding the action plan and the procurement plan timely and accurately.

The Asset Management System was developed, and its deployment is in progress. The division supported the IT division in developing the e-recruitment process of the TRCSL and commenced accepting applications for vacancy notices through the system.

With the aim of strengthening the knowledge management of the staff, a shared folder in MS Teams was created to upload the circulars/directives issued by government organizations. Hence, the staff of TRCSL is able to access these e-documents by logging into their Microsoft office accounts. Online surveys have been developed to obtain required information of the internal staff regarding vaccination, transportation, and COVID-19 status for easy reference and decision-making.

The first phase of the automated Human Resource Management System was launched on 31.12.2021, and it is expected to improve the system by incorporating new features.

Annual Board of Survey

The annual survey for the year 2020 was carried out in January 2021. A board comprising seven members was appointed to carry out the survey. Items to be disposed of were identified, and necessary actions were taken to dispose of these items according to a standard procedure. The auction of goods for the year 2019 was held at Kadirana frequency Monitoring Station on 22.10.2021 and the Head office on 23.11.2021. The auction's total income was Rs. 819,300.00 for TRCSL. The auction committee to conduct the auction for the year 2020 has been appointed.

Logistics Support

The Administration Division provided logistical support for activities of other divisions of TRCSL for conducting meetings, workshops, seminars, inspection visits, implementation of projects etc.

Recommendation/Approval of Payments

An important activity of the Administration Division is granting approval for a variety of payments related to increments, overtime, arrears, traveling and subsistence, disciplinary inquiry fees, vehicle repairs, purchase of perishable items, equipment and machinery, books, periodicals, and supply of services (security, cleaning, water, telephone, electricity, etc.). The Division carefully examined payment vouchers and made recommendations or granted approval depending on the nature of the payment/financial authority limit. The necessary actions were taken to make the payments without delay.

Welfare Activities

- **Staff Retreat Programme**

The Staff retreat programme could not be held this year due to the COVID-19 pandemic situation.

- **Sports Meet**

In view of the current pandemic situation and the Cabinet Memorandum on Public Expenditure Review dated 28.08.2021, the SPC has decided to permanently suspend this procurement for the year 2021.

Library

The TRCSL library has been established with the purpose of assisting the individuals engaged in the telecom industry and other interested parties to update their knowledge. It has a large collection of textbooks and magazines on telecommunications. The library facilities are continuously being improved to fulfill the requirement of the users. The library provides reference facilities not only to TRCSL staff but also to external parties such as researchers, university students, school children, etc. The following activities were carried out in 2021.

Maintenance & strengthening of the library

- Renewed periodical subscription for 2021 and paid subscription fees for the new Magazines.
- Categorize the collection of newspaper articles (original) by special subjects for future reference.
- Commenced documentation services and abstracting services using TRCSL documents.
- Collected documents related to TRCSL and gathered them separately for easy reference.
- Disseminated soft copies of daily newspaper articles among Executive Officers via email and update relevant information in the library channel (MS Teams) of the admin division.
- Prepared the collection of information relating to Amateur Radio, including amateur radio syllabus, examination papers, newspaper articles, and publications made by radio society, along with the gazette notifications which published the date of examination.
- Initiated the preparation of a thesaurus on telecommunications using the related subject headings.
- Scanned and entered data of Extra Ordinary Gazettes and Acts to be included in the databases in order to retrieve required information through the intranet.
- Renewed PURNA Library Database Maintenance agreement.
- Converted the PURNA Library Database Maintenance System to a web-based library system. Library lending services were commenced electronically using PURNA Database.
- Made data processing for specific original articles of the Newspapers in order to provide Selective Dissemination of Information (SDI) for users via the internet and intranet.

Renewal of membership to obtain facilities of other libraries

- Renewed British Council membership.
- Assisted TRCSL staff to obtain public mobile library membership.

Collection of important information and preparation of indexes

Prepared Indexes of the following areas for easy reference of users.

- Newspaper article collection of Consumer Affairs.
- Newspaper article collection of Lotus Tower
- Index of the Advertisements of TRCSL.
- Index of the Short Code
- Newspaper article collection of Facebook.
- Index of the Act.
- Index of the Extra Ordinary Gazettes.
- Index of the Vacancy Notices

Provided information to researchers and persons who required information.

During this year, most of the library information requests were fulfilled through online platforms, telephone calls, and emails. Contact details of the relevant officers were provided through the TRCSL website and made arrangements for the person's request for library information. Further, online appointments were also made available through the TRCSL website to obtain library services.

Media Related Activities

The Media Unit provided media coverage and assisted in conducting local and international programs organized by TRCSL. In addition, necessary arrangements are made to create public awareness of the telecommunications regulatory activities carried out by the organization.

The media unit captures special moments of the important events and occasions of TRCSL. The photographs and videos captured at these events are edited and securely stored with the use of the latest technology. Upon the requests of organizers of international events, the media unit disseminates the event photos, videos, and official group photos among the participants.

Animation and awareness videos relating to telecom regulatory activities are also created with the assistance of respective divisions and published on official social media channels and the TRCSL website.

Besides, the unit prepares edited photos and scripted documentary videos relating to special projects/programs undertaken by the TRCSL, in line with the National initiatives. It provides them to electronic media, papers, and Government media institutions upon request.

Progress of the Media Unit

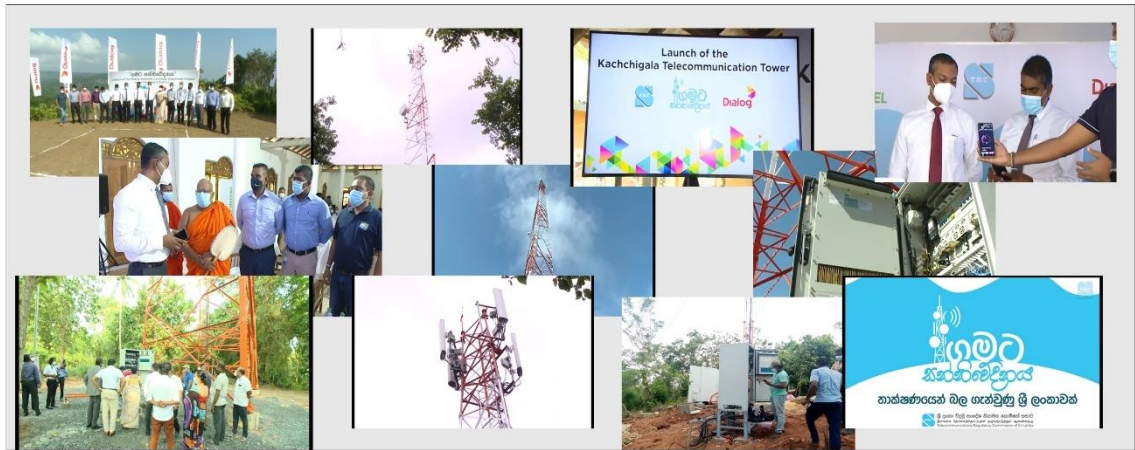
| | Action Item | Completed activities |
|----|--|---|
| 01 | Media Coverage for “Gamata Sannivedanaya” National Project – CPT Division Communication Tower opening in Napawala & Ihalagalagama - District Rathnapura Communication Tower opening in Bambarawana - District Rathnapura Communication Tower opening in Kumbukwewa (Thihawa) - District Kurunegala Communication Tower opening in Panana - District Rathnapura Communication Tower opening in Kachchigala - District Rathnapura Communication Tower opening in Weniwal Ara / Bhukandayaya - District Rathnapura Communication Tower opening in Hiruwalpola - District Kurunegala Commencement of the Kumbukwewa (Thihawa) Communication Tower Construction - District Kurunegala Commencement of the Ulupitiya Communication Tower Construction - District Rathnapura | <ul style="list-style-type: none"> • Provided media coverage and securely stored the captured videos/photos. • Prepared a video clip of the program • Arranged a banner for the program. • Designed banner post and published photos of the program on social media platforms. • Uploaded the information in MS Teams/website. |
| 02 | Preparation of a documentary video on “Gamata Sanniwedanaya” National project | A documentary video on “Gamata Sanniwedanaya” was initially prepared in Sinhala language and thereafter, it was later translated to Tamil and English languages. |
| 03 | Preparation of a video clip for Chairman’s speech for Global Innovation program | |
| 04 | Preparation of animation videos to create awareness among general public – Compliance, Competition, divisions | <p>Awareness videos created are as follows.</p> <ul style="list-style-type: none"> • How to create google account for your child (Sinhala) • How to create a google family account; This explains the steps to ensure your child's online activity is managed and controlled. • KPI (Competition Division) • Quality of Service (Competition Division) • How to create YouTube account for child |
| 05 | Preparation of a video clip for World Telecommunication Day 2021 to raise awareness of the general public through social media and electronic media – Policy & International Relations Division | Preparation of an awareness video clip on the theme of World Telecommunication & Information Society Day (WTISD) 2021 “Accelerating Digital transformation in Challenging times” |
| 06 | Media Coverage for meetings, special events, programs organized by TRCSL National Budget review meeting with TRCSL, Ministry of Finance officials and Members of the Parliament. Visit of Northern Governor to TRCSL | <p>Provided media coverage and securely stored the captured videos/photos.</p> <p>Provided media coverage and securely stored the captured videos/photos.</p> |
| 07 | Assisting the Administration division by providing media coverage for Online Bid Opening | <p>Provided media coverage facilities for bidders and other stakeholders to join the bid opening through online platforms due to COVID-19 situation.</p> <p>Securely stored the captured videos/photos.</p> |
| 08 | Collecting the current news on the telecom sector/TRC published on electronic media and circulate them among relevant divisions. | |
| 09 | Capturing the TV/Radio/Social Media programs published with the participation of DG & Heads of Divisions | |
| 10 | Preparation of a documentary film on the ICT program conducted at Matara hospital | |

| | | |
|----|--|--|
| 11 | Public awareness on the TRCSL's achievement at the Best Annual Report competition 2019 organized by CA Sri Lanka | Prepared of a video clip and a banner post to be published on social media and TRCSL website. |
| 12 | Designing artworks and conducting other related media activities for special events and requests. | Prepared of token of appreciation for retiring officers. Prepared of banners for the events organized by the welfare society. Designed the cover page of the TRCSL Annual Report 2020. Prepared of contents of CD and CD covers. Updated COVID-19 lockdown area datasheet and awareness the HODs |

Preparation of animation videos to create awareness among general public

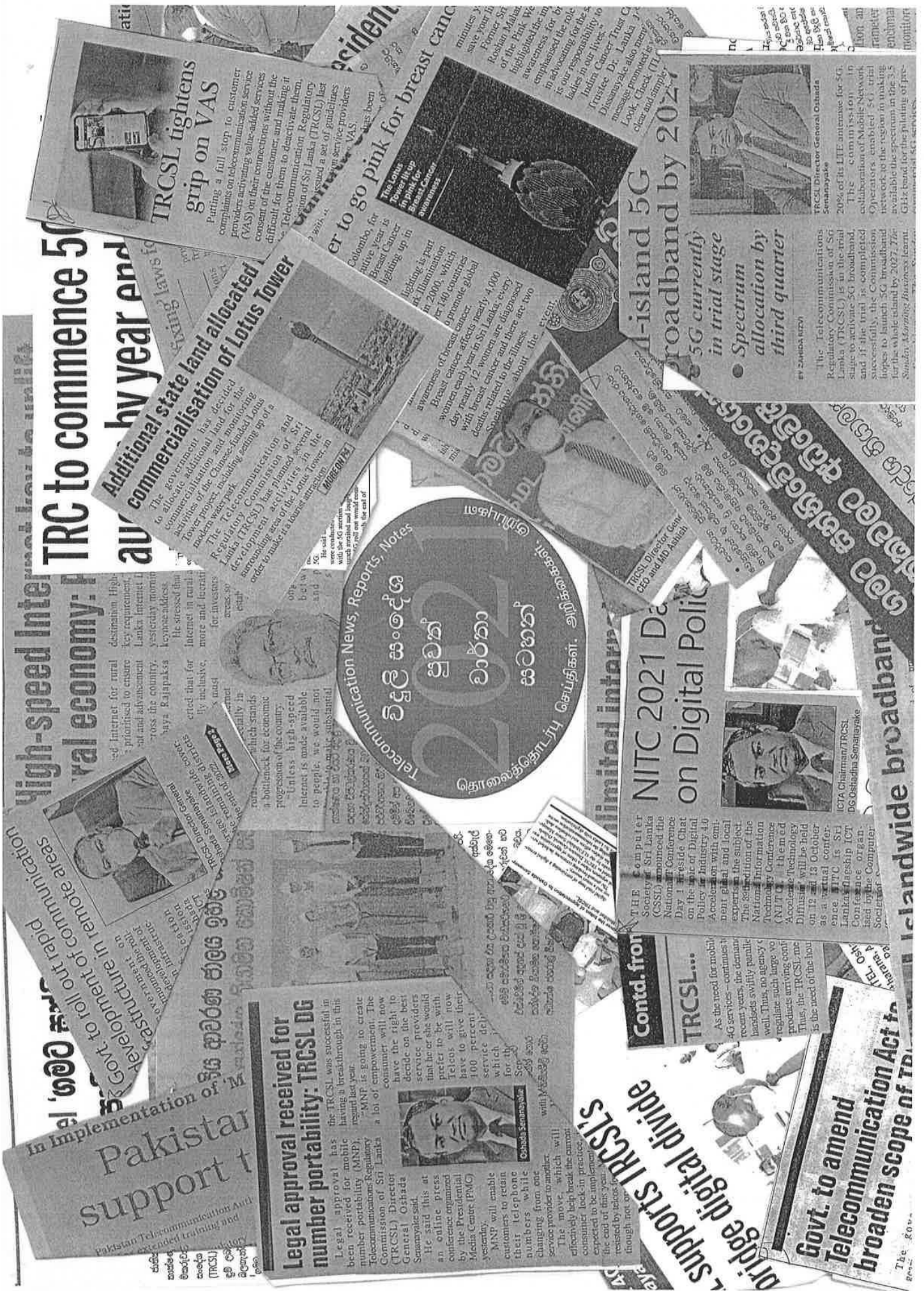


Preparation of a documentary video on "Gamata Sanniwedanaya" National project



Capturing the TV/Radio/Social Media programs published with the participation of DG & Heads of Divisions





TRC to commence 5G

Additional state land allocated

The government has decided to allocate additional land for the activities of the Lotus Tower in the modern water park, including setting up of a Regulatory Commission of Sri Lanka (TRCSL) development activities in the surrounding area of the Lotus Tower in order to make it a tourist attraction.



Colombo, for the first time, is lighting up in awareness of breast cancer. Breast cancer affects nearly 4,000 women each year in Sri Lanka, every day nearly 12 women are diagnosed with breast cancer and there are two deaths related to the illness. There are two

TRCSL Director General Oshada Senanayake

island 5G broadband by 2027. 5G currently in trial stage. Spectrum allocation by third quarter.

TRCSL Director General Oshada Senanayake

TRCSL Director General Oshada Senanayake

High-speed Internet for rural economy: Focus

High-speed Internet for rural economy: Focus. Key requirements to ensure internet access in rural areas, including infrastructure, investment, and training.



TRCSL Director General Oshada Senanayake

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TRCSL Director General Oshada Senanayake

TRCSL Director General Oshada Senanayake

Govt to roll out rapid development of communication infrastructure in remote areas

Government to roll out rapid development of communication infrastructure in remote areas. Focus on expanding network coverage and improving service quality.



TRCSL Director General Oshada Senanayake

TRCSL Director General Oshada Senanayake

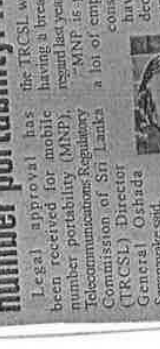
TRCSL Director General Oshada Senanayake

TRCSL Director General Oshada Senanayake

TRCSL Director General Oshada Senanayake

Pakistan support for implementation of MNP

Pakistan support for implementation of MNP. TRCSL receives technical assistance and training from Pakistan.



TRCSL Director General Oshada Senanayake

TRCSL Director General Oshada Senanayake

TRCSL Director General Oshada Senanayake

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TRCSL Director General Oshada Senanayake

Co...ents

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Telecom industry joins CS... Lotus Tower Lights u... Jaffna GenZ Chapter laun... for P...st Cancer... Number Portability... Service approval... TRCSL shields consumers... against illegal smartphone... TRCSL mandates TAC... TRCSL Director General Oshada... Sri Lanka launches mobile... number portability... Lotus Tower project to acquire more land... TRCSL approves... TRCSL shields consumers... against illegal smartphone... TRCSL mandates TAC...



Officially announced yesterday... President's Media Spokesperson Rathnayaka...
TRCSL shields consumers against illegal smartphone imports
The Commission of Sri Lanka Telecommunications (TRCSL) has announced that it will take measures to protect consumers from illegal smartphone imports.

TRCSL mandates TAC
TRCSL has mandated the use of a Technical Acceptance Certificate (TAC) for all mobile phones imported into the country.

TRCSL shields consumers against illegal smartphone imports

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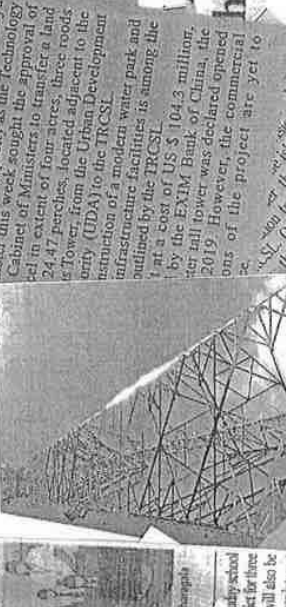
TRCSL has mandated the use of a Technical Acceptance Certificate (TAC) for all mobile phones imported into the country.

Sri Lanka launches mobile number portability

Officially announced yesterday, President's Media Spokesperson Rathnayaka said that Sri Lanka Telecommunications (TRCSL) has launched mobile number portability.

Lotus Tower project to acquire more land

Telecommunications Regulatory Commission (TRCSL) is now planning the Lotus Tower project. The project is a multi-phased project.



TRCSL approves... TRCSL shields consumers... against illegal smartphone... TRCSL mandates TAC...

TRCSL shields consumers against illegal smartphone imports

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INFORMATION TECHNOLOGY

OVERVIEW

Information Technology (IT) Division has commenced introducing Digital Transformation across the TRCSL by implementing required software, solutions, and platforms to enable a conducive working environment among the relevant stakeholders. This will automate the internal and external processes of the organization and facilitate the employees and its customers to utilize the latest state of the art technology.

The IT Division is also playing a pivotal role in ensuring the efficiency and effectiveness of the TRCSL functions and enhancing operations through the strategic use of information technology to enable digitally driven organizations.

Capacity-building/knowledge enhancement programs are conducted to introduce the latest technology and its usage among the staff of TRCSL.

FUNCTIONS/OBJECTIVES

- Preparation of an IT roadmap for the organization.
- Formulate, implement and maintain IT policy and governance.
- Carry out an IT audit to identify non-compliance areas, prepare reports, and rectify non-compliance-related issues.
- Managing, monitoring, analyzing, and preparing reports of the ICT network and its cybersecurity audits from the respective system and devices.
- Ensure the organization's smooth functioning of the Local Area Network and Wide Area Network.
- Assessment of new technology and deploying a suitable system to improve the organization's digital transformation.
- Plan, prepare and monitor progress reports of all IT projects by coordinating with relevant stakeholders.
- Develop, deploy and manage software systems, databases, and infrastructure to improve working culture, productivity, and efficiency.
- Identify software, hardware, and infrastructure requirements for the digital transformation of TRCSL with the support of other divisions.
- Keeping the records of the databases, source codes, and backups in a secure and protected manner.
- Maintain the ICT asset registry and prepare an ICT procurement plan with the required budget.
- Ensure all annual maintenance and subscription agreements are monitored and executed on time.
- Maintain all IT access-related admin credentials in a secure and protected way.
- Assign suitable staff/resources to provide support services for ICT users and implement the helpdesk support system.
- Coordinates and studies for the TRCSL officers to obtain new knowledge and skills in adopting the digital transformation as a digitally driven organization.
- Assess new staff training requirements and prepare the annual plan for ICT training and implement the training schedule.

PERFORMANCE

Establishment of IT Division

It is emphasized that the Commission decided to establish the IT unit as a separate new division considering the importance of the organization's digital transformation. Before the establishment of the IT division, it was operated as a subunit under the Administration Division.

With this great achievement, Information Technology Division initiated several projects in 2021 under the new leadership of Actg. Director/Information Technology, towards a fully digitalized government institute.

The main development areas initiated are as follows:

1. Infrastructure Development
2. System & Process Development
3. Information Technology Governance
4. Employee Awareness and Training

Infrastructure Development

It was decided to enhance the network capability with the use of the latest technology available in the market. With the aim of establishing an easy communication and collaborative working platform, replacements of high-tech manageable switches were installed after removing the old and unmanageable switchers and routers in the Local Area Network System (LAN). The capacity of the PABX system was increased to serve the requirement of TRCSL staff.

System & Process Development

IT division initiated several systems and process developments to improve the digitalized services to be provided to the related beneficiaries. The major development was initiating the implementation of the National IMEI Database. This was an in-house development and hosted on the country cloud platform.

Furthermore, the division made arrangements for automation of work process & functional transformation of selected divisions of TRCSL. Under this initiation Human Resource Management system, IT help desk, TRCSL SMS portal, application tracking system, and a system to serve the public in day-to-day activities (application submission and making an online meeting booking portal with staff) were developed. A digital signature was implemented to enhance the confidentiality and integrity of the digital documents.

Apart from the above, Network Division Application Management System (NDAMS), Finance Management System (FMS), Upgrade of the IMEI system, and redesigning of the TRCSL official website were initiated in 2021, and the works are in progress. The TRCSL official website domain name was secured with SSL certificate implementation to increase the connection's security to communicate with the public and related parties.

Information Technology Governance

Information Technology Governance framework was initiated in 2021. Therefore, the division introduced several IT policies to the internal staff to streamline the IT-related processes. This will enforce the staff of TRCSL to follow good IT practices to improve their daily work with computer systems and communication platforms.

Employee Awareness and Training

The Information Technology division performed several IT awareness sessions and training for TRCSL staff from time to time throughout the year, with the purpose of keeping the staff aware of the latest IT-related technologies and cybersecurity best practices.

Following projects are planned to be initiated in future

- TRCSL Common Customer Relationship Management
- TRCSL Call center
- Asset management and tracking system
- PIR division automation system

FINANCE

OVERVIEW

A vital role is being done by the Finance Division in terms of Financial Management which involves all monetary functions of the Commission. Revenue Collection, Revenue & Expenditure Recording, Fund Management, and proper Reporting of Revenue & Expenditure are key highlighters. Not only that, controlling and spending are non to second, especially within the statutory requirements such as relevant rules and regulations of Financial Regulations, relevant Circulars, and Commission decisions.

Also, keeping and maintaining accurate financial records are the main responsibilities of the Finance Division as it is led to take important decisions by the Government and other stakeholders. Like all Government institutions, TRCSL is also bound by the Law to submit Financial Statements to the Auditor General to express an opinion in terms of the accuracy & completeness of transactions. Also, to ensure that all financial policies conform with the Generally Accepted Accounting Principles, Accounting Standards & Concepts published by The Institute of Chartered Accountants of Sri Lanka, and the financial procedures comply with the Financial Regulations of the Government.

Finance Division is also engaged in financial administration, cost control, and effective and efficient strategic decision-making at the TRCSL.

FUNCTIONS

- Reporting financial results, variation with budget/forecast, and reasons for same.
- Preparation of the annual budget/forecast.
- Establishing & maintaining an internal control system for the Finance Division.
- Maintaining Fixed Assets Register and ensuring the security and optimum usage of the same.
- Guiding & assisting the top management in implementing the Capital & Revenue expenditure programs.
- Tax planning and compliance with relevant statutory authorities.
- Reviewing and analyzing periodic operational and financial reports such as Auditors Report and Audit Committee Reports and taking corrective/appropriate action to rectify the deviations.
- Ensuring and following up prompt collection of different levies imposed by the Government and Act of Parliament.
- Preparing the Delegation of Financial Authority annually and making necessary amendments subject to Commission approval.
- Ensuring the prompt and due remittance of the funds collected to the Government Treasury under the Finance Act & Telecommunications Levy Act.
- Ensuring the Optimum usage of funds by way of low-risk, high-return Fund Management methods only in Government Banks.
- Preparing quarterly and annual Financial Statements of the Commission.
- Maintaining statistical records of Revenue, Expenditure, Assets, Liabilities, and Equity Capital.
- Provide financial information to the Commission and Top Management upon their request.

PERFORMANCE

Annual budget / Delegation of Financial Authority / Financial statement

Reports relating to the Annual Budget of 2022, Statement of Delegation of Financial Authority of 2022, and Annual Financial Statement of 2020 were completed and submitted after obtaining the Commission approval.

Income Tax

"TRCSL being a public corporation, remits funds to the Consolidated Fund. An income tax deduction was obtained as per the PN/IT/2020-03, 18.02.2020 (implementation of proposed changes to the Inland Revenue Act, No. 24 of 2017 amended by the Inland Revenue Department) with effect from 01.04.2019, considering the qualifying payment made to the Consolidated fund"

Table 33: Income Tax

| | 2018/19 Rs. Mn | 2019/20 Rs. Mn | 2020/21 Rs. Mn | 2021/22 Rs. Mn |
|--|-------------------|-------------------|-------------------|-------------------|
| Assessable Income | 7,798 | 15,475 | 11,375 | 12,415 |
| Less: Qualifying Payment (Funds Remitted to the Consolidate Fund) | N/A | 8,950 | 5,000 | 8,500 |
| Taxable Income | 7,798 | 6,525 | 6,375 | 3,915 |
| Final Tax Liability | 2,184 | 1,827 | 1,530 | 940 |

Monthly Statutory Collection under Telecommunications Levy Act and Finance Act

Monthly Statutory Collection under Telecommunications Levy Act and Finance Act were collected and remitted to the General Treasury within the stipulated period as follows.

- 1st Quarter - Rs.3,689 Mn
- 2nd Quarter - Rs.3,737 Mn
- 3rd Quarter - Rs. 3,621 Mn
- 4th Quarter - Rs. 3,656 Mn

(Total of 14,703 Mn)

Furthermore, details of the funds remitted to the Consolidate Fund from TRCSL Revenue as per Sri Lanka Telecommunications Act No. 25 of 1991 as amended by Act No. 27 of 1996 are indicated in the above table.

Accepting direct cash/ cheque deposits / online fund transfers

Due to the COVID-19 pandemic, the Finance Division has started to accept direct deposits and bank fund transfers and requested to send all the related information such as proforma invoice details/ related notices via email as soon as the settlements are done to trace the receipts.

As a result, smooth cash inflows of TRC and activities related to revenue collection have not been disturbed despite several lockdowns in the country.

Automation of the work processes of Finance Division

Steps have been taken to initiate automation of division activities to enhance the quality and accuracy of work and improve performance in collaboration with the IT division of TRCSL. All preliminary discussions & IT requirements were completed, and the procurements are in progress.

Revenue under Telecommunication Act No. 27 of 1996

The Statutory power to earn and collect the revenue of the Commission is vested by the Telecommunication Act No. 27 of 1996. Accordingly, the Commission earns/collects revenue by way of Radio License Fees, Cess Fees, System Operator License Fees, Vendor License Fees, and other related fees from Public Switched Telephone Network (PSTN) operators and Radio Frequency users. The Commission's revenue is highlighted below.

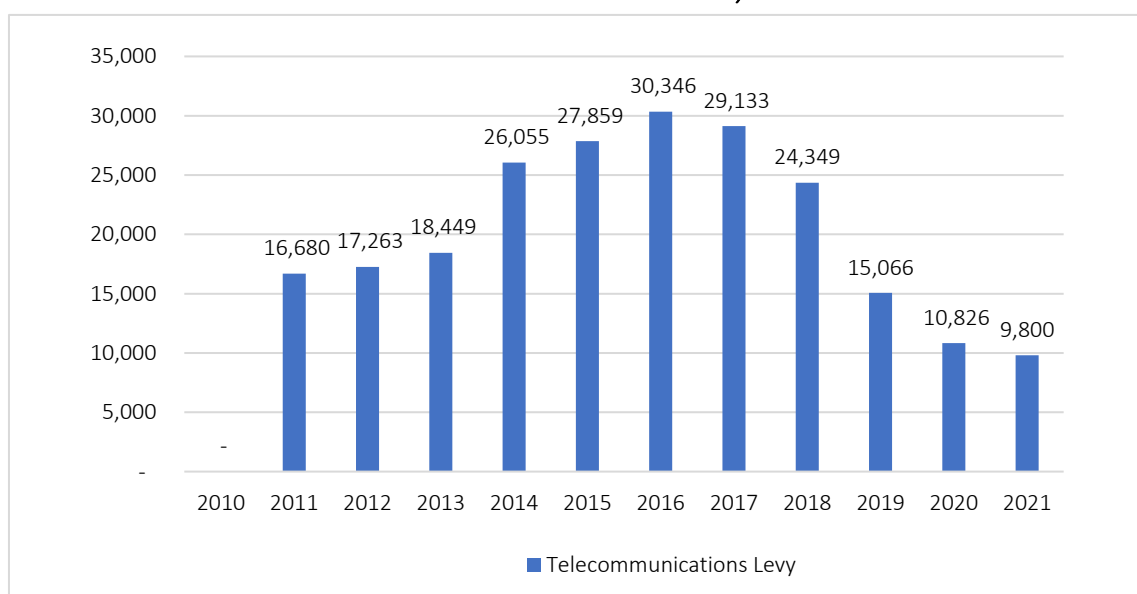
Table 34: Revenue of the Commission

| Source of Income | 2018 (Rs. '000) | 2019 (Rs. '000) | 2020 (Rs. '000) | 2021 (Rs. '000) |
|--|--------------------|--------------------|--------------------|--------------------|
| System Operator License Fees | 122,449 | 168,367 | 5,402 | - |
| CESS Fees | 4,550,706 | 4,713,115 | 4,674,874 | 4,710,619 |
| Radio Frequency License Fees | 10,789,520 | 7,048,994 | 6,724,408 | 4,911,301 |
| Frequency Upfront Fees | 1,071,429 | 4,032,143 | - | 2,724,250 |
| Vendors License Fees | 13,818 | 13,726 | 14,393 | 14,226 |
| Amateur Radio License Fees | 164 | 85 | 88 | 20 |
| Ship Station License Fees | 450 | - | - | - |
| Aircraft License Fees | 401 | - | - | - |
| Cordless Phone Dealer Charges | 114,619 | 116,388 | 94,408 | 193,969 |
| Examination Fees | 368 | 312 | 203 | 388 |
| Type Approval Fee | - | - | 102 | 38,969 |
| Application Processing Fees | 1,020 | 1,016 | 400 | 1,000 |
| Short Code Charges | 26,531 | 31,888 | 34,250 | 45,749 |
| ISP License Fees | - | - | - | 133,472 |
| Other Income (Interest income from Fixed Deposits, Staff loans etc.) | 1,108,519 | 369,992 | 488,995 | 868,964 |
| Total | 17,799,994 | 16,496,026 | 12,037,523 | 13,642,927 |

Collection of Telecommunication Levy

The Telecommunication Levy is collected per the provisions in the Telecommunication Levy Act, No. 21 of 2011. The Telecommunication levy rate was 15% until 1st November 2019. The Government imposed the telecommunication levy rate of 11.25% with effect from 1st December 2019 after introducing a 25% reduction to the previous levy rate.

Chart 27: Telecommunication Levy



Collections under Finance Act

International Telecommunication Operators' Levy

In addition to the above revenue, in terms of Finance Act No. 11 of 2004, as amended by the Finance Act No. 13 of 2009, the Commission collected the International Telecommunication Operator's Levy from International Telecommunication Operators.

As such, the Commission collected USD 0.06 per minute as Incoming Local Access Charges, of which 50% were remitted to the Consolidated Fund, and the balance 50% is retained as Telecommunication Development Charges.

Further, the Commission collected a Levy of Rs. 3.00 per minute from the outgoing international calls as Outgoing Local Access Charges, which was abolished from 01st July 2019.

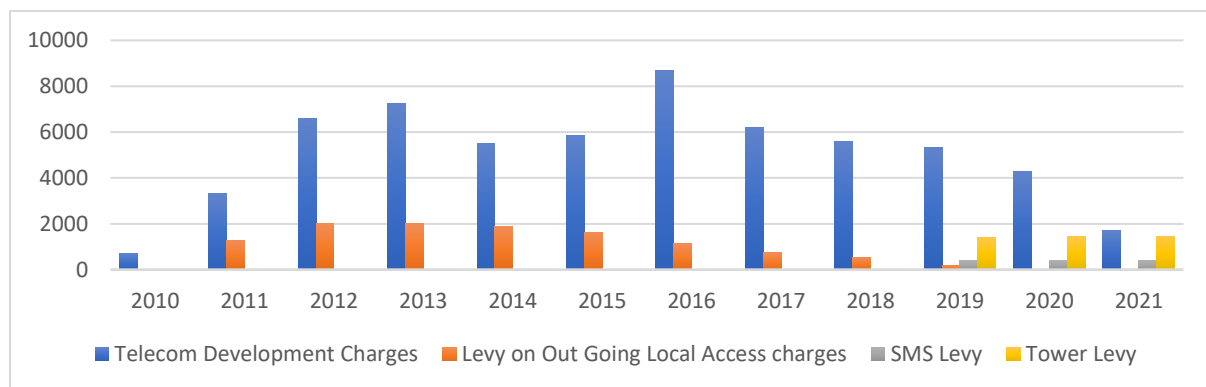
Cellular Tower Levy

This levy was introduced with effect from 01st January 2019 as a new levy and to be collected by TRCSL quarterly & remitted to the Consolidated Fund.

SMS Levy

This is charged as bulk SMS and introduced with effect from 01st April 2019 at a rate of Rs. 0.25 per SMS.

Chart 28: International Telecommunication Operator's Levy



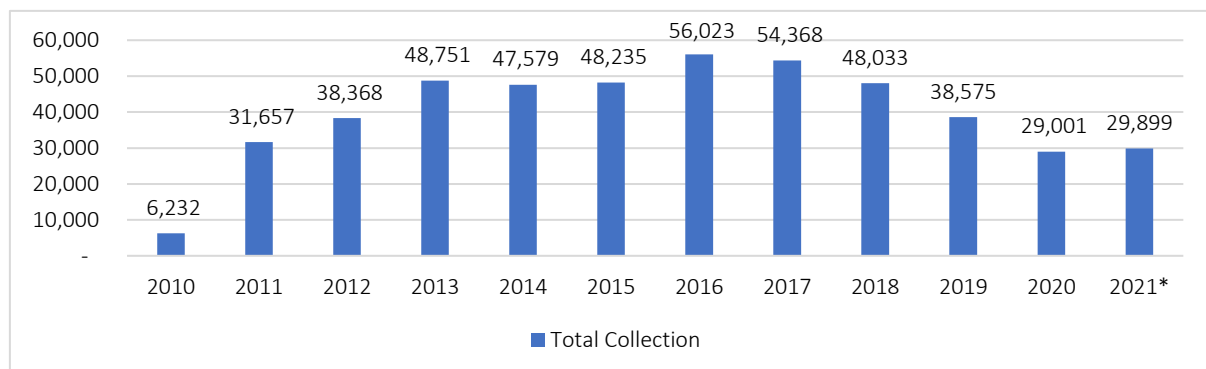
*Provisional data

Total Collections of Telecommunications Regulatory Commission of Sri Lanka

The total collection of the Commission consists of the revenue collected under,

- Sri Lanka Telecommunications Act, No. 25 of 1991 as amended by the Sri Lanka Telecommunications Amendment Act, No. 27 of 1996
- Telecommunication Levy Act, No. 21 of 2011
- Finance Act, No. 11 of 2004 as amended of the Finance Act, No. 13 of 2009.

Chart 29: Total collection of the TRCSL



*Provisional data

Remittance to the Consolidated Fund

In 2021, Rs. 23.09 billion was transferred to the Government Treasury by TRC to strengthen the Government Revenue as follows.

Table 35: Remittance to the Consolidated Fund

| Description | 2018 Rs. Bn | 2019 Rs. Bn | 2020 Rs. Bn | 2021* Rs. Bn |
|---------------------------------------|----------------|----------------|----------------|-----------------|
| Telecommunication Act / TRC Funds | 21.85 | 7.95 | 5.0 | 8.5 |
| Telecommunication Levy | 24.35 | 15.07 | 10.82 | 11.05 |
| Telecom Development Charges 50% | 2.79 | 2.67 | 2.15 | 1.67 |
| Levy on Outgoing Local Access Charges | 0.54 | 0.19 | 0 | 0 |
| SMS Levy | - | 0.42 | 0.42 | 0.40 |
| Tower Levy | - | 1.38 | 1.42 | 1.47 |
| Total | 49.53 | 27.68 | 19.8 | 23.09 |

*Provisional data

Property, Plant & Equipment

During the year 2021 Rs. 2.0 Mn were spent to purchase air conditioners, computers, other office equipment, mobile phone & office furniture as additions to the Property, Plant & Equipment.

Money Market Transaction

The Commission maintained Money Market Savings Account with People's Bank for daily transaction and earned Rs. 463 Mn as interest income through money market transactions during the year under review.

INTERNAL AUDIT & AUDIT COMMITTEE UPDATES

OVERVIEW

Internal auditing is an independent activity aimed at adding value to the organization and its stakeholders when it considers strategies, objectives, and risk; strives to offer ways to enhance governance, risk management, and control process, and objectively provides relevant assurance.

It is a catalyst for improving an organization's governance, effectiveness, risk management, and efficiency by providing insight and recommendations based on systematic analyses and assessments of data and business processes.

With the commitment to integrity and accountability, the scope of internal auditing within an organization is broad. It may involve areas such as the efficacy of operations, the reliability of financial reporting, deterring & investigating fraud, safeguarding assets & compliance with rules and regulations.

The head of the internal audit division (Internal Auditor) of TRCSL directly reports to the Commission, and the reports are submitted to the Audit Committee. Administratively, the Internal Auditor reports to the Director General.

FUNCTIONS

- Review and appraisal of existing accounting and reporting systems of TRCSL with a view to making improvements thereto.
- Investigation into causes and effects of inabilities (if any) to achieve the objectives of TRCSL.
- Ascertainment of the extent to which TRCSL assets are safeguarded from losses and frauds.
- Making inquiries into necessities of transactions, benefits of transactions, and exploration of areas of cost reduction by eliminating waste and extravagance.
- Submission of reports to the Audit Committee based on the findings of the tasks mentioned above and arrange Audit Committee meetings.
- Preparation and circulation of the decisions of the Audit Committee to Heads of Divisions to take appropriate action.
- Submission of half yearly reports to the Auditor General's Department.
- Carry out special investigations when requested by the Director General / Members of the Commission.
- Assist and make recommendations to various committees appointed by Director General / Commission.

AUDIT COMMITTEE UPDATES

During the year 2021, five (05) Audit Committee meetings were held and following matters were discussed at these meetings.

1. Audit Committee meeting held on 12th January 2021.

1.1 The reports/matters were discussed, and decisions /actions were taken as follows:

| Subject Area | Action / Decision taken |
|---|--|
| Report of the Investment of TRCSL | To put up a Commission Paper with the accounting treatment for the investment of Rs.354 Mn. |
| Internal Audit Programme for the year 2021 | To include time frame of implementing the Internal Audits. |
| Internal Audit of Colombo Lotus Tower Project | To recruit an Internal Auditor for Lotus Tower Project (except engineering audit) through advertising on newspapers. |

2. Audit Committee meeting held on 08th April 2021

2.1 The reports/matters were discussed, and decisions /actions were taken as follows:

| Subject Area | Action / Decision taken |
|---|---|
| Internal Audit of Colombo Lotus Tower and Special Projects | <ul style="list-style-type: none"> To recruit an independent internal Auditor on an assignment basis for the internal audit of Colombo Lotus Tower Project. To obtain the service of Mr. Jayachandran, consultant to TRCSL, to conduct the internal audit of Special Projects undertaken by TRCSL. |
| Reviewing the Vehicle Loan | To submit the finalized Vehicle Loan circular to the next Audit Committee. |
| Report of the Investment of TRCSL | To put up a Commission Paper with the accounting treatment for the investment of Rs.354 Mn. |
| Collection of Cess Fees 2018/2019 | To submit a Commission paper on imposing of surcharge which is not provided in terms of Section 22G of Sri Lanka Telecommunications Act 1996 including all related requirements. |
| Query received from Auditor General | <ul style="list-style-type: none"> To continue the island-wide physical verification of Telecommunication Towers. To obtain approval from the Commission for the procedure currently implemented. To carry out a reconciliation between the no. of towers approved, frequency licences granted, and Tower levy charged |
| Query received from Auditor General Lotus Tower – Loan received and Payment | Committee was appointed by the Commission for this matter. |
| Internal Audit on process of Granting and Recovery of Distress Loan | To submit the draft distress loan circular after identifying and incorporating better procedures followed by well-established government institutions as a benchmark. |
| Receivables and Payments of Telecommunication Levy – 2019/2020 | To physically verify with the assistance of a technical team whether SITA is currently using the frequency and unless there is a possibility to revoke the licenses. |
| Payments loans and advances to Employees | To submit a reply to internal audit observation on non-accruing the expenses related to the year 2019. |
| Annual Board of Survey as at 31/12/2019 | Computerized system issue relating to Annual Board Survey. |
| Internal Audit on the Procurement of TRCSL | Audit Committee advised to the relevant officers to prepare all mandatory reports. (Annual Budget, Action Plan, Procurement Plan, Cooperate Plan etc.) |
| Query received from Auditor General regarding Land Ownership | To submit current status of land ownership |

3. Audit Committee meeting held on 15th June 2021

3.1 The reports/matters were discussed, and decisions /actions were taken as follows:

| Subject Area | Action / Decision taken |
|---|---|
| Internal Audit of Colombo Lotus Tower (expect Engineering Audit) and Special Projects | <ul style="list-style-type: none"> To appoint consultant to TRCSL, to conduct the technical audits of Colombo Lotus Tower and Special Projects undertaken by TRCSL. To submit amended audit scope and audit plan with time targets within few days. |
| Checking of Vehicle Loan | To submit the finalised Vehicle Loan Circular incorporating better procedures followed by government institution as benchmark. |
| Financial Statements for the year ended 31 st December 2018 | <ul style="list-style-type: none"> The draft Revaluation Policy has submitted to the AG for AG's perusal and concurrence. To schedule the meeting with NAO and TRCSL officials and inform the date to TRCSL. |
| Queries received from Auditor General | <ul style="list-style-type: none"> To continue the Island Wide physical verification of Telecommunication Towers. To prepare a separate procedure and seek approval of the Commission to process such cases. |
| Query received from Auditor General Lotus Tower – Loan received and Payment | To seek advice from Hon. Attorney General on the legal aspects in obtaining refunds from the Export – Import Bank of China and China Export & Credit Insurance Corporation. |
| Internal Audit on process of Granting and Recovery of Distress Loan | To submit the draft Distress Loan circular to Finance Division and Legal Division for their concurrence and necessary amendments. |
| Receivables and Payments of Telecommunication Levy – 2019/2020 | To physically verify with the assistance of a technical team whether SITA is currently using the frequency and if not possibility to revoke the licenses. |
| Annual Board of Survey as at 31/12/2019 | DG informed that issues relating to Annual Board of Survey will be rectified with the introduction of a computerized system after discussing with Head of Division IT. |
| Internal Audit on the Procurement of TRCSL | Audit Committee advised to the relevant officers to prepare all mandatory reports. (Annual Budget, Action Plan, Procurement Plan, Cooperate Plan) |
| Query received from Auditor General | To submit additional details requested by NAO on land ownership of Kadirana Frequency Monitoring. |
| Any other Matters | To report on Actual vs. Budgeted revenue, amount remitted to treasury and balance money held in hand for the year 2021 to the Audit Committee on quarterly basis. |

4. Audit Committee meeting held on 14th September 2021.

4.1 The reports/matters were discussed, and decisions /actions were taken as follows:

| Subject Area | Action / Decision taken |
|---|--|
| Internal Audit of Colombo Lotus Tower (expect Engineering Audit) and Special Projects | To conduct the technical audit of Colombo Lotus Tower. |
| Reviewing of Vehicle Loan | To handover the finalized Vehicle Loan Circular to the Internal Auditor. |
| Financial Statements for the year ended 31 st December 2018 | Representative from NAO informed to discuss the matter with AG and the decision will be informed. |
| Several gaps between recent audit reports/audit queries and laws, rules and regulations | Representative of NAO to schedule the meeting and inform the date to TRCSL. |
| Query received from Auditor General Physical Verification of Telecommunication Towers. | <ul style="list-style-type: none"> To continue the island wide physical verification of Telecommunication Towers. To finalize the reconciliation between the no. of towers approved, frequency licences granted, and Tower Levy charged. |
| Query received from Auditor General Lotus Tower – Loan received and Payment | To submit the response of Attorney General to Auditor General on his audit query. |
| Process of Granting and Recovery of Distress Loan | To submit the draft Distress Loan Circular for approval of the Commission after incorporating observations and recommendations of Finance and Legal divisions. |
| Receivables and Payments of Telecommunication Levy – 2019/2020 | To submit a commission paper on license matter of SITA, if required. |
| Recommendations of Annual Board of Survey as at 31/12/2019 | To expedite the implementation of the computerized system. |
| Internal Audit on the Procurement of TRCSL | To submit the Budget for 2022 on time to the Commission for approval. |
| Report on Actual vs. Budgeted revenue, amount remitted to Treasury | To report on Actual vs. Budgeted revenue, amount remitted to treasury on quarterly basis. |
| Internal Audit on Bank reconciliation | Follow up the reconciliation of deposits not recognized on Bank Reconciliation Statements. . |
| Assigning of Short Code | To submit a Commission Paper |

5. Audit Committee meeting held on 27th December 2021.

5.1 The reports/matters were discussed, and decisions /actions were taken as follows:

| Subject Area | Action / Decision taken |
|--|--|
| Internal Audit of Colombo Lotus Tower (expect Engineering Audit) and Special Projects | To complete the technical audit of Colombo Lotus Tower. |
| Reweaving of Vehicle Loan | To submit finalized Vehicle Loan Circular. |
| Financial Statements for the year ended 31 st December 2018 | Representative from NAO to discuss the draft Revaluation policy with AG and the decision will be informed. |
| Several gaps between recent audit reports, audit queries and laws, rules and regulations | Representative of NAO to schedule the meeting and inform the date to TRCSL. |

| | |
|--|--|
| Query received from Auditor General Physical Verification of Telecommunication Towers | <ul style="list-style-type: none"> To continue the Island Wide Physical Verification of Telecommunication Towers. To finalize the reconciliation between the No. of towers approved, frequency licences granted, and Tower Levy charged. |
| Query received from Auditor General regarding the Construction of New Building | To review whether the scope of the appointed Committee to inquire and investigate the matter on construction of new building. |
| Process of Granting and Recovery of Distress Loan | To submit the draft Distress Loan Circular for approval of the Commission after incorporating observations and recommendations of Finance and Legal divisions. |
| Receivables and Payments of Telecommunication Levy – 2019/2020 | <ul style="list-style-type: none"> To request detailed network diagrams operated by SITA. To appoint a technical committee for inspection of the currently operated system. |
| Recommendations of Annual Board of Survey as at 31/12/2019 | To expedite the implementation of the computerized system. |
| Internal Audit on the Procurement of TRCSL | To submit Procurement Plan and Cooperate Plan for the year 2022 on time to the Commission for approval. |
| Report on Actual vs. Budgeted revenue and the amount remitted to Treasury | To report on Actual vs. Budgeted revenue and the amount remitted to treasury on quarterly basis. |
| Internal Audit on Bank reconciliation | <p>To forward a general communication to all operators mentioning the matters highlighted.</p> <ol style="list-style-type: none"> 1. Informing the process and requesting relevant information in the deposit slip. 2. Instructing to obtain acknowledgement providing relevant deposit slip via fax or e-mail. 3. Informing the inability to trace the payments without submission of proper information by them, which will lead to non-issuance of a receipt from TRCSL. 4. Submitting recent payment details to TRCSL. |
| Assigning of Short Codes | Action has been taken to implement the renewal process of Short Codes. |
| Financial Statements for the year ended 31 st December 2020 | To compile management responses from the respective Divisions for the final report of AG. |
| Payment of Salaries | To forward a memo to all staff members informing them to place signatures on Salary Sheets. |
| Maritime License (Maritime Mobile) | To ensure that the Maritime License holders are adhering to the provisions of the Telecommunications Act No.25 of 1991 and amendments there to. |
| Internal Audit Plan for the year 2022 | <ul style="list-style-type: none"> To include audit of Colombo Lotus Tower operations after its commencement. To include some surprise/spot audits. |

PERFORMANCE

Internal Audit carried following activities for the year 2021

| # | Description | Complete/In progress/Other |
|----|---|--|
| 1 | TRCSL Receipts (Cash, Cheques & Money orders) | Completed & Submitted the Internal Audit Report |
| 2 | TRCSL Payments (except salaries and related payments, loans and advances to employees) | Completed & Submitted the Internal Audit Report |
| 3 | Issuance of new Licenses & Renewal of Licenses issued under Section 22 of the TRC Act No. 25 of 1991 as amended by Act No 27 of 1996. | Submission of the Internal Audit Report is in progress |
| 4 | Issuance of Vendor Licenses under Section 21 of the TRC Act No. 25 of 1991 as amended by Act No 27 of 1996. | Completed & Submitted the Internal Audit Report |
| 5 | Sundry Income | Completed |
| 6 | Telecommunication Levy 2019/2020 | Completed & Submitted the Internal Audit Report |
| 7 | Short Code Charges | Completed & Submitted the Internal Audit Report |
| 8 | Maritime license (Maritime Mobile) | Completed & Submitted the Internal Audit Report |
| 9 | Payment of Salaries & Wages | Completed & Submitted the Internal Audit Report |
| 10 | Loans and Advances paid to the Employees | Completed & Submitted the Internal Audit Report |
| 11 | Maintenance of Fixed Asset Inventory | Submission of the Internal Audit Report is in progress |
| 12 | Procurement activities | Completed & Submitted the Internal Audit Report |
| 13 | Verification of Bank Reconciliations | Completed & Submitted the Internal Audit Report |
| 14 | Internal audit of Colombo Lotus Tower (Except engineering audit) | Submission of the Internal Audit Report is in progress |
| 15 | Annual Board of Survey – 31/12/2019 | Completed & Submitted the Internal Audit Report |
| 16 | Coordinate with National Audit Office, regarding all audit queries & replies. – 21 audit queries | Completed |
| 17 | Coordinate with Department of Management Audit | Completed |
| 18 | Special Review on the construction of the New Building (Extension to Existing Building) | Completed & Submitted the Internal Audit Report |

COMMISSION SECRETARIAT

OVERVIEW

The Commission formed under the Sri Lanka Telecommunications Act consists of the Secretary to the Ministry (Chairman of the Commission), Director General (CEO), and three members representing fields of Law, Finance, and Management.

The Commission Secretariat is responsible for organizing Commission meetings and undertaking duties relating to meeting procedures to be followed and follow-up actions based on the Commission decisions. Secretary to the Commission reports to the Director General and carries out the functions of the Commission Secretariat.

The quorum for a meeting of the Commission shall be three members, one of whom shall be the Chairman of the Commission. The Chairman, in his absence, the Director General shall preside at every meeting of the Commission. All questions for decisions at any meeting of the Commission are decided by the vote of the majority of the Members present at such meeting.

FUNCTIONS

- Convening the meetings of the Commission.
- Preparation of the meeting minutes of the Commission and maintaining the relevant documents.
- Compiling the Commission Decisions & Reports.
- Conveying the decisions of the Commission and taking follow-up actions.
- Maintaining of a Register of the instruments and documents to which Seal of the Commission has been affixed.
- Provide assistance to regulatory activities undertaken by the Commission with the guidance of the Commission and Director General when necessary.

PERFORMANCE

The Commission meets once a month to make decisions regarding the regulatory and operational activities of the TRCSL. However, due to the COVID-19 situation, nine Commission meetings were held as online and physical meetings.

Drafts and final approval of the decisions of the Commission were prepared and submitted to the relevant divisions for implementation with the concurrence of the Commission and approval of the Director General. The progress of the implementation regarding the Commission decisions was followed up, and reports prepared in this regard were obtained from each division to submit to the next Commission.

Searches on reports of previous Commission papers and their Commission decisions were provided to the relevant divisions as per the requests made by the Heads of Divisions.

Online facilities were arranged for the distribution of Commission papers among the Commission members for conducting virtual/physical Commission meetings. The Commission Secretariat coordinated with the IT division and made arrangements to conduct the Commission meetings through virtual platforms. Online presentations of respective divisions were also arranged at the Commission meetings when required.

The secretariat took necessary measures to properly record the Commission decisions, file minute books, and maintain them at the Commission secretariat for the purpose of securely keeping the records for future usage.

During the year under review, a total number of 258 Commission papers were submitted to the Commission by respective divisions regarding the aspects of telecommunications regulatory, administration, financial, audit, and project activities.

The following table indicates the Commission papers submitted by the respective divisions for the year 2021.

Table 36: Submission of Commission papers by divisions

| Subject | Division | No of Commission Papers |
|---|--|--------------------------------|
| Regulatory | Spectrum, Networks, Licence Management, Policy & International Relations, Competition, Compliance & Investigation, Legal | 101 |
| Administration | Administration & Corporate Affairs, Information Technology | 97 |
| Finance | Finance | 16 |
| Audit | Internal Audit | 07 |
| Projects | Special projects, Competition | 29 |
| Follow-up actions of Commission decisions | Commission Secretariat | 08 |
| Total | | 258 |

REGULATORY COMMITTEE/PROGRESS REVIEW UPDATES

The Telecommunications Regulatory Commission of Sri Lanka has established a “Regulatory Committee” to discuss and take necessary decisions when specific regulatory issues arise. The Committee assists in minimizing, resolving regulatory issues, and mitigating risks for the smooth functioning of the Telecommunications Regulatory activities.

The Regulatory Committee is chaired by the Director-General and is represented by Heads of the Spectrum, Networks, Policy & International Relations, Legal, Competition, Licence Management, Compliance & Investigations, and Finance Divisions. The Deputy Director of the Competition (Tariff) is the Secretary of the Committee.

Telecommunication regulatory-related matters are submitted to the committee's convener and presented to the regulatory committee. Then the committee provides necessary direction and implementation through respective divisions. Necessary Commission decisions on relevant actions are obtained if required.

During the year 2021, no Regulatory Committee meetings were conducted. However, most regulatory matters were discussed during the HoD meetings, and necessary measures were taken to resolve the issues.

Progress review meetings are conducted by Director General with the participation of all heads of the divisions quarterly. During this year, under the COVID 19 situation, TRCSL continued its action plan activities with the support of all heads of the divisions. It was a risk to implement some activities physically in the field. HoDs supervised and reviewed the work carried out by the staff in their respective divisions by conducting regular divisional meetings. Most of the meetings were conducted online. With the purpose of reducing the risk of achieving the scheduled targets of the action plan, special attention was made to gain considerable progress in each action item of the action plan with the support of the committed workforce of TRCSL staff.

Four Progress Review meetings were conducted for the year 2021. The Summary of the Progress Review meetings, along with the decisions & actions, are shown below.

| Progress Review - Quarter One - 31.03.2021 | |
|--|--|
| Division | Decisions & Actions Taken |
| Licence Management | <ul style="list-style-type: none"> Follow up and coordinate on obtaining H.E. the President’s approval for Section 17 licence applications. Discuss with ITU Experts about instances where the sale of entities & ownerships relates to Licencing Framework. Set up a meeting to make HoDs aware of the proposed licencing framework and public consultation paper with relevant documents. Ascertain and inform the respective licence holders who don’t possess a media licence. |
| Networks | <ul style="list-style-type: none"> Prepare the requirements regarding the vendor licence system and automation of equipment clearance and submit them to IT Unit. Discuss the rules and regulations of the Number Portability with the Attorney General’s Department. |
| Spectrum Management | <ul style="list-style-type: none"> Inspect the backlogs of the individual IMEI applications and make necessary arrangements to address them. Make aware the consumers through social media to purchase TRCSL approved mobile devices. Arrange a meeting to discuss the sale of mobile phones with the Network, Spectrum, and Compliance divisions. Follow up on the progress of the Cabinet paper regarding Digital Video Broadcasting with the Ministry of Mass Media. Resubmit the Standard Operating Procedure and obtain formal approval from Customs on integrating individual mobile phone importation processes. |
| Policy & International Relations | <ul style="list-style-type: none"> Assist in obtaining international expertise for IPv6 roadmap and the Number Portability initiations. |
| Legal Affairs | <ul style="list-style-type: none"> Include a condition in the Act amendment to issue Cable/DTH licences only to those who have obtained the media licence. Obtain feedback regarding the Radio Spectrum Licencing rules and revision of Spectrum Fee from the Attorney General’s Department. Attend on matters relating to the land of Colombo Lotus Tower. |

| | |
|----------------------------|--|
| Information Technology | <ul style="list-style-type: none"> • Assist the Spectrum division regarding the integration of the mobile phone importation process with Sri Lanka Customs. • Initiate to set up a Call Center. • Implementation of a new PABX system. |
| Competition | <ul style="list-style-type: none"> • Ensure to achieve the progress of the GS project according to the project plan 2021. • Follow up the amendments of the Telecommunications Levy Act with the Legal division. |
| Compliance & Investigation | <ul style="list-style-type: none"> • Inspect and investigate the Quality of Service of the unlimited data packages. • Aware the consumers regarding the voice Quality of Service parameters through social media and the TRCSL website. • Form the QoS committee with respective heads of divisions. • Aware and audit the SIM re-registration process. • Synchronize consumer awareness with the “Gamata Sannivedanaya” project. • Follow up on the misplaced mobile phone process with Sri Lanka Police. |
| Admin, HR, CA & P | <ul style="list-style-type: none"> • Improve the work culture of the organization. • Expedite the staff recruitment process. • Process the procurement works of the New Building. • Finalize the job descriptions of Assistant Director positions with each HODs and advertise for recruitment. |
| Special Projects | <ul style="list-style-type: none"> • Obtain Attorney General’s opinion on the Lotus Tower takeover process. • Inspect whether ITU has defined frequency allocations for research purposes. |
| Finance | <ul style="list-style-type: none"> • Comply with deadlines of divisional works and encourage staff to complete their work. • Obtain assistance from officers with a financial background in other divisions to complete backlogs influenced due to COVID-19. • Submit the Financial Statement for 2020 to relevant institutions with the draft Annual Report 2020. |

| Progress Review – Quarter Two – 30.06.2021 | |
|--|--|
| Division | Decisions & Actions Taken |
| Licence Management | <ul style="list-style-type: none"> • Set up a committee to refine the requirements and to discuss the aspects/impact on the industry after the public consultation of the new licencing framework. |
| Network | <ul style="list-style-type: none"> • Introduce a QR code for vendors to check the validity of the vendor licence. |
| Spectrum Management | <ul style="list-style-type: none"> • Ensure all public requests have been adhered to accordingly without delay. • IMEI verification system has to be integrated with the MS Teams application • Relevant senior officials have to participate in the online meetings reserved through the TRCSL website. |
| Competition | <ul style="list-style-type: none"> • Inspect and set deadlines for Ratnapura and Kurunegala districts on tower construction. • Analyze the importation costs of equipment for expansion coverage and equipment for consumer consumption with the collaboration of the relevant division. |
| Compliance & Investigation | <ul style="list-style-type: none"> • Setup a meeting with the Attorney General’s Department to discuss the IMEI system matter. • Aware the public about the guidelines for Facebook/Instagram issues using awareness videos through social media and the TRCSL website. • Follow up on the Data Quality of Service rules. |
| Legal Affairs | <ul style="list-style-type: none"> • Follow up on the Act amendment and Sim registration progress with the Ministry of Technology. |
| Special Project | <ul style="list-style-type: none"> • Set up a meeting with the Treasury to discuss the company formation of Colombo Lotus Tower. • Ensure to obtain an official letter from the PCU regarding the work completion of the CLT tower house. |

| | |
|--|--|
| Finance | <ul style="list-style-type: none"> • Submit the revised budget to the Commission approval. |
| Administration, Corporate Affairs & Human Resource | <ul style="list-style-type: none"> • Recruitment advertisements should be published on social media apart from the newspapers. • Initiate to develop a succession plan. • Expedite the procurement process of the Procurement Plan. • Provide divisional project information to the Ministry on set time targets with the assistance of Heads of Divisions. • Inform the staff to update the manual filing system along with the work carried out during the COVID-19 WFH period. |
| Internal Audit | <ul style="list-style-type: none"> • Follow-up the actions for audit committee decision • Initiate the IT process audit. |
| Information Technology | <ul style="list-style-type: none"> • Formalize the necessity of procuring the IT equipment. • Expand the digitalization process of other divisions. • Introduce and make aware the staff of the “IT ticketing system” developed for coordinating the operation and maintenance of IT equipment. • Follow up the process of digital signature. • Introduce a device management system for office laptops. |

| Progress Review – Quarter Three – 30.09.2021 | |
|---|---|
| Division | Decisions & Actions Taken |
| Licence Management | <ul style="list-style-type: none"> • Preparation of Section 17 Licencing guidelines. |
| Network | <ul style="list-style-type: none"> • Expedite the implementation of Number Portability, Toll-free Number Range, and IPv6 roadmap. • Follow up the Submarine Cable Resilience program with the support of the Legal and Licence Divisions. |
| Spectrum Management | <ul style="list-style-type: none"> • Expedite the targeted works of the ITU expert assistance program on the 5G spectrum roadmap. |
| Competition | <ul style="list-style-type: none"> • Initiate the project works of targeted districts under the GS project. • Documentation of “National Broadband Strategy.” |
| Compliance & Investigation | <ul style="list-style-type: none"> • Focus on improving the average data speed. • Ensure to establish a robust Value Added Service guideline. • Introduce the Data Quality of Service framework. |
| Policy & International Relations | <ul style="list-style-type: none"> • Collaborate with other regional organizations and check if there are other international organizations to establish partnerships. |
| Legal Affairs | <ul style="list-style-type: none"> • Follow up on the legal activities of Lotus Tower acceptance & commercialization, Act amendment, Number Portability, Radio Frequency Management Framework, New Licencing Framework, Submarine Cable Resilience program, and IMEI Verification system from Attorney General Department. |
| Special Project | <ul style="list-style-type: none"> • Completion of the Lotus Tower handover process and validation of the CLT lifts by a third party to ensure the health and safety of the public. |
| Finance | <ul style="list-style-type: none"> • Ensure to rectify the audit matters relevant to accounts. |
| Internal Audit | <ul style="list-style-type: none"> • Initiate the IT process audits. |
| Information Technology | <ul style="list-style-type: none"> • Roll out the Digital Signature, Human Resource Management and Finance Automation Systems. • Upgrading the process of the TRCSL website and implementation of the new PABX system. • Prioritize the Baseline Security Standards. |
| Administration & Corporate Affairs | <ul style="list-style-type: none"> • Implementation of the performance appraisal scheme • Initiatives for developing a succession plan • Finalization of Scheme of Recruitment re-alignment • Accelerate the procurement process of the Drive Test tool |

| Progress Review – Quarter Four – 31.12.2021 | |
|--|---|
| Division | Decisions & Actions Taken |
| Licence Management | <ul style="list-style-type: none"> • Appoint a committee and examine the new licencing framework. • Expedite updating the section 17 licencing guidelines. |
| Network | <ul style="list-style-type: none"> • Expedite the implementation of the Number Portability and Submarine Cable Resilience programs. |
| Spectrum Management | <ul style="list-style-type: none"> • Ensure 5G spectrum auctioning is successfully carried out through a committee, and the same committee has to audit the 5G spectrum. • Ensure to achieve the 5G National Budget 2022 initiatives. |
| Competition | <ul style="list-style-type: none"> • Finalization of the interconnection rate as it is a key dependent for the Number Portability program. • Ensure to maintain the rankings of Sri Lanka in the ITU Price Baskets. • Commence to achieve the targets for the next year on Gamata Sannivedanaya” and School Fiberization National Projects. (Government National Budget 2021 and 2022) |
| Compliance & Investigation | <ul style="list-style-type: none"> • Gazette the Value Added Service framework. • Consider the macro environment of Telecommunication when drafting the rules and regulations for the IMEI verification system. • Coordinate the Starlink program. |
| Legal Affairs | <ul style="list-style-type: none"> • Expedite legal activities of the Lotus Tower Company formation. |
| Special Project | <ul style="list-style-type: none"> • Follow-up the Cabinet paper regarding the Lotus Tower taking over process. • Inform and obtain consensus from the Cabinet of Ministers regarding the TRCSL New Building • Expedite other project activities. |
| Finance | <ul style="list-style-type: none"> • Ensure to finalize the Accounts within the time targets. |
| Internal Audit | <ul style="list-style-type: none"> • IT Governance has to be incorporated with the Internal Audit & initiate process, and IT audits. |
| Information Technology | <ul style="list-style-type: none"> • Expedite upgrading the process of the TRCSL website and automation of office procedures. |
| Administration, Corporate Affairs & Human Resource | <ul style="list-style-type: none"> • Expedite recruitment process of employees. • Automate the vehicle management to optimize the utilization of the TRCSL vehicle fleet. • Introduction of the Mentorship programs. • Follow up on the status of the “Annual Report 2020” Cabinet paper. |

RISK MANAGEMENT REPORT

Due to the influence of COVID-19, TRCSL encountered many difficulties and gained added experience during the implementation of regulatory activities in the telecom industry this year. Furthermore, health restrictions caused by the pandemic, directly and indirectly, impacted the progress of regulatory activities, technical inspections, resolution of spectrum interference issues, consumer affairs, and special projects, including infrastructure and sector developments.

In the context of an emerging economic decline in the country, possible risks associated with the regulator, operators, and consumers were identified. Subsequently, necessary steps have been taken to monitor and manage the potential risk factors in order to minimize the negative impact they may have on our organization and its stakeholders. For this purpose, the organization further focused on relevant risk approach, risk integration identification, evaluation, risk response, plan implementation, issues, and monitoring of its escalation. Accordingly, appropriate risk management measures were taken while adhering to the health guidelines imposed by the Government for the safety of employees.

| | Context | Risk Level | Actions Taken to Mitigate the Risks |
|------------------|---|------------|--|
| Financial Risk | <ul style="list-style-type: none"> • Uncertainties in financial operating costs due to instability in the financial markets. • Covid-19 impacts relevant revenue collection, reduction, delay in payments, devaluation of exchange rates, and stakeholder cash flow. • Impact of difficulties and delays caused by exchange rate devaluation for mandatory loan repayment & subscription payments. • Employees had to carry out their office work from home due to Covid-19 travel restrictions imposed by the government. The public was not allowed to visit the office premises to obtain services. • Issues in making the expected capital expenditure even though the budget has allocated funds. | High | <ul style="list-style-type: none"> • Introduce new payment methods to customers to facilitate online payment. • Facilitate payment relief concession periods. • Limiting the payments by cash and promoting card payments. • Direct fund transfer instead of issuing Cheques. • Continue to monitor, manage and update general financial background information using a limited number of employees, even during an epidemic. • Calling to work according to a work roster to minimize the spread of COVID. • Updating customer payment services information on the website, telephone services & handouts, and continuing to provide customer service. • Pre-coordinate with banks and negotiate with relevant departments to prevent delays in foreign organization payments. • Steps were taken to expedite the introduction of the Automated Finance System. • Approved the interim budget to manage the expected expenditure. |
| Operational Risk | <ul style="list-style-type: none"> • Health restrictions and country lockdown caused by the Covid-19 affected the. Regulatory activities of the telecom industry. In this situation, the support to the Government through the telecommunications industry for economic, social, and operational fields had to be increased. • Needs to respond to stakeholders and customers regarding the activities of the telecommunications industry. • Difficulty in calling employees to the office due to the epidemic situation, and permission has to be given to a limited number of officers. • Influence on the progress of activities relating to infrastructure development, special project activities, and consumer affairs. | High | <ul style="list-style-type: none"> • Necessary advice was given regarding telecommunications regulatory programs, and follow-up actions were taken. • Maintaining the safety of the employees in accordance with health guidelines. • Ensuring minimal interruptions for the provision of services • Introducing the Work From Home facilities for continuous operation. • Recommending special tariff packages offered by licenced operators to cater to the customer requirement during the COVID-19. • Encouraging employees to resolve operational issues with the use of information technology. • Arranging required assistance for the continuous operations of telecom operators in coordination with the required institutions. |

| | | | |
|-----------------|---|------|---|
| | | | <ul style="list-style-type: none"> • Reviewing and monitoring the progress of development projects and conducting field inspections. • Enabling the HODs to track employees' work from home logs and evaluate their work performance through the MS Teams application. • Allocating time slots for the customers to obtain services through an online system. • Assign officers to report to the office according to a division-wise duty roster. • Conducting all external meetings, discussions, and training programs through online platforms. |
| Regulatory Risk | <ul style="list-style-type: none"> • Fulfill telecommunication regulatory operations, development goals, and customer service without delay. • Health guidelines for employee and workplace safety. | High | <ul style="list-style-type: none"> • Monitoring, processing, industry development, and adjustment of work related to telecommunications regulation with the consultation of stakeholders. • Provide opportunities to discuss issues online and by visiting the premises. • Conducting Divisional Head Meetings and providing solutions to issues that arose. • Continuously monitoring service quality. |
| People Risk | <ul style="list-style-type: none"> • Limiting the access to the office to obtain customer service facilities and closure of the office. • A disruptive environment was created to manage customer complaints, provide solutions, and raise awareness. • Ensure health safety for employees and the workplace • Created a challenging environment for local/foreign training. | High | <ul style="list-style-type: none"> • Allocating customers to reserve time periods for online customer service. • Conducting consumer awareness on social media, radio, and television channels. • Steps were taken to online meetups with consumers and resolve issues through the official webpage. • Connected the officers to their mobile phones through the PABX system. • Enforcement of health guidelines and promotion of welfare while providing necessary advice. • Conducting and promoting local/foreign training through online methods. • Transforming the IT unit into a division and implementing the HR management system and automation of the divisions. |
| Technology Risk | <ul style="list-style-type: none"> • During the epidemic, there was a simultaneous increase in the demand for facilities such as online services, online education, work from home, and encouragement to provide relief schemes. • Reviewing the quality and monitoring of telecommunication services in line with epidemic behavior and regulatory plans for developing other telecommunication technology facilities. | High | <ul style="list-style-type: none"> • Steps were taken to expedite the recommendation of the Tariff proposals from the Commission to provide relevant telecommunication service facilities by the stakeholders. • Follow up on providing quality service conditions to customers. • Online consultation with stakeholders on customer issues. • Obtaining and implementing regulatory advice relevant to the 4G Broadband project carried out with the assistance of stakeholders. • Conducting telecommunication related outside institutional programs through online methods. • Conducting meetings, consultations and activities online with international telecommunications organizations. |

FINANCIAL STATEMENT

FOR THE YEAR 2021


TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
 STATEMENT OF FINANCIAL POSITION
 AS AT 31ST DECEMBER 2021
 (Expressed in Sri Lankan Rupees)

| | <u>NOTES</u> | <u>Year as at 31.12.2021</u> | <u>Year as at 31.12.2020</u> |
|--|--------------|----------------------------------|----------------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, Plant & Equipment | 4 | 12,095,725,523 | 12,052,545,214 |
| Intangible Assets | 4.1 | 172,502 | 1 |
| Work In Progress | 5 | 22,634,607,858 | 22,274,373,401 |
| Investment | 6 | 8,776,051,081 | 1,500,000,000 |
| TOTAL NON-CURRENT ASSETS | | <u>43,506,556,963</u> | <u>35,826,918,617</u> |
| CURRENT ASSETS | | | |
| Accounts Receivable | 7 | 2,350,218,958 | 2,246,199,611 |
| Prepayments and Advances | 8 | 1,277,958,601 | 218,359,245 |
| Loans and Other Receivables | 9 | 266,701,487 | 2,274,343,557 |
| Cash & Cash Equivalents | 10 | 5,228,410,528 | 7,985,067,767 |
| TOTAL CURRENT ASSETS | | <u>9,123,289,575</u> | <u>12,723,970,179</u> |
| TOTAL ASSETS | | <u>52,629,846,537</u> | <u>48,550,888,796</u> |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Government Contribution | 11 | 526,214,744 | 526,214,744 |
| Accumulated Surplus | | 31,496,927,534 | 26,915,197,200 |
| Revaluation Surplus | | 37,380,000 | 37,380,000 |
| TOTAL EQUITY | | <u>32,060,522,278</u> | <u>27,478,791,944</u> |
| NON-CURRENT LIABILITIES | | | |
| Project Loan - Exim Bank (Lotus Tower) | | 3,043,136,756 | 4,317,085,861 |
| Retention | 12 | 63,601,567 | 62,749,026 |
| Retirement Benefit Obligation | 13 | 25,088,960 | 20,253,726 |
| Urban Development Authority | | 9,450,000,000 | 9,450,000,000 |
| TOTAL NON-CURRENT LIABILITIES | | <u>12,581,827,283</u> | <u>13,850,088,613</u> |

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
 STATEMENT OF FINANCIAL POSITION
 AS AT 31ST DECEMBER 2021
 (Expressed in Sri Lankan Rupees) (Contd...)

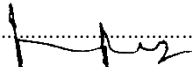
| | <u>NOTES</u> | <u>Year as at 31.12.2021</u> | <u>Year as at 31.12.2020</u> |
|---------------------------------------|--------------|----------------------------------|----------------------------------|
| CURRENT LIABILITIES | | | |
| Accounts Payable | 14 | 163,502,233 | 133,749,889 |
| Advances, Deposits and Other Payables | 15 | 4,296,813,373 | 3,758,122,308 |
| Payable To Treasury | 16 | 1,410,725,771 | 1,385,898,515 |
| Lotus Tower Delay Damages | | 2,116,455,600 | 1,944,237,526 |
| TOTAL CURRENT LIABILITIES | | 7,987,496,976 | 7,222,008,238 |
| TOTAL LIABILITIES | | 20,569,324,259 | 21,072,096,851 |
| TOTAL EQUITY AND LIABILITIES | | 52,629,846,537 | 48,550,888,796 |

Accounting Policies and Notes to the Financial Statements form an integral part of the Financial Statements. I certify that the financial statements of the Commission give a true and fair view of the state of affairs as at 31st December 2021 and its surplus for the period then ended.

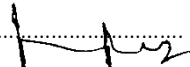


Jayantha MK
 Director Finance

The Commission is responsible for the preparation and presentation of these Financial Statements. Approved and signed for and on behalf of the Commission.



Jayantha De Silva
 Chairman



Jayantha De Silva
 Acting Director General



Chaaminda Kumarasiri
 Member of the Commission

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021

(Expressed in Sri Lankan Rupees)

| | NOTES | Year Ended 31.12.2021 | Year Ended 31.12.2020 |
|--|-------|--------------------------|--------------------------|
| Revenue | | | |
| Income | 17 | 33,700,521,871 | 29,000,860,956 |
| Total Operating Income | | 33,700,521,871 | 29,000,860,956 |
| Less: Regulatory Expenses | 18 | (50,060,177) | (54,779,057) |
| Net Total Operating Income | | 33,650,461,694 | 28,946,081,898 |
| Less : Other Expenses | | | |
| Administration & Establishment | 19 | 660,795,995 | 679,034,945 |
| Finance & Others | 20 | 39,143,093 | 5,323,930 |
| (Gain) / Loss on Foreign Currency Transactions | | 658,340,611 | 233,672,260 |
| (Over) / Under Provision | | (4,094,920) | 0 |
| Total Expenditure | | 1,354,184,780 | 918,031,136 |
| Profit for the Year from Continuing Operations Before Income Tax | | 32,296,276,914 | 28,028,050,762 |
| Less: Income Tax - Charge for the year | | (1,748,639,905) | (702,941,276) |
| Adjustment for previous year over provision | | (2,743,489,107) | 0 |
| Profit for the Year from Continuing Operations After Income Tax | | 27,804,147,902 | 27,325,109,486 |
| Other Comprehensive Income | | | |
| Gain/(Loss) on Retirement Benefit Obligation | | 5,051,557 | (2,504,579) |
| Total Other Comprehensive Income for the Year | | 5,051,557 | (2,504,579) |
| Total Comprehensive Income for the Year After Tax | | 27,809,199,459 | 27,322,604,907 |
| Less: Contribution to the Consolidated Fund | 21-1 | (22,227,469,125) | (18,817,625,389) |
| Total Comprehensive Income for the Year After Contributing to the Consolidated Fund | | 5,581,730,334 | 8,504,979,519 |
| Add: | | | |
| Total Comprehensive Income Brought Forward | | 26,915,197,200 | 19,764,217,681 |
| Less: Contribution to the Consolidated Fund | 21-2 | (1,000,000,000) | (1,000,000,000) |
| Less: Treasury deposit balance to be treated as remittance to Consolidated Fund | | 0 | (354,000,000) |
| | | 25,915,197,200 | 18,410,217,681 |
| Total Comprehensive Income Carried Forward | | 31,496,927,534 | 26,915,197,200 |

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in Sri Lankan Rupees)

| | <u>Notes</u> | <u>Year Ended 31.12.2021</u> | <u>Year Ended 31.12.2020</u> |
|---|--------------|----------------------------------|----------------------------------|
| <u>Cash Flows from Operating Activities</u> | | | |
| Cash Generated from Operations | 22 | 30,451,955,976 | 27,418,445,022 |
| Tax Paid | | (1,334,763,912) | 0 |
| Retirement Benefit Obligation Paid | | (3,542,453) | (3,429,146) |
| Net Cash Generated from Operating Activities | | <u>29,113,649,611</u> | <u>27,415,015,876</u> |
| <u>Cash Flow from Investing Activities</u> | | | |
| Purchase of Property Plant & Equipment | | (92,895,960) | (2,337,147) |
| Projects under Work in Progress | | (360,234,457) | (552,571,443) |
| Net Investment in Fixed Deposit & Treasury Bonds | | (7,276,051,081) | (1,146,000,000) |
| Interest Income from Fixed Deposit | | 156,091,883 | 229,905,799 |
| Investment in Fixed Deposit - Gratuity Obligation | | (8,110,000) | (11,250,000) |
| Interest Income from Fixed Deposit - Gratuity Obligation | | 4,200,207 | 5,884,108 |
| Proceed from sale of Property, Plant & Equipments | | 712,200 | 39,600 |
| Coupon Interest income | | 222,972,603 | 0 |
| Net Cash used in Investing Activities | | <u>(7,353,314,605)</u> | <u>(1,476,329,083)</u> |
| <u>Cash Flow from Financing Activities</u> | | | |
| Mobilization Advance Payment | 23 | 6,955,098 | 294,612 |
| Interest Income from Money Market Transactions | | 462,748,634 | 218,844,390 |
| Remittance to the Consolidated Fund | | (23,227,469,125) | (19,817,625,389) |
| Treasury deposit balance to be treated as remittance to Consolidated Fund | | 0 | (354,000,000) |
| Project Loan - Exim Bank (Lotus Tower) | | (1,766,524,679) | (1,647,902,297) |
| Retention | | 852,541 | 16,596,225 |
| Net Cash used in Financing Activities | | <u>(24,523,437,531)</u> | <u>(21,583,792,459)</u> |
| Net (Decrease) / Increase in Cash and Cash Equivalents | | <u>(2,763,102,524)</u> | <u>4,354,894,334</u> |
| <u>Movement in Cash and Cash Equivalents</u> | | | |
| As at 01 st January 2021 | 10 | 7,985,067,767 | 3,624,973,581 |
| (Decrease) / Increase | | (2,763,102,524) | 4,354,894,334 |
| Exchange (Losses) / Gains on Cash and Cash Equivalent | | 6,445,286 | 5,199,852 |
| As at 31st December 2021 | 10 | <u>5,228,410,528</u> | <u>7,985,067,767</u> |

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
 STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (Expressed in Sri Lankan Rupees)

| | Government Contribution | Revaluation Surplus | Accumulated Surplus / (Deficits) | Total Equity |
|--|----------------------------|------------------------|--|------------------------|
| Balance at 01st January 2020 | 526,214,744 | 37,380,000 | 19,764,217,681 | 20,327,812,425 |
| Less: Transfer to Consolidated Fund | - | - | (1,000,000,000) | (1,000,000,000) |
| Less: Treasury deposit balance to be treated as remittance to Consolidated Fund | - | - | (354,000,000) | (354,000,000) |
| | 526,214,744 | 37,380,000 | 18,410,217,681 | 18,973,812,425 |
| Total Comprehensive Income for the Year Ended 31 st December 2020 | - | - | 8,504,979,519 | 8,504,979,519 |
| Balance at 31st December 2020 | 526,214,744 | 37,380,000 | 26,915,197,200 | 27,478,791,944 |
| Balance at 01st January 2021 | 526,214,744 | 37,380,000 | 26,915,197,200 | 27,478,791,944 |
| Less: Transfer to Consolidated Fund | - | - | (1,000,000,000) | (1,000,000,000) |
| Less: Treasury deposit balance to be treated as remittance to Consolidated Fund | - | - | 0 | 0 |
| | 526,214,744 | 37,380,000 | 25,915,197,200 | 26,478,791,944 |
| Total Comprehensive Income for the Year Ended 31 st December 2021 | - | - | 5,581,730,334 | 5,581,730,334 |
| Balance at 31st December 2021 | 526,214,744 | 37,380,000 | 31,496,927,534 | 32,060,522,278 |

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS – 31.12.2021

(All amounts in notes are shown in Sri Lankan Rupees unless otherwise stated)

1. GENERAL INFORMATION

Telecommunications Regulatory Commission of Sri Lanka is an Independent Body and established under the Sri Lanka Telecommunication Act, No. 25 of 1991 as amended by the Sri Lanka Telecommunications Amendment Act, No. 27 of 1996 to regulate the telecommunication sector, in Sri Lanka.

The registered office of the Commission is located at No.276, Elvitigala Mawatha, Colombo 8.

Principal activities of the Commission which are cited in the said Act are as follows:

The Commission shall exercise its powers under the Act in a manner which it considers is be calculated to promote the national interest and in particular

- (a) To ensure the provision of a reliable and efficient national and international telecommunication service in Sri Lanka (save in so far as the provision thereof is impracticable) such as will satisfy all reasonable demands for such service including emergency services, public call box services, director information services, maritime services and rural services as may be considered essential for the national wellbeing.
- (b) Without prejudice to the generality of paragraph (a), to secure that every operator shall have and employ the necessary technical, financial and managerial resources to ensure the provision of the services specified in his license.
- (c) To protect and promote the interests of consumers, purchasers and other users and the public interest with respect to the charges for, and the quality and variety of telecommunication services provided and telecommunication apparatus supplies.
- (d) To maintain and to promote effective competition between persons engaged in commercial activities connected with telecommunication and promote efficiency and economy on the part of such persons.
- (e) To promote the rapid and sustained development of telecommunication facilities both domestic and international.
- (f) To ensure that operators are able to carry out their obligations for providing a reliable and efficient service free of undue delay, hindrance or impediment.

- (g) To promote research into and the development and use of new techniques in telecommunications and related fields.
- (h) To encourage the major users of telecommunication services whose places of business are outside Sri Lanka to establish places of business within Sri Lanka and
- (i) To promote the use of Sri Lanka for international transit services

2. STATEMENT OF COMPLIANCE - BASIS OF PREPARATION

The Commission prepares its Financial Statements in accordance with the Sri Lanka Accounting Standards (“SLFRS” and “LKAS”) issued by the Institute of Chartered Accountants of Sri Lanka and the requirements of Sri Lanka Accounting and Auditing Standards Act No.15 Of 1995 and SLPSAS’s (Sri Lanka Public Sector Accounting Standards).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these Financial Statements are set out below.

These policies have been consistently applied to the years presented, unless otherwise stated.

3.1 Basis of preparation

The Financial Statements of TRCSL have been prepared in accordance with Sri Lanka Accounting Standards (“SLFRS” and “LKAS”). The Financial Statements have been prepared under the historical cost convention. No adjustment has been made for inflationary factors affecting these Accounts.

3.1.1 Foreign Currency Conversion

All foreign currency transactions are converted at the rate of exchange prevailing at the time of the transactions were affected. Assets and Liabilities in foreign currencies are translated at the rates of exchange prevailing at the Balance Sheet date. The resulting gains and losses are dealt within the Income and Expenditure Account.

3.2 Assets and the bases of their valuation

3.2.1 Property, Plant and Equipment

(a) Measurement at Recognition

All the Property, Plant and Equipment are stated at cost less accumulated depreciation or impairment loss. The cost of property, plant and equipment comprises its purchase price and any directly attributable cost to bring the asset to working condition for its intended use.

Subsequent cost incurred for the purpose of acquiring, extending or improving assets of a permanent nature in order to carry on or flow future economic benefits associated with the item to the Commission has been treated as capital expenditure. The carrying amounts of replaced parts are de-recognized. All other repairs and maintenance are charged to the comprehensive income during the financial period in which they are incurred.

As per audit committee instructions, until the Auditor General's opinion is received for the draft revaluation policy of TRCSL, which was submitted in last year for their concurrence, the process is initiated by Finance division requesting Administration division to coordinate & arrange the revaluation process with Department of Valuation.

(b) Depreciation

Land is not depreciated. Depreciation on other assets is recognized in profit or loss on a straight-line method over the estimated useful life of each part of the item of property plant & equipment. In the year of acquisition, depreciation is computed on proportionate basis from the month the asset put into use and no depreciation will be charged to the month in which the particular asset is disposed.

(c) Estimated Useful Lives of PPE

| | |
|--------------------------|---------------|
| Buildings | Over 20 Years |
| Telecommunication Towers | Over 10 Years |
| Furniture & Fittings | Over 10 Years |
| Office Equipment | Over 10 Years |
| Computers | Over 04 Years |
| Air Conditions | Over 10 Years |
| Motor Vehicles | Over 08 Years |
| Generators | Over 10 Years |
| Elevators | Over 10 Years |
| Office Telephones | Over 10 Years |
| Office Furniture | Over 10 Years |
| Technical Equipment | Over 10 Years |
| Web Server | Over 04 Years |
| Gymnasium Equipment | Over 04 Years |
| Video Unit Equipment | Over 04 Years |

(d) Intangible Assets

Acquired Computer Software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Those costs are amortized over a period of one year.

(e) Capital Work-In-Progress

Capital work in progress is stated at cost. These are expenses of a capital nature directly incurred in the construction of buildings and system development awaiting capitalization.

(f) De-recognition

The carrying amount of an item of Property, plant and equipment is de-recognized 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 the amount is recognized within "Other Income" in profit or loss.

3.2.2 Investments

All the investment activities are done by TRCSL in line with the Temporary Fund Management guideline approved by the Commission.

Investment balance represent a fixed deposit of Rs. 4,500,000, which is kept for the national project called "Gamata Sanniwedanaya". Also, there is an investment had to do in Government Treasury Bonds due to an urgent fund requirement of the Government Treasury. Accordingly, as proposed by the treasury secretary, TRC had to remit funds of Rs. 4,000 Mn against a Treasury Bond as a collateral, which will encash at maturity. Those funds were originally allocated and set-aside for some other TRC on-going national projects.

The bond was issued at a discount and hence the settlement value of the said bond is Rs. 4,309,288,000, whereas the face value of it is Rs 4,000,000,000. The residual discount amount of Rs. 276,051,081 is added to the investment and it will be amortized throughout the bond life cycle until the maturity. The discount amortization applicable for the period under review, which amounts Rs 33,236,919 is classified as a finance cost.

The interest income from above fixed deposit and coupon interest income derived from treasury bond has recorded under note number 17 A (1) Sundry Income.

3.2.3 Accounts Receivable

Accounts receivables are recognized and carried at original invoice amount and less/after deducting an allowance for any uncollectible amounts. An estimate for doubtful receivables is made when collection of the full amount is no longer probable.

3.2.4 Prepayment and Advance

Mobilization Advance

- (a) Lotus Tower – 100% mobilization advance was recovered during the year 2019.
- (b) IT Park – The Arbitration process of the IT park project is in progress as per the ICTAD conditions. (More details are given in note no. 3.6.3)

3.2.5 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and Money Market Savings account at bank.

3.3 LIABILITIES AND PROVISIONS

All material liabilities as at the balance sheet date are included in the Financial Statements and adequate provision has been made for liabilities which are known to exist but the amount of which cannot be determined accurately.

Obligation payables on demand or within one year from the last date of financial year are treated as current liabilities in the Statement of Financial Position. Liabilities payable after one year from the last date of financial year are treated as non-current liabilities in the Statement of Financial Position.

3.3.1 Capital Commitment and Contingencies

Capital expenditure commitments and contingent liabilities as at the date of the Statement of Financial Position have been disclosed under note no. 3.7.

3.3.2 Employee Benefit

(a) Retirement Benefit Obligation

The movement in the retirement benefit obligation over the year is given below

| | 2021 (Rs.) | 2020 (Rs.) |
|---|-------------------|-------------------|
| Balance at the beginning of financial year | 94,824,253 | 80,831,913 |
| Current Service Cost | 3,788,794 | 3,961,342 |
| Interest Cost | 5,720,115 | 5,071,456 |
| Charged as other expenses to the Statement of Comprehensive Income | 9,508,909 | 9,032,798 |
| Actuarial losses / (gains) | (5,051,557) | 2,504,579 |
| Benefits paid | (3,542,453) | (3,429,146) |
| Add: Interest earned on the investment which is to cover gratuity obligation | 4,200,207 | 5,884,108 |
| Balance at the end of financial year | 99,939,358 | 94,824,253 |

The Commission has adopted the retirement benefit plan as required under the payment of Gratuity Act, No.12 of 1983 for all eligible employees. The retirement benefit plan is funded.

The retirement benefit plan defines the amount of benefit that an employee will receive on retirement. The liability recognized in the Statement of Financial Position in respect of defined benefit plan is calculated annually by the Commission using the Projected Unit Credit method prescribed in Sri Lanka Accounting Standard – LKAS 19: Employee Benefits.

Gains and losses arising from changes due to over or under provision in the previous year are charged or credited to Statement of Comprehensive Income in the period in which they arise. The Obligation for the year is recognized immediately in the Statement of Comprehensive Income. The amount equals to the gratuity obligation is invested in a fixed deposit by the Commission.

The principal actuarial assumptions used were as follows.

| | | |
|--------------------------|---|--------------|
| Discount Rate | - | 8% per annum |
| Rate of salary increment | - | 1% - 6.7% |
| Retirement Age | | 62 years |

(b) Defined Contribution Plans

Obligation for contributions to defined contribution plan is recognized as an expense in the Statement of Comprehensive Income as incurred.

(c) Employee Provident Fund (EPF) and Employee Trust Fund (ETF)

All employees of the Commission are members of Employee Provident Fund (EPF) and Employee Trust Fund (ETF).

The Commission contributes 15% and 3% of the basic salary of employees' to Employee Provident Fund (EPF) and to Employee Trust Fund (ETF) respectively, and employee contributes 10% to the EPF.

3.4 REVENUE RECOGNITION

3.4.1 Revenue is recognized in accordance with Sri Lanka Accounting Standard - LKAS 18, except revenue items in notes from 3.4.1.2 to 3.4.1.4

3.4.1.1 Frequency License Fee

As per sec. 22 of the Sri Lanka Telecommunications Act No. 25 of 1991 as amended by the Sri Lanka Telecommunications Amendment Act No. 27 of 1996, Frequency license fee is the fee which has to be paid by the frequency user for the use of any radio frequency or radio frequency emitting apparatus. Therefore, Ship station fee and Aircraft license fee were also classified under the Radio Frequency license fee since year 2019.

If the licence period of any frequency license fee which was collected during the year runs through next year, the proportionate amount relevant for the following year is recognized as Revenue in Advance and classified under the heading of Advances, Deposits and other payables.

3.4.1.2 Operator License fee

Operator license fee is recognized on cash basis when the new licenses are issued, or existing licenses are renewed for the period of either 10 years or 05 years, to the telecom operators under section 17 of the Sri Lanka Telecommunication Act, No. 25 of 1991 as amended by the Sri Lanka Telecommunication Amendment Act, No. 27 of 1996.

3.4.1.3 Vendor License Fee/ Cordless Phone Dealer Charges/ Short Code Charges/ Application Processing Fee

Vendor license fee is recognized on cash basis when the licenses are issued to the persons under section (21) of the Sri Lanka Telecommunication Act, No. 25 of 1991 as amended by the Sri Lanka Telecommunication Amendment Act, No. 27 of 1996.

3.4.1.4 Cess Fee

Cess fee is recognized as per the condition of the 22(G) of Sri Lanka Telecommunications Act, No. 25 of 1991 as amended by the Sri Lanka Telecommunications Amendment Act, No. 27 of 1996.

3.4.2 Telecommunication Levy

Telecommunication Levy (TL) received from the telecom operators under the Telecommunication Act, No. 21 of 2011 are recognized as revenue and subsequently remitted to the State Consolidated Fund.

Telecommunication Levy rate on telecommunication service was reduced to 15% from 25% with effect from 05.11.2018 and again it was reduced to 11.25% from 15% with effect from 01.12.2019 with an amendment to the Telecommunication Levy, Act No. 21 of 2001, which was decided in a meeting of Cabinet of Ministers held on 27.11.2019.

Recovery process of unpaid telecommunication levy and Cess fee from Lanka Cable Satellite Network (Pvt) Ltd, Ask Cable Vision (Pvt) Ltd., SupremeSAT (Pvt) Ltd, Lanka Broadband Network (Pvt) Ltd and City Cable Links (Pvt) Ltd is in progress.

Legal action for default TL payment from Lanka Cable Satellite Network (Pvt) Ltd and Lanka Broadband Network (Pvt) Ltd shall be taken as per the provisions of Telecommunication Act, No. 21 of 2011.

3.4.3 Telecommunication Development Charges

Telecommunication Development Charges received from the External Gateway Operators under the Part III of the Finance Act, No.11 of 2004 are recognized as revenue. 50 percentage of this revenue is remitted to the State Consolidated Fund, on or before the stipulated due dates.

3.4.4 International Outgoing Call Levy

International Outgoing Call Levy received from the External Gateway Operators under the Part III of the Finance Act, No.11 of 2004 and the Regulations published in Extraordinary Gazette Notification No. 1738/15 dated 29th December 2011 are recognized as revenue and remitted to the State Consolidated Fund, on or before the stipulated due dates.

Outgoing Local Access Charges (OLAC) was abolished with effect from 01.06.2019 as per 2019 budget decision which was published via Extraordinary Gazette No. 2123/19 on 14th May 2019 under Finance Act No. 11 of 2004.

3.4.5 Levy on Bulk Short Message Service (SMS)

Levy on Bulk Short Message Service (SMS) was imposed with effect from 01.01.2019 under the part xiii of the Finance Act No. 35 of 2018 and regulations published in the Extraordinary Gazette No. 2104/16.

3.4.6 Cellular Tower Levy

Cellular Tower Levy was imposed with effect from 01.01.2019 under the part xii of Finance Act No.35 of 2018 and the regulations published in the Extraordinary Gazette No. 2104/1

3.4.7 Type Approval Fees

This is a new revenue source introduced as Radio and Telecommunications Terminal Equipment (RTTE) Type Approval Rules 2020, under the extra ordinary gazette No. 2196/51 dated October 09, 2020. It defined all the applicable fees with regard to all types of RTTE intended to be imported, marketed, manufactured or used in Sri Lanka.

Type Approval fee is intended to cover the administrative costs incurred by the Commission for operating and administering the Type Approval System, including the assessment of Type Approval applications and market surveillance. The fee for Type Approval will be charged per each type of RTTE, as set out in Appendix D of these Rules. The Type Approval fees may be reviewed by the Commission from time to time as necessary.

3.4.8 Sundry Income

Sundry income comprises interest income on short-term fixed deposit and Money Market savings account, coupon interest income on treasury bonds, Kokavil lease rental, Madukanda lease rental etc. Interest income is recognized as it accrues in gain or loss on the maturity date.

3.5 EXPENDITURE

Expenses are recognized in the comprehensive income statement on the basis of direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the Commission and in maintaining the capital assets in a state of efficiency has been charged to revenue in arriving at the surplus for the year.

3.5.1 Income Taxes

The tax exemption granted to the TRCSL under the Inland Revenue Act No. 10 of 2006, as amended w.e.f. 01.04.2009, was abolished with the enforcement of the new Inland Revenue Act No. 24th of 2017 and the effective date of which started since 1/4/2018.

As per the Inland Revenue (Amendment) Act No. 10 of 2021 certified by the Hon. Speaker on 13 May 2021, payments made to consolidated fund by any public corporation is considered as a qualifying payment and could be deducted in calculating income tax of such corporation with effect from 01.04.2019 (Amendment of the Fifth Schedule to the Principal enactment).

Further, an over provision of Rs. 2,743,489,107, which was accumulated in the income tax payable account has been adjusted in income tax expense during the year. Income tax payable for the current year is Rs. 1,748,639,905.

The Tax period of TRCSL is from 1st January to 31st December as approved by the Commissioner General of Inland Revenue. Accordingly, the tax liability for 2021 is shown below.

| | 2021 (Rs.) |
|---|-----------------------|
| Accounting Profit before Taxation | 32,296,276,914 |
| Add: Total disallowable expenses in determining taxable income/ (loss) | 53,331,945 |
| Less: Income on Levies, total allowable expenses & interest income in determining taxable income/ (loss) | (17,414,213,556) |
| Adjusted Accounting profit/ (loss) chargeable to income taxes | 14,935,395,303 |
| Interest Income | 850,604,302 |
| Assessable Income | 15,785,999,604 |
| Less: Qualifying Payments (Remitted to Treasury) | (8,500,000,000) |
| Total Taxable Income | 7,285,999,604 |
| Tax rate for the year | 24% |
| Tax effect for the year | 1,748,639,905 |
| Self-Assessment Tax Installments paid | |
| Income Tax Payment (3 rd Quarter) paid during 2021 | 627,468,161 |
| Income Tax Payment (4 th Quarter) paid in February 2022 | 312,255,830 |
| Total Tax installments paid | 939,723,991 |
| Payable Tax Amount | 808,915,914 |

3.6 PROJECTS

3.6.1 COLOMBO LOTUS TOWER

Telecommunications Regulatory Commission of Sri Lanka (TRCSL) has started construction of 350 meters high multifunctional TV & Telecommunication Tower known as the “Colombo Lotus Tower, following the Cabinet decisions of 27th October 2010 and 14th December 2011 under reference numbers 10/2473/401/301 and 11/2262/501/026 respectively. The construction of the tower also was awarded to the China National Electronics Importers & Exporters Corporation (CEIEC) and Aerospace Long March International Trade Co. Ltd (ALIT) by the Cabinet. Also, a mega leisure park as the 2nd phase is to be planned and commenced once the Colombo Lotus Tower project is completed.

The cost of the construction was estimated initially to US \$ 104.3 Million and US \$ 67.259754 Million was financed by a 14-year loan from the Export-Import Bank of China (EXIM Bank) under the Buyers’ Credit loan Agreement No. BLA-201207 signed by TRCSL & EXIM Bank where the Secretary to the Ministry of Finance & Planning has signed as the Guarantor on behalf of the Government of Sri Lanka. The balance of the initial contract project value US \$ 37.040246 Million was borne by the TRCSL. As per a Cabinet approval and Commission decision number 2K19.264.07(3) dated 25/09/2019, a variation of USD 9,355,935.81 million was added to the initial contract value and USD 7,525,499.82 was borne by the TRCSL, as per valuation Commission decision number 2K19.262.04 dated 03/08/2019.

The percentage completed of the project was approximately 99% as at 31.12.2021. The cumulative delay damages of US\$ 10,430,000 was recovered against Interim payment certificates 20, 21 & 22. But, as the discussions and handing-over process were not finalized, a provision was made for the equal amount of deducted delay damages in the Statement of Financial Position as of 31.12.2021 as a current liability. This provision has been made in line with Generally Accepted Accounting Principles and to be complied with the prudent concept.

Retention was released as per the condition of the Contract against an irrevocable, on-demand retention bank guarantee from HSBC, upon the recommendation and approval of the Project Consultancy Unit (PCU) of the University of Moratuwa and acknowledgement from the Cabinet Appointed Negotiation Committee (CANC). Said bank guarantee was expired on 28.02.2021 and due to the USA sanction against CEIEC, TRCSL could not conclude the process of obtaining a new guarantee from ALIT, the other party to the triparty contract as per Attorney General’s opinion and concurrence on the same.

The Cabinet of Ministers approved retaining the balance amount payable to the Contractor and the cumulative delay damages till the Contractor fulfils the Contractual commitments. The Contractor agreed to the same.

The EXIM bank loan was expired at US\$ 67,259,754 and the cabinet approval by its decision dated 11.01.2018 under reference No. 17/3004/701/059 was obtained to pay the balance contract amount of US\$ 21,395,247 from TRCSL funds.

The total borrowing cost and the related expenses will be fully capitalized at the completion of the project as per the Sri Lanka Accounting Standard 23, because the EXIM Bank Loan is 100% dedicated loan obtained for the construction of the Colombo Lotus Tower Project.

All the preliminary expenses which have been borne by TRCSL in relation to the Lotus Tower new company, recorded as a Receivable balance from Lotus Tower New Company (under note no.09 – Loans and Other Receivables). As per previous commission decision number 2K21.275.06(04) dated 19/01/2021, all preliminary expenses borne by TRCSL on behalf of Lotus Tower New Company were to be recovered from that and hence it was treated as a receivable balance.

3.6.2 LAND – LOTUS TOWER

The Land of the Lotus Tower Colombo on which the “Colombo Lotus Tower” is being constructed, contains in extent of 7 Acres 2 Roots & 8.41 Perches (3.0564 Hectares) which was to be transferred to the Telecommunications Regulatory Commission of Sri Lanka (TRCSL) as per the Cabinet decision reference No. 11/2262/501/026/TBR, dated 22nd December 2011 by the Urban Development Authority (UDA).

Having signed a Memorandum of Understanding (MOU) between TRCSL & UDA bearing the reference No. 5023 dated 23rd January 2012, it was agreed to make an initial payment of Rs.1, 500 Million and Rs.300 Million each for 34 years by TRCSL from the date of execution of the transfer agreement.

The vacant physical possession was handed over to the TRCSL by the letter of UDA, dated 18th July 2012 subject to the payment of utility bills and Assessment Rates to the relevant authorities from the date of handing over and same has been continuing by TRCSL.

As a result, the Urban Development Authority has executed the Deed of Transfer bearing No.2004 dated 10th January 2022 attested by A.R. Nilufar Jehan Notary Public of Colombo on behalf Telecommunications Regulatory Commission of Sri Lanka and had transferred the owner ship of the land marked Lots B,C,D,E, O & S depicted in Plan No.3115 dated 5th November 2015 made by P.M. Sunil Licensed Surveyor containing in extent of 4A-3R-24.47P for the price or sum of Rupees

Two Thousand Two Hundred and Fifty Million (Rs: 2,250,000,000/=). However, UDA is yet to transfer the land marked Lot S depicted in said Plan No.3115 to TRCSL.

As requested by UDA, BOC cheque dated 22.11.2021 bearing No. 503612 drawn in favor of Chairman Urban Development Authority has been submitted by TRCSL to make the following payment in order to prepare the said Deed of Transfer of the aforesaid Land on behalf of Telecommunication Regulatory Commission of Sri Lanka.

| | | | |
|--------------------------|---|-----|---------------|
| Legal Fees | : | Rs. | 300,000.00 |
| VAT | : | Rs. | 24,000.00 |
| Stamp Fees | : | Rs. | 89,999,000.00 |
| ----- | | | |
| Rs. 90,232,000.00 | | | |

In terms of Section 6(1) of the State Lands Ordinance, Free Grant bearing No.4/10/66753, allotment of land marked Lot 1 depicted in Survey Department Preliminary Plan No. 9956 containing in extent 1.2141 Hectares has been granted to the Telecommunications Regulatory Commission of Sri Lanka Land.

In terms of Section 6(1) of the State Lands Ordinance, Free Grant bearing No.4/10/66549, all that divided and defined allotment of land marked lots 1-6 depicted in Survey Department Preliminary Plan No. 9401, containing in extent 1.1372 Hectares has been granted to the Telecommunications Regulatory Commission of Sri Lanka Land.

3.6.3 IT PARK HAMBANTHOTA SOORIYAWEWA

Telecommunications Regulatory Commission of Sri Lanka initiated actions to establish a Telecommunication Media Center Project (Hambantota IT Park Project) as decided by the Cabinet of Ministers at its meeting held on 04th July 2012 based on the Cabinet Paper No 12/0836/501/019 dated 14th June 2012.

Sri Lanka Land Reclamation & Development Corporation (SLLRDC) was appointed as the Engineer to the Project, the construction contract was awarded to M/s Tudawe Brothers (Pvt) Limited, for a construction cost of Rs 2,493,870,318.00 after adhering to the approved tender procedure.

The contractor had completed the superstructure of the building up to the 3rd floor by June 2015 as scheduled. However, TRCSL, BOI and the Presidential Secretariat observed that the other development projects planned in the area have not been commenced and stressed the need to restructure the project.

The percentage completed of the project was 33% which includes the total work done including material at the site was Rs.423.9 Million. Retention withheld, and recovery of mobilization advance was Rs.46 Million & Rs.157 Million respectively as of 31-12-2018.

Whilst SLLRDC as the engineering Consultant to this project was attending to the restructuring of the project, the contract between TRCSL and M/s Tudawe Brothers (Pvt) Ltd expired on 10th August 2016. Consequently, TRCSL had terminated the contract with the M/s Tudawe Brother (Pvt) Ltd on the recommendation of SLLRDC being the Engineer to the Project.

The total cost incurred so far for the project is approximately Rs 715 Million (Which includes 157 Million unrecovered advances) and the Contractor, namely M/s Tudawe Brothers (Pvt) Limited submitted a referral to the Dispute Adjudication Board against the TRCSL's decision to terminate the Contract.

Having considered the Dispute Adjudication Board (DAB) decision, some cost elements and the Retention amount of Rs. 46 million were agreed to set off against the mobilization advance of RS. 157 million. The balance amount of Rs. 50 million was covered by a bank guarantee of Rs. 50 million as per the advice of the Engineer to the project - Sri Lanka Reclamation & Development Corporation and the matter was referred to the Arbitral Tribunal. Refer Note No. 3.7 (c). Sooriyawewa land cost shall be capitalized when the value of the land is assessed by the government valuer.

The Deed of Grant bearing No.92 dated 3rd September 2014 attested by D. Sunanda Ranasinghe Notary Public of Colombo had been executed on behalf Telecommunications Regulatory Commission of Sri Lanka and the Board of Investment of Sri Lanka (BOI) had transferred the ownership of the land marked Lot J depicted in Plan No.65/2013 dated 4th May 2013 made by G.G.L. Pathamasiri Registered Licensed Surveyor and Leveller.

3.7 CONTINGENCIES

(a) DC/DMR/6188/2010

Mr. Gamini Rajapakse, proprietor of Gewaan Engineering filed a case in the District Court of Colombo bearing No. 6188/2010 citing Telecommunications Regulatory Commission of Sri Lanka as the Defendant.

The Plaintiff has filed this case to recover damages from TRC for breach of the agreement entered between the Plaintiff and Defendant on 19th July 2007. Under the reliefs sought, the Plaintiff was seeking Rs.1.5 Million in damages.

The Judgment was delivered on 30.04.2019 in favor of the Plaintiff. As per the Judgment Rs. 71,443.31 and legal cost were awarded to the Plaintiff and decree to be filed by the Plaintiff.

(b) HC Civil No. 137/2011

The case bearing No. HC (Civil) No. 137/11 was filed by Electrotecks Limited against TRC for Judgement /decree for a sum of Rupees 47,345,112,000 with legal interest up to the date of decree and aggregate amount of the decree till payment in full. A claim in reconvention has been made by the defendant for non- payment of the frequency license fees of Rs. 172,500,000 and Rs. 2,300,000 with legal interest from plaintiff. This case is still held for further trial.

(c) IT Park – Hambanthota (Ref. SLNAC/33-10-2018)

Tudawe Brothers (Pvt) Limited (Claimant) has filed this action to recover damages for sum of Rs. 736,276,907.47 from TRCSL (Respondent) for breach of the agreement entered between the Claimant and Respondent to construct a building for TRCSL at Sooriyawewa, Hambantota on 29th July 2013. This matter is pending before the Arbitration Tribunal. Attorney General's Department is appearing on behalf of TRCSL. This case is still held for further hearing.

(d) DC/DMR/3277/17

The plaintiff has filed the case to recover damages for TRCSL's act for disruption of service and damage to Transmission Station which covered the entire Jaffna Peninsula and nearby Islands, for which the plaintiff is seeking Rs.14,800,000,000 as damages. This case is still held for further trial.

4. PROPERTY, PLANT & EQUIPMENT

| COST | BALANCE AS AT 01.01.2021 | For the Year 2021 | | BALANCE AS AT 31.12.2021 |
|------------------------------------|-----------------------------|-------------------|-------------------------|-----------------------------|
| | | ADDITIONS | DISPOSALS/ TRANSFERS | |
| Lands | 148,863,771 | 0 | 0 | 148,863,771 |
| Lease Hold Lands | 345,502 | 0 | 0 | 345,502 |
| Buildings | 150,381,065 | 0 | 0 | 150,381,065 |
| Kokavil Tower | 314,933,479 | 0 | 0 | 314,933,479 |
| Vauniya Tower | 29,900,741 | 0 | 0 | 29,900,741 |
| Vehicles | 168,717,224 | 0 | 0 | 168,717,224 |
| Air conditioners | 17,742,145 | 463,000 | 26,000 | 18,179,145 |
| Elevators | 4,683,848 | 0 | 0 | 4,683,848 |
| Generators | 2,665,428 | 0 | 0 | 2,665,428 |
| Computers | 115,313,200 | 246,500 | 382,500 | 115,177,200 |
| Web Server | 34,095,551 | 0 | 0 | 34,095,551 |
| Other Office Equipment | 46,740,761 | 1,103,219 | 38,500 | 47,805,480 |
| Mobile Phones | 1,424,009 | 93,300 | 0 | 1,517,309 |
| Office Furniture | 26,449,533 | 232,716 | 265,200 | 26,417,049 |
| Technical Equipment | 73,705,569 | 0 | 0 | 73,705,569 |
| FMMS Project Surveillance Vehicles | 61,712,127 | 0 | 0 | 61,712,127 |
| FMMS Project Equipment | 408,303,544 | 0 | 0 | 408,303,544 |
| Gymnasium Equipment | 5,629,707 | 0 | 0 | 5,629,707 |
| Video Unit Equipment | 12,865,066 | 0 | 0 | 12,865,066 |
| | 1,624,472,268 | 2,138,735 | 712,200 | 1,625,898,803 |
| Land Lotus Tower | 11,715,212,127 | 90,323,000 | 0 | 11,805,535,127 |
| | 13,339,684,395 | 92,461,735 | 712,200 | 13,431,433,930 |

| DEPRECIATION | BALANCE AS AT 01.01.2021 | For the Year 2021 | | BALANCE AS AT 31.12.2021 |
|------------------------------------|-----------------------------|-------------------|-------------------------|-----------------------------|
| | | ADDITIONS | DISPOSALS/ TRANSFERS | |
| Buildings | 132,957,260 | 2,041,203 | 0 | 134,998,463 |
| Kokavil Tower | 306,839,654 | 6,127,065 | 0 | 312,966,720 |
| Vauniya Tower | 29,900,741 | 0 | 0 | 29,900,741 |
| Vehicles | 162,724,312 | 1,658,196 | 0 | 164,382,509 |
| Air Conditioners | 13,730,977 | 911,200 | 26,000 | 14,616,177 |
| Elevators | 4,683,848 | 0 | 0 | 4,683,848 |
| Generators | 2,665,428 | 0 | 0 | 2,665,428 |
| Computers | 104,041,833 | 2,509,646 | 382,500 | 106,168,979 |
| Web Server | 15,411,645 | 7,970,472 | 0 | 23,382,117 |
| Other Office Equipment | 30,810,310 | 2,902,292 | 38,500 | 33,674,101 |
| Mobile Phones | 953,416 | 83,336 | 0 | 1,036,753 |
| Office Furniture | 19,421,698 | 1,580,337 | 265,200 | 20,736,835 |
| Technical Equipment | 45,185,951 | 5,812,020 | 0 | 50,997,971 |
| FMMS Project Surveillance Vehicles | 40,828,530 | 7,164,016 | 0 | 47,992,546 |
| FMMS Project Equipment | 358,666,290 | 10,448,442 | 0 | 369,114,731 |
| Gymnasium Equipments | 5,629,707 | 0 | 0 | 5,629,707 |
| Video Unit Equipment | 12,687,581 | 73,200 | 0 | 12,760,781 |
| | 1,287,139,181 | 49,281,427 | 712,200 | 1,335,708,408 |

NET BOOK VALUE

12,052,545,213

12,095,725,523

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS - 31.12.2021

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*(Expressed in Sri Lankan Rupees)***Notes:**

Value of Land of Rs. 148,235,572 includes Rs. 45,000,000 for the Land situated in Kadirana, Negombo. Extent of the Land is 112 Acres Rood 01 and P 10.5. Approximately a 69% of the extent of the land has been acquired by the Divisional Secretary of Katana, but the effect of the change of the value due to the acquisition has not been incorporated in accounts in this financial year too.

Even though, the Valuation Department has made a valuation dated 02.04.2019 under the letter bearing No. GM/LM/5549, the land extent of 35 Acres 02 Roods & 30 Perches which is the present extent under the possession of TRCSL from above land slot, was valued for Rs. 359,375,000, It is not reflected in Financial Position as at 31.12.2020 since the requirement of LKAS 16 to revalue entire class of assets of TRCSL is still not satisfied.

All the lands and buildings will be measured and reported at its revalued amounts once the relevant approvals will be received for the draft revaluation policy of TRCSL. (Ref. Note 3.2.1 (a)).

4.1 INTANGIBLE ASSETS

| COST | BALANCE AS AT 01.01.2021 | For the Year 2021 | | BALANCE AS AT 31.12.2021 |
|-------------------|-----------------------------|-------------------|-------------------------|-----------------------------|
| | | ADDITIONS | DISPOSALS/ TRANSFERS | |
| Computer Software | 21,455,861 | 434,225 | 0 | 21,890,086 |
| | 21,455,861 | 434,225 | 0 | 21,890,086 |

| AMORTIZATION | BALANCE AS AT 01.01.2021 | For the Year 2021 | | BALANCE AS AT 31.12.2021 |
|-----------------------|-----------------------------|-------------------|-------------------------|-----------------------------|
| | | ADDITIONS | DISPOSALS/ TRANSFERS | |
| Computer Software | 21,455,860 | 261,725 | 0 | 21,717,585 |
| | 21,455,860 | 261,725 | 0 | 21,717,585 |
| NET BOOK VALUE | 1 | | | 172,502 |

5. WORK IN PROGRESS

| | BALANCE AS AT 01.01.2021 | For the Year 2021 | | BALANCE AS AT 31.12.2021 |
|--|-----------------------------|--------------------|----------------|-----------------------------|
| | | ADDITIONS | (TRANSFERS) | |
| Main H/O Building | 10,057,910 | 0 | 0 | 10,057,910 |
| Construction of Lotus Tower | 21,344,781,569 | 288,206,722 | 0 | 21,632,988,290 |
| IT Park - Hambantota | 684,015,309 | 0 | 0 | 684,015,309 |
| Construction of TRC H/O - New Building | 109,786,433 | 55,081,520 | 0 | 164,867,953 |
| Construction of Kadirana | 78,305,776 | 0 | 0 | 78,305,776 |
| Frequency Monitoring - Network | 249,900 | 0 | 249,900 | 0 |
| Work In Progress | 47,176,505 | 17,196,115 | 0 | 64,372,620 |
| | 22,274,373,401 | 360,484,357 | 249,900 | 22,634,607,858 |

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
 NOTES TO THE FINANCIAL STATEMENTS - 31.12.2021
 (Expressed in Sri Lankan Rupees)

(Contd...)

| | Year Ended 31.12.2021 | Year Ended 31.12.2020 |
|--|--------------------------|--------------------------|
| 6. INVESTMENTS | | |
| Investment in Treasury Bond | 4,276,051,081 | 0 |
| Fixed Deposit | 4,500,000,000 | 1,500,000,000 |
| | 8,776,051,081 | 1,500,000,000 |
| 7. ACCOUNTS RECEIVABLE | | |
| CESS Receivable | 495,260,644 | 447,225,777 |
| TDC Receivable | 560,654,086 | 625,552,710 |
| Telecom Levy Receivable | 746,238,923 | 695,912,884 |
| Kokavil Tower Recoverable | 93,612,539 | 93,087,067 |
| Tower Levy Receivable | 366,541,667 | 332,895,834 |
| SMS Levy Receivable | 16,617,138 | 46,957,637 |
| Outstanding Staff Loans Recoverable | 2,254,729 | 2,403,352 |
| Kokavil Lease Rental Receivable | 1,131,014 | 2,093,951 |
| Coupon Interest Receivable | 17,972,603 | 0 |
| Interest Receivable on Fixed Deposit | 49,935,616 | 0 |
| Air Ticket Receivable | 0 | 70,400 |
| Trade Debtors | 07 A (0) | (0) |
| | 2,350,218,958 | 2,246,199,611 |
| 7 A. Trade Debtors | | |
| Radio Frequency Fees | 373,259,080 | 373,476,732 |
| Armature Radio License Fees | 32,790 | 32,790 |
| | 373,291,870 | 373,509,522 |
| Less - Provision for Bad Debtors ** | (373,291,870) | (373,509,522) |
| | (0) | (0) |

Note: (1)

****Provision for Bad Debtors**

| | Debtors | | Provisions |
|---|--------------------|------|--------------------|
| More Than 02 Years | 373,401,311 | 100% | 373,700,914 |
| More Than 01 Year Less Than 02 Years | 0 | 10% | 10,757 |
| More Than 6 Months & Less Than 01 Year | 0 | 0% | 0 |
| More Than 2 Months & Less Than 6 Months | 0 | 0% | 0 |
| More Than 01 Month & Less Than 2 months | 0 | 0% | 0 |
| Less Than 01 Month | 0 | 0% | 0 |
| | 373,401,311 | | 373,711,670 |

Note: (2)

Trade debtors are stated at fair value after providing 100% & 10% provision for bad and doubtful debts over one year and above respectively.

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
 NOTES TO THE FINANCIAL STATEMENTS - 31.12.2021
 (Expressed in Sri Lankan Rupees)

(Contd...)

| | Year Ended 31.12.2021 | Year Ended 31.12.2020 |
|---|---------------------------|--------------------------|
| 8. PREPAYMENT AND ADVANCE | | |
| Special Advances | 575 | 575 |
| Festival Advances | 148,000 | 0 |
| Purchase Advances | 116,640 | 121,090 |
| Pre-payments | 1,103,161,835 | 36,750,930 |
| Mobilization Advance Payment - (IT PARK) | 157,081,430 | 157,081,430 |
| Mobilization Advance (H/O New) | 11,927,619 | 18,882,717 |
| Mobilization Advance (Kadirana) | 5,522,503 | 5,522,503 |
| | 1,277,958,601 | 218,359,245 |
| 9. LOANS AND OTHER RECEIVABLES | | |
| Distress Loans | 33,157,355 | 32,306,602 |
| Motor Vehicle Loans | 166,422,167 | 184,730,657 |
| Property Loans | 913,213 | 1,135,746 |
| Motor Cycle Loans | 895,082 | 1,174,995 |
| Salary Deduction Recoverable | 4,059,713 | 439,987 |
| Other Receivables | 2,030,000 | 2,030,000 |
| CEB Security Gurantee Deposit A/C (IT Park) | 125,000 | 125,000 |
| Commissioner General of Inland Revenue (WHT) | 14,244 | 14,244 |
| Commissioner General of Inland Revenue (Income Tax Over Provision) | 0 | 2,036,193,356 |
| Lotus Tower Electricity Security Deposit | 3,125,000 | 3,125,000 |
| CLT Monetization Receivable | 55,959,715 | 13,067,971 |
| | 266,701,487 | 2,274,343,557 |
| 10. CASH & CASH EQUIVALENTS | | |
| Cash At Bank | 10 A (777,760,280) | 304,660,593 |
| Cash In Hand | 10 B 50,000 | 35,000 |
| People's Bank - Narahenpita Branch, Money Market Saving Account - (No.119-2-001-2-3693169) | 6,006,120,808 | 7,680,372,174 |
| | 5,228,410,528 | 7,985,067,767 |
| 10 A. CASH AT BANK | | |
| People's Bank - Narahenpita Branch, (Deposit Account) A/c No.119402113960300 (RFC USD 0032) | 123,344,130 | 114,424,972 |
| People's Bank - Narahenpita Branch Current A/c No.119-1-001-4-3693169 | (933,237,468) | 116,459,368 |
| People's Bank - Narahenpita Branch, (ITO Levy) Current A/c No. 119-1-001-3-3693264 | 255,611 | 369,582 |
| Bank of Ceylon - Narahenpita Branch Current A/c No.2323167 | 31,877,446 | 73,406,670 |
| | (777,760,280) | 304,660,593 |
| 10 B. CASH IN HAND | | |
| Petty Cash - Head Office | 10,000 | 10,000 |
| Petty Cash - Admin & HR Division | 10,000 | 5,000 |
| Petty Cash - A/O Admin | 10,000 | 0 |
| Petty Cash - DG Office | 15,000 | 15,000 |
| Petty Cash - Compliance | 5,000 | 5,000 |
| | 50,000 | 35,000 |
| 11. GOVERNMENT CONTRIBUTIONS | | |
| World Bank Credit Agreement | 298,572,434 | 298,572,434 |
| United Nations Development Program | 19,533,906 | 19,533,906 |
| Capital Contributed by the Treasury | 208,108,404 | 208,108,404 |
| | 526,214,744 | 526,214,744 |

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
 NOTES TO THE FINANCIAL STATEMENTS - 31.12.2021
 (Expressed in Sri Lankan Rupees)

(Contd...)

| | Year Ended 31.12.2021 | Year Ended 31.12.2020 |
|--|--------------------------|--------------------------|
| 12. RETENTION | | |
| Retention - IT Park | 46,152,801 | 46,152,801 |
| Retention H/O New Building | 10,454,652 | 9,602,111 |
| Retention Kadirana | 6,994,114 | 6,994,114 |
| | 63,601,567 | 62,749,026 |
| 13. RETIREMENT BENEFIT OBLIGATION | | |
| Provision for Gratuity | 99,939,358 | 94,824,253 |
| Fixed Deposit (Gratuity) | (71,510,000) | (63,400,000) |
| Interest Receivable on Fixed Deposit for Gratuity Benefits | (3,340,399) | (11,170,526) |
| Net Benefit Liability | 25,088,960 | 20,253,726 |
| 14. ACCOUNTS PAYABLE | | |
| <u>ACCRUED EXPENSES</u> | | |
| Telephone - Office | 1,944,820 | 1,291,516 |
| Salaries Control | 2,013,889 | 1,960,910 |
| Salaries Payable | 151,634 | 207,884 |
| Electricity | 3,873,434 | 742,072 |
| Water | 989 | 52,623 |
| Janitorial Services | 517,507 | 1,137,545 |
| Security Services | 3,118,000 | 5,347,770 |
| Overtime | 1,079,436 | 797,688 |
| E.P.F | 4,128,576 | 4,113,678 |
| E.T.F | 495,428 | 493,640 |
| Internet | 306,803 | 1,334,800 |
| Medical Insurance Claims | 250,995 | 250,995 |
| Staff Welfare | 486,965 | 303,552 |
| News Papers & Notifications | 19,790 | 61,125 |
| Audit Fees | 1,500,000 | 4,000,000 |
| Bonus | 46,762,733 | 46,482,135 |
| Retention - General | 481,102 | 603,380 |
| Salary Deductions | 135,366 | 132,139 |
| Repairs & Maintenance | 5,345,040 | 9,751,675 |
| Stamp Duty Payable | 1,164,892 | 908,574 |
| PAYE Payable | 56,537 | 56,537 |
| APIT Payable | 70,332 | 500,245 |
| Consultancy Payable | 0 | 1,915,480 |
| Misc. Purchase & Supplies Payable | 80,624,105 | 29,626,398 |
| Over Recoveries of Staff Loan | 12,657 | 12,657 |
| Fuel Payable | 86,539 | 149,031 |
| Printing & Stationery Payable | 605,490 | 274,043 |
| Annual Subscription Payable | 0 | 878,920 |
| Miscellaneous Payable | 4,635,204 | 2,206,886 |
| Filing & Depend Court | 0 | 342,250 |
| Miscellaneous Creditors | 14,244 | 17,813,741 |
| Deferred Income | 3,619,726 | 0 |
| | 163,502,233 | 133,749,889 |

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS - 31.12.2021

(Contd...)

(Expressed in Sri Lankan Rupees)

| | Year Ended 31.12.2021 | Year Ended 31.12.2020 |
|--|----------------------------|--------------------------|
| 15. ADVANCES, DEPOSITS AND OTHER PAYABLES | | |
| Revenue Received in Advance | 1,378,278,009 | 1,997,479,727 |
| Refundable Deposits for Tender | 1,530,167 | 1,566,167 |
| Refundable Deposits - Employees | 2,086,843 | 2,086,843 |
| Advances Received for 1800 MHz Band | 57,500,000 | 57,500,000 |
| ICT for Effective Disaster Management Summit | 34,210 | 34,210 |
| Over recovery of Frequency Licence Fee | 2,178,047 | 2,177,058 |
| C.T.O Telecenter Project | 924,492 | 924,492 |
| VAT Control Account | 122,081,985 | 85,252,186 |
| Provision for Income Tax | 1,121,171,744 | 0 |
| Construction Creditors | 751,650 | 751,650 |
| Unaccepted Vendor - Refund | 0 | 73,750 |
| Project Loan - Exim Bank (Lotus Tower) | 1,610,276,227 | 1,610,276,227 |
| | 4,296,813,373 | 3,758,122,308 |
| 16. PAYABLE TO TREASURY | | |
| 50% TDC Payable to Treasury | 280,327,042 | 312,776,354 |
| Telecom Levy Payable to Treasury | 747,238,925 | 693,268,690 |
| SMS Levy Payable to Treasury | 16,618,138 | 46,957,637 |
| Cellular Tower Levy Payable to Treasury | 366,541,667 | 332,895,834 |
| | 1,410,725,771 | 1,385,898,515 |
| 17. INCOME | | |
| Income - License Fee | 17 A 17,162,602,169 | 12,036,758,914 |
| Telecommunications Levy | 11,050,897,082 | 10,826,164,612 |
| Telecom Development Charges | 17 B 3,620,901,150 | 4,292,953,440 |
| Mobile Short Messages Services Levy | 399,954,804 | 418,650,656 |
| Cellular Tower Levy | 1,466,166,667 | 1,426,333,334 |
| | 33,700,521,871 | 29,000,860,956 |
| 17 A. INCOME - LICENSE FEES | | |
| System Operator License Fee | 0 | 5,402,000 |
| Cess Fee | 5,164,189,283 | 4,674,874,590 |
| Radio Frequency Fee | 7,374,467,719 | 6,724,408,085 |
| Frequency Upfront Fee | 3,324,250,000 | 0 |
| Vendor License Fee | 14,226,250 | 14,392,857 |
| Amateur Radio License Fee | 99,742 | 87,692 |
| Cordless Phone Dealer Charges | 193,969,767 | 94,408,439 |
| Examination Fee | 388,000 | 202,921 |
| Type Approval Fee | 38,969,792 | 101,852 |
| Application Processing Fee | 1,000,000 | 400,000 |
| Short Code Charges | 45,749,925 | 34,250,000 |
| ISP License Fees | 133,472,904 | 0 |
| Sundry Income - 17 A (1) | 871,818,786 | 488,995,119 |
| | 17,162,602,169 | 12,037,523,556 |
| Less: Nations Building Tax | 0 | (764,642) |
| | 17,162,602,169 | 12,036,758,914 |

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 NOTES TO THE FINANCIAL STATEMENTS - 31.12.2021
 (Expressed in Sri Lankan Rupees)

(Contd...)

| | Year Ended 31.12.2021 | Year Ended 31.12.2020 |
|--|--------------------------|--------------------------|
| 17 A (1). SUNDRY INCOME | | |
| Interest Income from Staff Loans | 8,791,182 | 9,508,272 |
| Interest Income from Fixed Deposits | 156,091,883 | 229,905,799 |
| Interest Income from Money Market Transactions | 462,748,634 | 218,844,390 |
| Kokavil Lease Rental | 6,837,009 | 7,267,229 |
| Madukanda Lease Rental | 12,302,966 | 22,097,446 |
| Other Income - Miscellaneous | 1,144,658 | 1,130,235 |
| Fixed Assets Disposal | 712,200 | 39,600 |
| Coupon Interest Income | 222,972,603 | 0 |
| Recovery of Bad Debts | 217,652 | 202,148 |
| | 871,818,786 | 488,995,119 |
| 17 B. TELECOMMUNICATION DEVELOPMENT CHARGES (TDC) | | |
| TDC Revenue | 3,620,901,150 | 4,292,953,440 |
| | 3,620,901,150 | 4,292,953,440 |
| 18. REGULATORY EXPENSES | | |
| ITU Annual Subscription | 34,885,822 | 31,369,540 |
| APT Annual Subscription | 3,093,488 | 2,931,154 |
| Library Annual Subscription | 10,000 | 181,540 |
| CTO Annual Subscription | 0 | 5,894,134 |
| Participating in Regulatory Affairs Work | 424,598 | 46,454 |
| Conduct Research Studies | 340,000 | 1,480,000 |
| Filing & Depending Court Actions | 7,925,500 | 8,515,248 |
| Traveling & Subsistence for Regulatory Affairs | 680,630 | 141,323 |
| Project of Gamata Sannivedanaya | 187,645 | 251,590 |
| Local Training Programme - ITU/APT | 30,290 | 305,266 |
| Miscellaneous Regulatory Expenses | 399,900 | 51,036 |
| Conducting Amature Radio Examination | 0 | 503,505 |
| Frequency Licence PYT | 78,680 | 0 |
| Contribution to APT-SATRC | 0 | 2,801,100 |
| Student Awareness Program | 1,910,625 | 307,167 |
| Development of NVQ for Telecom Tower Technician | 93,000 | 0 |
| | 50,060,177 | 54,779,057 |

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
 NOTES TO THE FINANCIAL STATEMENTS - 31.12.2021
 (Expressed in Sri Lankan Rupees)

(Contd...)

| | Year Ended 31.12.2021 | Year Ended 31.12.2020 |
|--|--------------------------|--------------------------|
| 19. ADMINISTRATION & ESTABLISHMENT EXPENSES | | |
| Salaries | 192,623,856 | 192,300,524 |
| E.P.F. (15% Contribution) | 28,069,943 | 27,606,344 |
| E.T.F. (3% Contribution) | 5,613,989 | 5,521,269 |
| Transport Allowance | 22,757,539 | 22,247,722 |
| House Rent Allowance | 18,141,377 | 17,865,282 |
| Other Allowances | 6,195,851 | 5,481,731 |
| Performance Incentive | 45,322,829 | 44,901,610 |
| Special Allowance | 346,379 | 340,979 |
| Bonus | 63,636,073 | 64,302,534 |
| Overtime | 6,608,273 | 7,767,971 |
| Chairman's Remuneration | 1,200,000 | 903,333 |
| Unutilized Vacation Leave Allowance | 14,725,551 | 14,854,604 |
| Commission's Contribution for Pension | 1,227,080 | 1,191,254 |
| Communication Allowance | 2,780,242 | 2,732,716 |
| Uniforms | 770,887 | 685,527 |
| Staff Welfare | 2,757,928 | 4,225,241 |
| Staff Professional Membership Subscription | 765,562 | 616,100 |
| Local Training | 934,600 | 48,706 |
| Commission Members Allowance | 305,000 | 295,000 |
| Audit Committee Allowances | 237,500 | 197,500 |
| Housing Loan 2/3 Interest Reimbursement | 4,777,946 | 3,521,759 |
| Gratuity | 3,788,794 | 3,961,342 |
| Electricity | 9,823,692 | 10,005,235 |
| Water | 426,805 | 428,314 |
| Janitorial Services | 6,370,380 | 6,994,990 |
| Security | 19,425,746 | 17,158,628 |
| Rates & Taxes | 903,149 | 901,649 |
| Library Books | 205,815 | 21,631 |
| Printing and Stationery | 5,774,496 | 5,872,429 |
| Fuel | 2,496,459 | 2,430,937 |
| Postage | 698,614 | 603,470 |
| Telephone, Fax and PABX | 5,882,215 | 3,002,042 |
| Insurance (Property & Medical) | 49,269,041 | 55,256,869 |
| Internet Charges | 433,785 | 6,790,646 |
| Newspapers & Notifications | 3,635,144 | 3,576,905 |
| Consultancy Fees | 150,000 | 500,000 |
| Seminars & Conferences | 348,100 | 454,576 |
| Professional Allowance | 5,736,924 | 9,927,473 |

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
 NOTES TO THE FINANCIAL STATEMENTS - 31.12.2021
 (Expressed in Sri Lankan Rupees)

(Contd...)

| | Year Ended 31.12.2021 | Year Ended 31.12.2020 |
|--|--------------------------|--------------------------|
| Audit Fee | 884,000 | 1,481,540 |
| Legal Expenses/Disciplinary Inquiries/Preliminary Investigation | 205,700 | 198,900 |
| Depreciation | 49,281,427 | 94,651,616 |
| Amortization | 261,725 | 0 |
| Administration Miscellaneous | 421,062 | 2,868,218 |
| Purchases & Supplies Miscellaneous | 1,586,368 | 1,346,192 |
| Operating Cost Miscellaneous | 1,208,096 | 406,117 |
| Office Equipment Maintenance | 3,726,398 | 3,500,291 |
| Vehicle Maintenance | 3,861,115 | 5,025,095 |
| Building & Structure Maintenance | 114,648 | 587,971 |
| Technical Equipment Maintenance | 7,536,736 | 1,869,371 |
| Software Maintenance & Development | 46,792,827 | 21,018,295 |
| Towers Maintenance | 67,085 | 106,064 |
| Generators Repairs & Maintenance | 243,425 | 90,190 |
| Repairs & Maintenance - Miscellaneous | 358,851 | 1,574,463 |
| Repairs & Maintenance-IT-Sooriyawawa | 31,327 | 0 |
| Elevators Maintenance | 169,633 | 654,300 |
| CCTV Maintenance | 0 | 7,500 |
| Rent Intern Lease Line | 5,456,374 | 0 |
| Rent for Leased Premises | 396,000 | 0 |
| Development of Sports Activities | 0 | (1,384,417) |
| Maintenance of Monitoring Station | 3,025,634 | (461,605) |
| | 660,795,995 | 679,034,945 |
| 20. FINANCE & OTHER EXPENSES | | |
| Bank Charges | 186,059 | 252,474 |
| Interest on Gratuity Provision | 5,720,115 | 5,071,456 |
| Treasury Bond Discount Amortization | 33,236,919 | 0 |
| | 39,143,093 | 5,323,930 |
| 21. CONTRIBUTION TO THE CONSOLIDATED FUND | 21-1 | |
| Contribution under Telecommunication Act for the Year Ended 31.12.2021 | 7,500,000,000 | 4,000,000,000 |
| Contribution under Finance Act for the Year Ended 31.12.2021 | | |
| Telecommunication Levy Paid | 11,050,897,079 | 10,826,164,679 |
| 50% Telecommunication Development Charges | 1,810,450,575 | 2,146,476,720 |
| SMS Levy Paid to Treasury | 399,954,804 | 418,650,655 |
| Cellular Tower Levy Paid to Treasury | 1,466,166,667 | 1,426,333,334 |
| | 22,227,469,125 | 18,817,625,389 |
| CONTRIBUTION UNDER TELECOMMUNICATION ACT | 21-2 | |
| Out of total comprehensive income for the year ended 31.12.2020 | 1,000,000,000 | 1,000,000,000 |

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
 NOTES TO THE FINANCIAL STATEMENTS - 31.12.2021
 (Expressed in Sri Lankan Rupees)

(Contd...)

| | Year Ended 31.12.2021 | Year Ended 31.12.2020 |
|--|--------------------------|--------------------------|
| 22. CASH GENERATED FROM OPERATIONS | | |
| Net profit before tax | 32,296,276,914 | 27,325,109,486 |
| Adjustments for | | |
| Depreciation on Property, Plant and Equipment | 49,281,427 | 94,651,616 |
| Amortization of Intangible Assets | 261,725 | 0 |
| Recovery of Bad Debts | (217,652) | 202,148 |
| Retirement Benefit Obligation | 9,508,909 | 6,528,219 |
| Interest Income from Fixed Deposit | (156,091,883) | (229,905,799) |
| Interest Income from Money Market Transactions | (462,748,634) | (218,844,390) |
| Coupon Interest income | (222,972,603) | 0 |
| (Gain) / Loss on Foreign Currency Transactions | 658,348,362 | 228,472,409 |
| Gain on Disposal of Fixed Assets | (712,200) | (39,600) |
| Changes in Working Capital | | |
| Accounts Receivable | 22-1 (103,801,695) | 221,774,058 |
| Prepayment and Advance | 22-2 (1,066,554,455) | 6,851,037 |
| Loans and Other Receivables | 22-3 (28,551,286) | 703,235,597 |
| Interest Receivable on Fixed Deposit for Gratuity Benefits | 7,830,128 | (5,245,072) |
| Accounts Payable | 22-4 29,752,344 | (4,965,882) |
| Advances, Deposits and Other Payables | (582,480,679) | (537,639,121) |
| Payable To Treasury | 24,827,256 | (174,244,262) |
| Cash Generated from Operations | 30,451,955,976 | 27,415,940,443 |
| 22-1. Accounts Receivable | | |
| CESS Receivable | 495,260,644 | 447,225,777 |
| TDC Receivable | 560,654,086 | 625,552,710 |
| Telecom Levy Receivable | 746,238,923 | 695,912,884 |
| Kokavil Tower Recoverable | 93,612,539 | 93,087,067 |
| Tower Levy Receivable | 366,541,667 | 332,895,834 |
| SMS Levy Receivable | 16,617,138 | 46,957,637 |
| Outstanding Staff Loans Recoverable | 2,254,729 | 2,403,352 |
| Kokavil Lease Rental Receivable | 1,131,014 | 2,093,951 |
| Coupon Interest Receivable | 17,972,603 | 0 |
| Interest Receivable on Fixed Deposits | 49,935,616 | 0 |
| Air Ticket Receivable | 0 | 70,400 |
| Radio Frequency Fees | 373,259,080 | 373,476,732 |
| Armature Radio License Fees | 32,790 | 32,790 |
| | 2,723,510,828 | 2,619,709,133 |
| | (103,801,695) | |
| 22-2. Prepayment and Advance | | |
| Special Advances | 575 | 575 |
| Festival Advances | 148,000 | 0 |
| Purchase Advances | 116,640 | 121,090 |
| Pre-Payments | 1,103,161,835 | 36,750,930 |
| | 1,103,427,050 | 36,872,595 |
| | (1,066,554,455) | |

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
 NOTES TO THE FINANCIAL STATEMENTS - 30.09.2021
 (Expressed in Sri Lankan Rupees)

(Contd...)

| | Year Ended 31.12.2021 | Year Ended 31.12.2020 |
|--|--------------------------|--------------------------|
| 22-3. Loans and Other Receivables | | |
| Distress Loans | 33,157,355 | 32,306,602 |
| Motor Vehicle Loans | 166,422,167 | 184,730,657 |
| Property Loans | 913,213 | 1,135,746 |
| Motor Cycle Loans | 895,082 | 1,174,995 |
| Salary Deduction Recoverable | 4,059,713 | 439,987 |
| Other Receivables | 2,030,000 | 2,030,000 |
| CEB Security Guarantee Deposit A/C (IT Park) | 125,000 | 125,000 |
| Commissioner General of Inland Revenue (WHT) | 14,244 | 14,244 |
| Commissioner General of Inland Revenue (Income Tax Over Provision) | 0 | 2,036,193,356 |
| Lotus Tower Electricity Security Deposit | 3,125,000 | 3,125,000 |
| CLT Monetization Receivable | 55,959,715 | 13,067,971 |
| | 266,701,487 | 2,274,343,557 |
| | 2,007,642,070 | |
| 22-4. Accounts Payable | | |
| As per Statement of Financial Position | 163,502,233 | 133,749,889 |
| | 163,502,233 | 133,749,889 |
| | 29,752,344 | |
| 23. Mobilization Advance Payments | | |
| Mobilization Advance Payment - (IT PARK) | 157,081,430 | 157,081,430 |
| Mobilization Advance (H/O New) | 11,927,619 | 18,882,717 |
| Mobilization Advance (Kadirana) | 5,522,503 | 5,522,503 |
| | 174,531,552 | 181,486,650 |
| | 6,955,098 | |

AUDITOR GENERAL'S REPORT FOR THE YEAR

The Chairman,

Telecommunications Regulatory Commission of Sri Lanka

Report of the Auditor General on the Financial Statements and other Legal and Regulatory Requirements of the Telecommunications Regulatory Commission of Sri Lanka for the year ended 31 December 2021 in terms of section 12 of the National Audit Act No.19 of 2018

1. Financial Statement

1.1 Qualified Opinion

The audit of the financial statements of the Telecommunications Regulatory Commission of Sri Lanka for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 and the profit and loss statement, statement of other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No 19 of 2018 and the Financial Act No. 38 of 1971. My report to Parliament in pursuance of provisions in Article 154(6) of the Constitution will be tabled in due course.

In my opinion, except for the effects of the matters described in the basis for qualified opinion section of my report, the accompanying financial statements give a true and fair view of financial position of the Commission as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

1.2 Basis for Qualified Opinion

- (a) Due to the debiting of 02 technical equipment worth Rs.1,625,000 purchased in the year under review to the technical equipment repair and maintenance account, the net profit of the year and the values of property and equipment were understated by that amount.
- (b) As on December 31 of the year under review, the value added tax liability was Rs.40,424,129 less as stated in the financial statements.
- (c) Accrued expenses of Rs. 1,818,166 and advance payments of Rs. 1,530,936 related to the reviewed year were not accounted for and an accrued expense of the previous year of Rs. 6,010,058 was accounted as an expense of the reviewed year.
- (d) Although the cost of property, plant and equipment of the Commission is Rs. 13,431,433,930 stated in the financial statements, its fair value was calculated according to Sri Lanka Accounting Standard 16 and was not stated in the financial statements.
- (e) Fixed assets worth Rs. 42,879,724 which were fully depreciated but still in use were not recalculated in accordance with paragraph 51 of Sri Lanka Accounting Standard 16 and shown in the financial statements.
- (f) Letters were sent to confirm the debtor balances of 72 borrowers amounting to Rs. 361,051,927 and balance confirmation letters of Rs. 742,605 were received from only two borrowers, but the remaining balances could not be confirmed through other audit procedures.

- (g) According to the financial statements, although there was a credit balance of Rs.162,004,339 due from 07 government institutions, the creditor balance of one government institution was more than Rs. 4,257,266 and the creditor balance of 04 institutions was not present.
- (h) Although Rs. 3,324,250,000 collected from operators for frequency advance fees only once in a few years was accounted as income in the year under review, the basis for recognizing the income was not disclosed in the financial statements.

I conducted my audit in accordance with Sri Lanka Auditing Standards. My responsibilities, under those standards, are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Other particulars included in the Commission's Annual Report 2021

The other particulars mean the details included in the Commission's Annual Report 2021, which I obtained prior to the date of this Audit Report, but not included in the financial statements and in my audit report. The management shall be responsible for these other particulars.

I do not cover any other particulars in my opinion applicable to the financial statements and express any type of assurance or opinion regarding them.

In relation to my audit of financial statements, my responsibility is to read the other particulars identified above whenever they are available and to consider whether other particulars are quantitatively inconsistent with my knowledge obtained by the financial statements or during the audit or otherwise.

If I conclude that these other particulars are quantitatively incorrect, based on the other particulars I received prior to the date of this audit report and the work I have done, I will require to report the same fact. I do not have any issues to report on this regard.

1.4 Responsibilities of Management and Those charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give true and fair view in accordance with Sri Lanka Accounting Standards and for such internal control as management determine 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 Commission's ability to continue as going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

As per sub section 16(1) of the national Audit Act No 19 of 2018, the Commission is required to maintain proper books and records of all its income, expenditure, assets, and liabilities to enable annual and periodic financial statements to be prepared of the Commission.

1.5 Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

As a part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also,

- Appropriate audit procedures were planned and performed on occasion to identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, in providing a basis for the audit opinion expressed. The effect of fraud is stronger than the effect of material misstatements due to misrepresentation because they are caused by negligence, falsification of documents, intentional omissions, misrepresentations, or circumvention of internal controls.
- 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 Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the 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 Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. However, future events or conditions may cause the entity 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.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on other Legal and Regulatory Requirements

2.1 National Audit Act No.19 of 2018 includes specific provisions for the following requirements.

2.1.1 Except for the effect of the matters described in the Basis for Qualified Opinion paragraph. I have obtained all information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Commission as per the requirement of section 12 (a) of the National Audit Act No 19 of 2018.

2.1.2 The financial statements presented by the Commission are consistent with the preceding year as per the requirement of section 6 (1) (d) (iii) of the National Audit Act No 19 of 2018.

2.1.3 The financial statements presented includes all the recommendations made except for the observations in paragraph 1.2 (b), (d) and (e) of this report as per the requirement of section 6 (1) (d) (iv) of the National Audit Act No 19 of 2018.

2.2 Based on the procedures performed and evidence obtained were limited to matters that are material, noting has come to my attention.

2.2.1 To state that any member of the governing body of the Commission has any direct or indirect interest in any contract entered into by the Commission which are out of the normal cause of business as per the requirement of section 12 (d) of the National Audit Act No. 19 of 2018.

2.2.2 To state that the Commission has not complied with any applicable written law, general and special directions issued by the governing body of the Commission as per the requirement of section 12 (f) of the National Audit Act No. 19 of 2018, except for the following observation.

| <u>Reference to Laws, Rules / Regulations</u> | <u>Observations</u> |
|--|---|
| <p>(a) Public Enterprise Circular No PED/12 dated 02 June 2003</p> <p>(i) Section 9.12</p> | <p>Even though the approval of the department of the Public Enterprise and the General Treasury requires for the operational medical insurance scheme of the Commission, such approval had not been obtained. The amount of Rs. 46,759,745 had been paid to the insurance company as insurance premium for the year under review and the insurance company had reimbursed Rs. 27,262,649 to the Commission officials.</p> |
| <p>(ii) Section 9.14.2</p> | <p>The Department of Public Enterprises had not obtained the consent of the Secretary of the Treasury for the recruitment procedure and had followed a recruitment procedure approved only by the Commission.</p> |
| <p>(b) Paragraph 1 of the Management Services Circular No.39 dated 26 May 2009</p> | <p>Without the recommendation of the Salaries and Carders Commission and the approval of the Department of Management Services, a sum of Rs. 141,825,830 had been paid to the staff as incentives, bonuses, rental allowances, and allowances for un availed leave during the year under review.</p> |
| <p>(c) Letters from the National Salaries and Carders No. NSCC/3/ABC/24 dated 01 June 2007</p> | <p>Due to making overpayment at Rs. 6,000 in excess of the approved monthly transport allowance of Rs. 2,000 for non- staff grade officers, a sum of Rs. 8,620,000 had been overpaid during the year under review.</p> |

2.2.3 To state that the Commission has not performed according to its powers, functions, and duties as per the requirement of section 12 (g) of the National Audit Act, No 19 of 2018.

2.2.4 To state that the resources of the Commission had not been procured and utilized economically, efficiently and effectively within time frames and in compliance with the applicable laws as per the requirement of the section 12 (h) of the National Audit Act No.19 of 2018, except for the following observation.

(b) Lotus Tower Project

The contact for the construction of the Lotus Tower was to two Chinese Companies as per the Cabinet Decision No. 10/2473/401/031 dated 29 October 2010 and the Telecommunications Regulatory Commission of Sri Lanka had entered into a contract agreement with these companies on 03 January 2012. The contract value of this project was

US\$ 104,300,000 and according to the agreement, the contract was to be completed in 912 days from 12 November 2012 to 12 May 2015, but the Commission had approved to extend the contact period up to 31 October 2017.

The Telecommunications Regulatory Commission of Sri Lanka has entered into a loan agreement with EXIM Bank on 17 September 2012 to procure funds for this construction contract. According to the loan agreement, it had been agreed to award 85 percent of the contract value, or US\$ 88.655 million and the loan was to be completed by 18 August 2016. Due to non-compliance of the construction contract according to the schedule, the full loan amount could not be obtained as scheduled and during the relevant period US\$ 67.260, which is only 76 percent of the loan amount had been released.

The following matters were observed in this regard,

- (i) As the insurance fees, agreement fees and management fees are to be paid for the total loan amount, the amount of the loan not taken is proportional to USD. 2.9 million had been paid as insurance fees, compliance fees and management fees.
 - (ii) According to the financial feasibility report prepared on this project, it had been planned to commence the operation of the project from the year 2015 and thereby earn an annual income of Rs. 1,685 million for first five years and Rs. 1,918 million for second five years. Nevertheless, due to the delays in the project activities, the expected annual income had been lost. Accordingly, as per the financial feasibility reports, when calculating the expected earnings, the loss of income as at 31 December 2021 was Rs. 11,557 Million.
 - (iii) Although it was planned to pay the loan installments from the project income according to the original plans, due to the non-completion of the construction work of the project as planned, Rs. 9,900 million had been paid by the Commission from its fund as loan installments and interest by 31 December 2021.
 - (iv) Even though the Lotus Tower was officially opened on 16th September 2019 at a cost of Rs. 11,325,012, it had not been transferred to the Commission and initiated the commercialization process up to now.
 - (v) According to the decisions of the Commission, the sum of insurance premiums and contract staff allowances incurred in the year under review and in the previous year for the commercialization of Colombo Lotus Tower is Rs. 56 million was shown in the financial statements as accounts receivable on a recovery basis from the Colombo Lotus Tower Management Company (Pvt) Ltd established for the commercialization of the Lotus Tower.
- (b) Payment of consultancy fee for Lotus Tower project

In terms of the Cabinet decision No. 10/2473/401/031 dated 27th October 2010 and the Commission decision No.2K13.DC.199H dated 06th February 2010, the approval had been granted to enter into an agreement with the University of Moratuwa to obtain consultancy services for the construction of the Lotus Tower. Accordingly, the two parties had agreed to pay 1.5 percent of the contract amount of Rs. 198,691,500 as consultancy fees signed on 15 February 2013 to obtain consulting services. The Consultative Services Agreement was extended up to 31st October 2017 on the decision of the Commission decision No 2k15.219.13 (ii) dated 26th November 2015 and the amount of Rs. 72 million had been paid to the University of Moratuwa at the rate of Rs. 03 million per month. Even after the expiration of the agreement, Rs. 59.8 million had been paid to the University of Moratuwa for the period from 01 November

2017 to 16 September 2019 as consultancy fees. After the opening of the Lotus Tower on September 16, 2019, the amounting to Rs. 51.1 million had been paid to the University of Moratuwa as consultancy fees for the period from 01 October 2019 to 31 December 2021 due to the Lotus Tower not being handed over to the Commission. Accordingly, the total value of consultancy fees paid as at 31 December 2021 was the amount of Rs. 332.9 million, exceeding the contractual value of Rs. 134.2 million had been paid.

- (c) The agreement reached with the contractor on 28th July 2014 for the construction of the Telecommunication Media Center at the Hambantota Information Technology Park was terminated by the Commission on August 10, 2016, and the contractor had submitted a complaint to the Disputes Arbitration Board for the estimated compensation of Rs.736,276,907 against that decision. On the date of completion of the contract, the physical progress of the project was 33 percent and Rs.684 million had been incurred as a net cost.
- (d) On 31st January 2019, a contract was awarded to a private entity at a value of Rs.139,882,281 excluding VAT for the renovation and reconstruction of buildings at the Kadirana Frequency Monitoring Center. The construction had been stopped since 21st July 2020 due to non-approval of the Commission to pay the variances worth Rs. 59,374,600 not included in the bill of quantities requested by the contractor. Later, on the decision of the Cabinet of Ministers dated 14th December 2021 AMA/21/306/094, the commission paid the contractor on 28th February 2022 for the variations not included in the bill of quantities amounting to Rs. 24,360,085, but the work should be completed within 270 days from 13th February 2019, the project was not completed as on 02nd June 2022.
- (e) Estimated value is Rs. 200 million was not approved by the Cabinet of Ministers for the construction project of the new building of the Commission and related to the agreement reached with the University of Moratuwa on 10th June 2019, by 31st December 2021 Rs. 7,318,256 had been paid to the University of Moratuwa as consultancy service fees for the construction. According to the agreement, the contract had not been completed and handed over to the commission by 15th February 2020, and the contract period had not been extended.

2.3 Other Audit Observations

- (a) Even though the amount of Rs. 345,502 had been paid to the National Housing Development Authority in 1999 and 2010 for the acquisition of ownership of 6.21 perches of land where the Hanthana Frequency Monitoring Station is located, its ownership had not been obtained even during the year under review. Also, no title deeds or lease agreements had been obtained for the lands where the head office and the Kokavil Multipurpose Center were located by the end of the year under review.
- (b) The total amount to be collected as electricity bill charges from the operators using the Kokavil Tower as on 31st December of the year under review was Rs.93,612,539 and it included a balance of Rs. 92,656,990 to be collected from 03 government institutions.
- (c) During the year under review, the sum total of Rs. 2,178,047, which was recovered from the existing license holders in the debtor balance, had not been settled.
- (d) According to the comparisons made with the ASMS (Antenna Structure Management System) data owned by the telephone operators, there were 941 towers that were not approved by the Commission and 2,778 towers that the Commission no longer identified.
- (e) The balance of Rs.31,586,543 which was credited to the current account number 119-1-001-4-3693169 of the People's Bank but was not identified as on 28th February 2022 and the necessary adjustments were not made.

- (f) The telecommunication tax income of 6,358,657 rupees to be received from the year 2014 to 2017 from a private organization and the surcharge amount of 5,083,244 rupees to be received in relation to 02 institutions for the last 03 years has failed to be collected even by 06th June 2022.
- (g) A private building rented by the commission was handed over in 2015, but the deposit of Rs. 1,350,000 paid for it was not recovered.
- (h) Value Added Tax and Nation Building Tax amounting to Rs.3,411,488 related to the cess fees paid from 2011 to 2016 and Rs.254,135 cess fees due for the years 2011 and 2012 should have been collected from two private institutions.
- (i) At the end of the year under review, there were 79 vacancies in the Commission, including 31 vacancies for the posts of Additional/Deputy Director General, Director and Deputy/Assistant Director. Also, 07 and 11 officers were recruited on secondment and contract basis respectively by 31st December 2021 without filling the vacancies of the permanent staff. Furthermore, two officers were employed on permanent basis for the post of Assistant Accountant which is not included in the approved staff and Rs.1,815,699 were paid as salary, house rent allowances, incentives and transport allowances in the year under review.

W.P.C.Wickramaratne

Auditor General



TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA

276 Elvitigala Mawatha, Colombo 08, Sri Lanka
Tel: +94 11 268 9345 / 1900 | Fax: +94 11 268 9341

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