

ANNUAL REPORT | 2023



Telecommunications Regulatory Commission of Sri Lanka



Annual Report 2023

Telecommunications Regulatory Commission of Sri Lanka

Contents:

| | |
|--|----|
| Chairman’s Message | 1 |
| About Us | 2 |
| Commission and Executive Management | 8 |
| Executive Staff | 14 |
| Director General’s Review | 17 |
| Initiatives for Achieving Sustainable Development Goals 2023 | 20 |
| Telecommunications Sector Demographics | 21 |
| Report of the Directors | 24 |
| Licence Management | 24 |
| Networks | 26 |
| Spectrum Management | 30 |
| Competition | 31 |
| Compliance & Investigation | 36 |
| Policy & International Relations | 39 |
| Legal Affairs | 45 |
| Special Projects | 46 |
| Administration & Corporate Affairs | 48 |
| Information Technology | 51 |
| Finance | 52 |
| Internal Audit | 54 |
| Our Employee Profile | 56 |
| Audit Committee Updates | 57 |
| Corporate Governance Report | 61 |
| Financial Statement | 64 |
| Auditor General’s Report | 90 |
| Supplementary Information | 97 |
| Financial Progress of 10 Years | 98 |
| List of Acronyms | 99 |



Scan the QR code to view this report online.
<https://www.trc.gov.lk/>

CHAIRMAN'S MESSAGE

I am pleased to share a message reflecting on the Telecommunications Regulatory Commission of Sri Lanka (TRCSL) Annual Report for the year 2023. This particular year posed considerable challenges due to the critical economic circumstances in our country. As the Chairman of TRCSL, it brings me great satisfaction to note the telecommunications industry's resilience and positive performance amidst these challenging conditions.

The telecommunications sector in Sri Lanka has demonstrated steady growth and resilience in recent years. It plays a crucial role in the country's socio-economic development, providing access to vital communication services across urban and rural areas. The industry comprises both fixed and mobile telecommunication services, internet connectivity, and digital solutions.

Sri Lanka boasts a vibrant telecommunications sector, with approximately 28.9 million mobile subscribers, 3.5 million fixed subscribers, and 22.8 million broadband subscribers. As at end of 2023, mobile and fixed telephone penetrations stood at 131.5% and 15.9%, respectively. This shows that the mobile sector continues to be the primary driver of the telecommunications market in Sri Lanka. It has witnessed significant expansion and innovation, with robust competition between mobile operators. The number of mobile subscribers is projected to continue its upward trajectory, fueled by increasing smartphone penetration, improved network infrastructure, and affordable data plans.

Throughout 2023, Sri Lanka has made commendable progress in expanding internet connectivity across the country. Broadband penetration has steadily increased, facilitating digital inclusion and driving the adoption of digital services. With the advent of 5G technology, the internet landscape in Sri Lanka is expected to experience a significant transformation, enabling faster data speeds, low latency, and supporting the growth of emerging technologies. Financially, the Telecommunication Regulatory Commission of Sri Lanka reported an income of Rs. 48,236 million, contributing Rs. 44,055 million to the consolidated fund.

Adhering to Government Regulations, the TRCSL seamlessly executed its functions, ensuring uninterrupted services to the public. The government's commitment to digital transformation, coupled with favorable policies will propel technological advancements and the widespread adoption of emerging technologies. However, challenges such as ensuring affordable access to rural areas, cybersecurity, and harmonization of regulatory frameworks need to be addressed for sustained growth.

Whilst appreciating the contribution made by the TRCSL within the year in preview, moving forward, TRCSL has the strategic task of ensuring the strengthening of regulatory activities and digitalization of the country. Our heartfelt gratitude goes to the stakeholders in the industry, whose commitment has been instrumental. Furthermore, I would like to thank the Members of the Commission and all employees of the TRCSL for their continued commitment to delivering valuable services to the telecommunications sector of Sri Lanka.

Secretary to the Ministry of Technology
Chairman of the Telecommunications Regulatory Commission of Sri Lanka

ABOUT US

The Telecommunications Regulatory Commission of Sri Lanka (TRCSL) is a statutory body established under the Sri Lanka Telecommunications (Amendment) Act No. 27 of 1996, 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 Telecommunication Regulatory Commission of Sri Lanka (TRCSL) is the government competent authority to handle telecommunication regulatory matters in the country. The Act empowers the Commission to improve telecommunication services in Sri Lanka while ensuring the interests of consumers and operators.



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 the promotion of fairness and justice in a competitive market through a skilled and ethical workforce.”



Our Values

- **Accountability:** Taking responsibility for our policy advice and actions
- **Transparency:** Being ready to explain the rationale behind our actions.
- **Professionalism:** To demonstrate high-level professionalism in our day-to-day undertakings in relation to the telecommunication regulation of the commission and achieve continuous self-improvement.
- **Integrity:** Matching words with deeds by discharging functions ethically, efficiently, and effectively in the best interest of our consumers and stakeholders.

INTERPRETATION OF THE MISSION STATEMENT

To ensure the availability of advanced and high-quality communication technology services to all users at just, reasonable, and affordable prices 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 fulfillment of Sri Lanka’s long-term communication needs.

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. Three appointed members possessed recognized qualifications and distinguished themselves in the fields of law, finance, and management, respectively.

OBJECTIVES

As per the 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 to 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 developing and using new techniques in telecommunications and related fields.
- To encourage the significant 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 primary responsibility is to promote sustained development of the industry by shaping the regulatory process, protecting public interest, and being 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 committed to assisting all the telecommunication operators in Sri Lanka to develop world-class telecommunication network facilities in the country.

Its primary 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 meet 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 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, the elderly, and people who are differently abled.
 - Emergency preparedness.
 - To make available telecommunication services, to people with disabilities.
- 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 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 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 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 Section 5(k) of the Act, according to which the Commission has the 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.
- Monitor and ensure compliance with the Act (including rules and regulations made there and licenses by the licensed operators).
- Monitoring and ensuring proper utilization of the radio frequency spectrum and management of the radio frequency spectrum in Sri Lanka.
- Responding to consumer complaints and holding inquiries/ conducting investigations.

According to Section 9(1) of the Act, when a subscriber or a member of the 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 concerned with telecommunication operations.
- Issuance of Orders and 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 2023 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.

Licence Management Division

TRCSL must ensure reliable and efficient national and international telecommunication services in Sri Lanka to satisfy all reasonable demands for services considered essential for the national well-being. 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 No. 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.

Networks Division

The Networks Division of the Telecommunication Regulatory Commission regulates matters 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 and customs clearances for network equipment, enabling the introduction of new technologies to the telecommunication networks in Sri Lanka.

Spectrum Management Division

The 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 fulfill its obligations mandated by the Sri Lanka Telecommunications Act regarding all spectrum-related matters and 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.

Competition Division

The Competition Division undertakes regulatory activities to provide an efficient, fully-fledged telecommunication service that fulfills the interests 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 levies, International Telecommunication operators levies, Cellular tower levies, Mobile short message service levies, and Cess. Foreign experts involved in the telecommunication industry who provide new services are essential for operators' projects, and necessary arrangements are made to process visas of such professionals.

Compliance & Investigation Division

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 resulting in customer satisfaction and profile enhancement. The Compliance & Investigation Division of TRCSL handled these responsibilities.

Policy & International Relations Division

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 to coordinate with International Telecommunication Union (ITU) or its affiliated bodies in all matters associated with telecommunications regulations. One of the objectives set forth in the Act is to promote research into developing and using 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 be involved in implementing international and local programmes/projects relating to the promotion of international best practices for the development of the telecom sector. Policy and International Relations Division acts as the focal point for international bodies responsible for telecommunications regulatory activities, such as the International Telecommunication Union (ITU), Asia Pacific Telecommunity (APT), and the South Asian Telecommunications Regulators Council (SATRC). The division undertakes a wide range of regulatory, coordination, and sector development activities with the assistance of ITU, APT, and SATRC.

Legal Division

Legal Division is pivotal for the Commission in rendering advice to the Commission on all legal and 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 TRCSL. The legal Division is responsible for providing 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 TRCSL.

Special Projects Division

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

The division mainly implements 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.

Administration & Corporate Affairs Division

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.

Finance Division

A vital role is being played 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 TRCSL.

Information Technology Division

The Information Technology (IT) Division has started implementing Digital Transformation within TRCSL by integrating necessary software, solutions, and platforms to provide a conducive working environment among essential stakeholders. This will streamline the organization's internal and outside procedures, allowing staff and customers to take full advantage of the technology. The IT Division's strategic use of information technology is helping to allow digitally driven businesses while also assuring the effectiveness and efficiency of TRCSL functions and enhancing operations. Programs are offered to strengthen staff members' capacities and improve their understanding of current technology and how to use it.

Internal Audit Division

Internal auditing is an independent activity that adds 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, an organization's internal auditing scope 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.

COMMISSION AND EXECUTIVE MANAGEMENT



Professor Niranjana D. Gunawardena
Chairman

Senior Prof. Niranjana Gunawardena is a professor attached to the University of Moratuwa and presently serving as its Vice Chancellor, Secretary to the Ministry of Technology of the Government of Sri Lanka, and Chairman of the Telecommunications Regulatory Commission of Sri Lanka. He is a Chartered Engineer, a Corporate Member of the Institute of Engineers Sri Lanka, and a Fellow of the Institute of Project Managers, Sri Lanka (IPMSL).

He obtained his BSc in Engineering degree from the University of Moratuwa and an MSc and PhD from Loughborough University of Technology, United Kingdom. Prof. Gunawardena has also served as Deputy Vice-Chancellor, Dean (Faculty of Business), and Head of the Department of Interdisciplinary Studies at the University of Moratuwa. He is a Founder and Director of Northshore College of Business and Technology, a higher education institution in Colombo affiliated with the University of the West of England, Bristol, UK.



Mr. D.M.M. Dissanayake
Director General

Mr. Madhushanka Dissanayake is a dynamic professional currently serving as the Director General of the Telecommunications Regulatory Commission of Sri Lanka. With a diverse and extensive career spanning various sectors, Mr. Madhushanka has demonstrated leadership and expertise in public administration, law, and information systems.

As the Senior Assistant Secretary to the President, Mr. Madhushanka plays a crucial role in advising and assisting the President in various matters, contributing to the smooth functioning of the Presidential Secretariat, and as the Director General of TRCSL, he oversees and directs regulatory initiatives within the telecommunications sector, ensuring compliance with industry standards and regulations. He was a former Director (Reforms) at the Ministry of Justice, Sri Lanka, Senior Assistant Secretary at the Parliament of Sri Lanka, and former Assistant Secretary at the Prime Minister's Office in Sri Lanka.

Mr. Madhushanka Dissanayake's educational journey and professional trajectory underscore his commitment to multidisciplinary expertise, combining law, information systems, and public administration to contribute significantly to various sectors in Sri Lanka. He holds a Bachelor of Laws-LLB, Master of Information Systems, Management Information Systems at the University of Melbourne, Master of Public Administration and Management at the University of Colombo, and Bachelor of Science in Computer Systems & Networking at Curtin University.



Mr. Asanka Bimal Rajasinghe
Member of the Commission

Mr. Asanka Bimal Rajasinghe is an accomplished professional in the field of technology, currently serving as the Chief Executive Officer at n-able Private Limited in Colombo, Western Province, Sri Lanka. With over 15 years of experience, Asanka has demonstrated leadership and expertise in various roles across different sectors.

As the CEO of n-able Private Limited, Mr. Asanka has been at the helm of the company's operations, providing strategic direction and leadership to drive innovation and growth in the technology sector. Before becoming CEO, Asanka served as the Head of Operations, where he played a crucial role in overseeing and optimizing the day-to-day activities of the organization as well, he was former General Manager at Critical Infra BU, former Key Account Manager at - Enterprise Technology (Pvt) Ltd., former Territory Manager at Getz Pharma, former Trainee and Software Programmer at Ceylinco IT Solutions. Asanka Bimal Rajasinghe holds the degrees of BSc in Management Information Systems at National University of Ireland and Diploma in Data Communication and Software Development at National Institute of Business Management.



Mr. Nandasiri Ponnampereuma
(FCA, MBA (Fin), FCMA)
Member of the Commission

Mr. Nandasiri Ponnampereuma is a highly experienced professional in the field of accountancy, currently serving as the Managing Partner at PONNAMPERUMA & Co. (Chartered Accountants) located in Colombo, Sri Lanka. With an illustrious career spanning over two decades, Nandasiri has played a pivotal role in the success and growth of the firm.

In his capacity as Managing Partner, Nandasiri Ponnampereuma has been at the helm of PONNAMPERUMA & Co., providing leadership and strategic direction to the firm. Under his guidance, the firm has thrived and established itself as a reputable player in the field of chartered accountancy as

Nandasiri Ponnampereuma's academic achievements, including his status as a Fellow Chartered Accountant. He holds the degrees FCA, MBA-USQ (Finance), FCMA, and FMAAT.



Mr. Erusha Kalidasa
Member of the Commission

Mr. Erusha Kalidasa – Attorney at Law, is a Practicing Counsel with solid civil practice in original courts and Appellate Courts, together with a teaching portfolio. He strongly believes that sharing practical knowledge encourages better understanding in Law and looking forward to sharing his practical knowledge coupled with theoretical wisdom in management.

Mr. Erusha also functions as a Director, TEAM Libertas (Pvt) Ltd, Legal Consultants and Counsel.

He was a Tutor, Sri Lanka Law College during the period from 2004 to 2007 and a Lecturer on 'Effective Instructing Attorneys Diploma Course' conducted by the Bar Association of Sri Lanka.

An Attorney at Law by profession, Mr. Erusha holds a Post Graduate Diploma in Intellectual Property Law, Advanced Legal Studies Unit, Sri Lanka Law College, Master of Laws on International Business Law, University of Staffordshire, UK and Bachelor of Science Degree from the University of Kelaniya.



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. Further Mr. Jayantha holds a Master of Business Administration degree from the University of Honolulu- USA.

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.



Mr. M.J.S. Ravisinghe
Director / Administration & Corporate Affairs

Mr. Jagath Ravisinghe was appointed as the Director of Administration and Corporate Affairs at the Telecommunications Regulatory Commission of Sri Lanka in April 2023. He holds the responsibility of administration, cooperative affairs, and human resource development roles in the organization. He is a Grade one officer of the Sri Lanka Administrative Service having 19 years of experience and was selected to the organization by the Board of the Regulatory Commission.

He holds a BSc in Physical Science from the University of Peradeniya. He has obtained Master of Business Administration from The Post Graduate Institute of Agriculture, University of Peradeniya, and a Master's Degree in Public Administration from the Graduate Institute for Policy Studies (GRIPS) in Tokyo, Japan.

He started his profession as a temporary demonstrator/tutor at the Department of Mathematics of the Faculty of Science, University of Peradeniya. Then, he joined the Sri Lanka Administrative Service in July 2004. He was attached to the Department of the Commissioner General of Samurdhi and held the posts of Assistant Commissioner Admin, Deputy Commissioner Samurdhi, and Deputy Commissioner Development. Then, He was attached to the Department of Immigration and Emigration and held the posts of Assistant Controller Procurement, Assistant Controller Travel, and Deputy Controller Travel. After that, He was Attached to the Ministry of Plantation Industries and served as Director of Development, Director of Plantations Monitoring and Management Division, Acting General Manager of the Coconut Cultivation Board, Acting Chairman of the Tea Research Board, and Acting CEO of the Tea Shakthi Fund. Then, he joined TRCSL as the Director of Admin and Corporate Affairs.



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

Mrs. Livera is a Chartered Engineer (CEng) by profession and registered at the Engineering Council, United Kingdom. She is a Member of the Institution of Engineering and Technology, United Kingdom, and an 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 and Study Group - 2. 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.



Ms. K.S.M. Vishakha
Director / Networks (Actg.)

Ms. K.S.M. Vishakha joined TRC (then Office of the Director General of Telecommunications) as an Engineer in 1994. She counts over 29 years of experience in the field of telecommunications and regulations of TRC. She is currently holding the Director (Actg.) – Network position of TRC. Ms. Vishakha has held the Director(Actg.) position of Policy & International Relations Division. She has served in Spectrum Management and Network Divisions of the TRC in the capacities of Deputy Director and Assistant Director.

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

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 has also gained extensive knowledge in numbering and networking by serving for more than ten years in the Network Division. She is currently contributing to the Numbering Portability project as a member of the internal committee.



Mr. E.N.P.K. Ratnapala
Director / Spectrum Management (Actg.)

With a career spanning over 29 years as a professional Engineer in the Regulatory Sector of the Telecommunication Industry in Sri Lanka, Mr. Nihal Ratnapala has gained extensive exposure in the field of Radio Frequency Spectrum Management and has been instrumental in major developments in the 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 the Engineering Council (UK) and a member of the Institution of Engineering and Technology-IET (UK). He is also a Member of the Institution of Engineers Sri Lanka (IESL).

He has gained extensive industry-related knowledge and exposure from many international organizations since 1994 and has been a member of the Sri Lankan Delegation to World Radiocommunication Conference held by the Telecommunication Union (ITU) Geneva Switzerland on many occasions and represented Sri Lanka in other Regional Regulatory Activities representing Sri Lanka.



Mr. Indrajith Handapangoda
Director / competition (Actg.)

Mr. Indrajith Handapangoda commenced his career as an Executive at one of the Blue-Chip Companies in Sri Lanka in 1994 and joined the middle management of TRCSL in 1998. Within his tenure of 24 years in the Economic Affairs Division and Competition Division of TRCSL, he handled key regulatory functions such as Interconnection, Tariff, licensing, and Surveillance. In 2002, He coordinated the consultation process for formulating strategies to liberalize the international telecommunication segment of Sri Lanka and contributed to 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, 2010, and 2022 and Out of the three Public Hearings conducted by TRCSL, in two such hearings, he served as a member in the Committee of Public Inquiry. He is in charge of collecting all the taxes/levies whilst handling tax related matters liaison with the Ministry of Finance, relating to the industry. Mr. Indrajith evaluate the visa request letters submitted by operators who need services of foreign experts to their network development projects and recommend to the line ministry to issue recommendation letter to the Department of immigration and emigration to issue such visas. Currently, he Chairs the Internal Committee of Resolution of Consumer Complaints.

Mr. Indrajith contributed by 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 and Life Member of Sri Lanka Economic association. Mr. Indrajith holds two Master's Degrees in Business Administration and Public Administration 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.



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 presently holds the position of Acting Director (Legal Affairs) and carries out the duties of the Commission Secretariat.

She also serves in the Legal Division as a Deputy Director and handles a variety of legal matters for the Commission. Besides, she provides vital legal input for the formalization of Organizational legal issues.

Her experience in the field of law counts for over 29 years, with 25 years of experience in the Telecommunications Regulatory Commission of Sri Lanka. She served as a member in two Public Hearings conducted by TRCSL. She is a member of the Consumer Complaints Resolution Committee of the Commission and the Department Procurement Committee(major).



Mr. L. Ganeshamoorthy
Director / License Management (Actg.)

Mr. L. Ganeshamoorthy joined TRCSL in 1997 following various roles in private organizations. He holds a B. Sc. (Eng.) Degree in Electrical and Electronics Engineering from University of Peradeniya, Sri Lanka, and a M.Sc. in Information Management from Sri Lanka Institute of Information Technology. He is a member of The Institution of Engineering and Technology (IET). He has almost 30 years of vast experience as a professional in computer and telecommunication industry. He started his career in 1993 as a Computer Engineer in a private company in Sri Lanka and was promoted to the post of Engineering Manager. He joined the

Telecommunications Regulatory Commission of Sri Lanka as an Engineer on a contract basis in 1997 in the Network Division, and then he got a permanent post as an Assistant Director. He was promoted to Deputy Director before being appointed as Acting Director in the License Management Division. He has wide experience in areas such as processing & issuing telecom operator licenses, Frequency Spectrum planning, Management, coordination, issuing licenses & enforcing its conditions, update & maintain a table of frequency allocations based on the provision of ITU conventions & Radio Regulations. He is in charge of conducting the Global Maritime Distress Safety System (GMDSS) examination and issuing certificates to the successful candidates. He represented in several International and regional forums specially organized by the International Telecommunication Union and Asia Pacific Telecommunity on behalf of Sri Lanka.



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

Eng. J.A.S. Gunanandana is a seasoned professional with a rich background in telecommunications. He graduated from the University of Moratuwa, Sri Lanka, in 1994 and commenced his career in the private sector, where he gained valuable experience over a four-year period. In 1998, he transitioned to the Telecommunications Regulatory Commission of Sri Lanka, assuming the role of Assistant Director.

Driven by a commitment to continuous learning, Eng. Gunanandana pursued postgraduate education, earning a Post Graduate Diploma in Information Management from the Sri Lanka Institute of Information Technology. He furthered his academic achievements by obtaining a Master's in Science from the same institution.

Eng. Gunanandana is a distinguished Chartered Engineer and holds corporate membership with prestigious organizations, including the Institute of Engineers Sri Lanka, the Sri Lanka Engineering Council, and the Institute of Engineering Technology. Currently serving as the Actg. Director of Special Projects at the Telecommunications Regulatory Commission of Sri Lanka, he brings a wealth of experience and expertise to the telecommunications sector.

With an impressive track record spanning 30 years in the telecommunications field, Eng. Gunanandana continues to play a pivotal role in shaping and advancing the regulatory landscape in Sri Lanka.



Mrs. S.A.R. Kamalanayana
Director / Networks (Actg.)

Eng. S. A. R. Kamalanayana joined TRCSL in the year 2001. She holds a BSc (Eng.) Degree in in Electronics and Telecommunication Engineering from the University of Moratuwa. She is a Chartered Engineer and a Cooperate Member of the Institute of Engineers, Sri Lanka (IESL), a Corporate Member of the Engineering Council, Sri Lanka (ECSL) and a member of the Institute of Electrical and Electronic Engineers, United States of America.

Eng. S. A. R. Kamalanayana started her career at Sri Lanka Telecom (Services) Ltd, a subsidiary of Sri Lanka Telecom and held a key engineering position on the implementation of 150K Telecom Development Project, which is the largest ever telecom infrastructure project undertaken in the country.

In her career spanning over 22 years at TRCSL, she has served in the Spectrum Management Division and Network Division in the capacity of Deputy Director and Assistant Director. In the year 2023, she held the position of Director (Actg.)/Policy and International Relations.

Eng. S. A. R. Kamalanayana has represented the country in World Radiocommunication Conference (WRC) of the International Telecommunication Union (ITU). During her career, she has gained extensive knowledge in the telecommunication regulatory sector by attending meetings, workshops and training programmes of the Asia Pacific Telecommunity (APT) and other international organizations.



Mr. R.R. Saman Kithsiri
Internal Auditor

Mr. Kithsiri has joined TRC in 2014. He holds a Bachelor of Business Administration degree from the University of Sri Jayewardenepura and a Master of Business Administration from the University of Kelaniya. He is a Fellow Member of the Institute of Chartered Accountant of Sri Lanks, Fellow Member of the Certified Management of Sri Lanka, Advanced Diploma of Chartered Institute of Management Accountant UK.

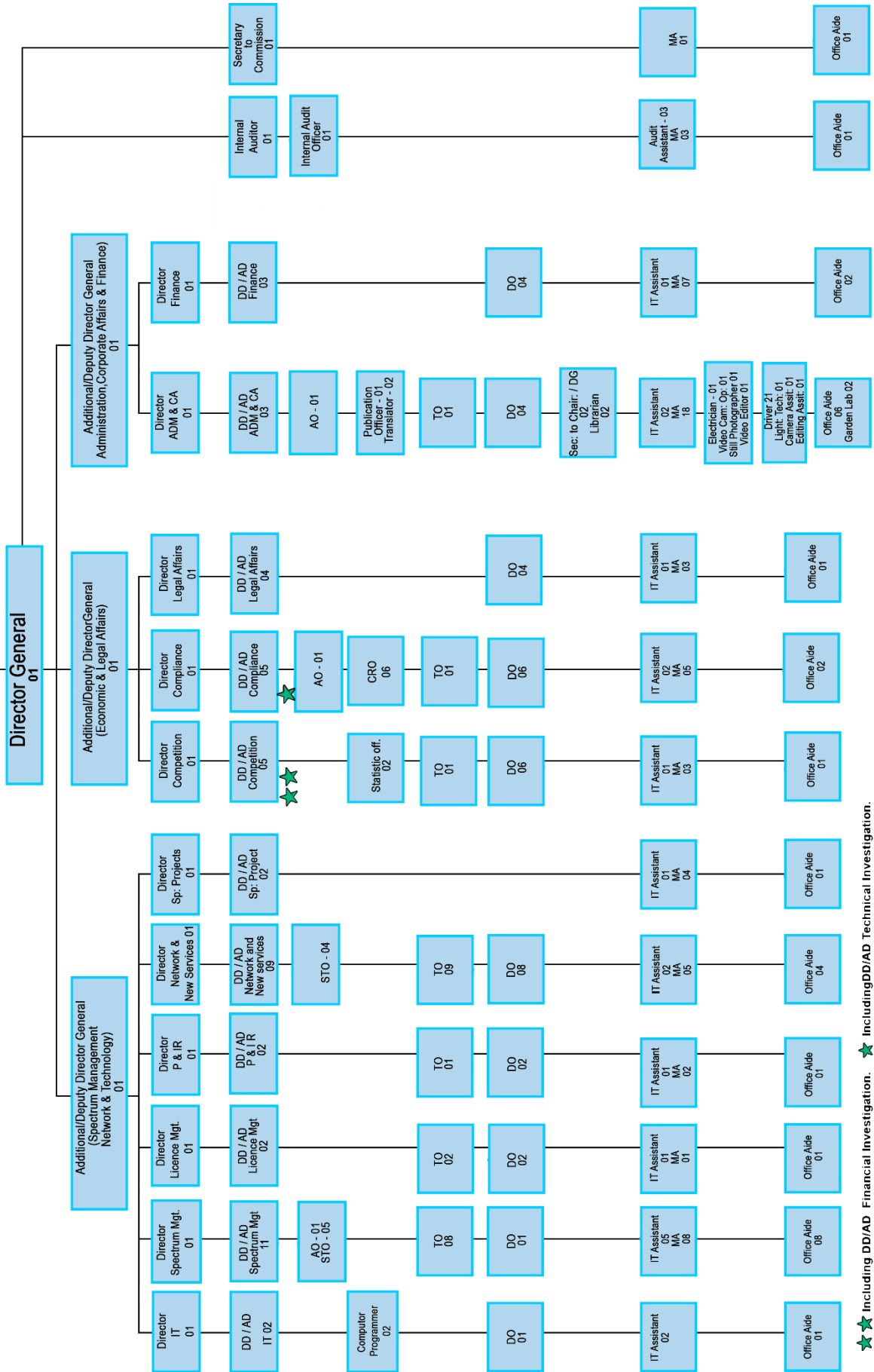
Prior to joining TRCSL, Mr. Kithsiri counts over 16 years of Internal Audit, Finance and Tax experience in the holding senior position such as Group Accountant, Internal Auditor and Manager Finance in many reputed manufacturing, trading and service organizations in Sri Lanka.

EXECUTIVE STAFF

| Licence Management | Networks | Compliance & Investigation |
|--|--|--|
| <p>Mr. L. Ganeshamoorthy Director (Actg.) Deputy Director</p> <p>Mr. T.G. Premarathne Assistant Director</p> <p>Mr. R. Sutharshan Assistant Director</p> | <p>Ms. K.S.M. Vishakha Director (Actg.) Deputy Director</p> <p>Mrs. S.A.R. Kamalanayana Deputy Director</p> <p>Mr. I.M. Jaws Deputy Director</p> <p>Mr. S.W.M.R.L.B. Senadheera Assistant Director (On No Pay Leave)</p> <p>Mr. W. M. N. J. Wijerathne Assistant Director</p> <p>Mr. S.B. Bulathgama Assistant Director</p> <p>Mr. D.M.S.A. Dissanayaka Assistant Director</p> <p>Mrs. H.P.S. Rathnayaka Assistant Director</p> <p>Mrs. A.P. Muhandiramge Senior Telecommunication Officer</p> | <p>Mrs. R.M.T.K.P. Livera Director (Actg.) Deputy Director</p> <p>Mrs. H.P.H.M. Pathirana Deputy Director</p> <p>Mr. D.N. Wijesinghe Assistant Director</p> <p>Mrs. T.D.H. Kumarasiri Assistant Director</p> <p>Mrs. M.H.A.R. Jayasena Assistant Director</p> <p>Mr. Y. Mathanan Assistant Director</p> <p>Mrs. R.P.C.S. Jinadasa Administrative Officer</p> |
| Policy & International Relations | Competition | Legal |
| <p>Mrs. S.A.R. Kamalanayana Director (Actg.)</p> <p>Mrs. G.C.P. Moragoda Deputy Director (Actg.)</p> <p>Mr. T.G.J. Ravindra Assistant Director</p> | <p>Mr. H.W.K. Indrajith Director (Actg.) Deputy Director</p> <p>Mrs. H.M. Sriyani Deputy Director</p> <p>Mr. C.N. Palihawadana Deputy Director</p> <p>Mr. S.K.T.I. Prabhath Assistant Director</p> <p>Mr. G.C.S. Fernando Assistant Director</p> | <p>Mrs. R.S. Goonarathne Director (Actg.) Deputy Director</p> <p>Mrs. G.C.P. Moragoda Deputy Director</p> <p>Ms. L.S.P. Rodrigo Deputy Director</p> <p>Mr. I. N. Mathew Assistant Director</p> |

| | | |
|---|---|---|
| <p>Spectrum Management</p> <p>Mr. E.N.P.K. Ratnapala Director (Actg.) Deputy Director</p> <p>Mr. M.C.M. Farook Deputy Director (On no pay leave)</p> <p>Mr. J.A.S. Gunanandana Deputy Director</p> <p>Mr. S.E. Wakista Deputy Director</p> <p>Mr. M.P. Gunasinghe Deputy Director</p> <p>Mr. W.A.D.T. Madusanka Assistant Director (On No Pay Leave)</p> | <p>Special Projects</p> <p>Mr. J.A.S. Gunanandana Director (Actg.)</p> | <p>Information Technology</p> <p>Mrs. R.M.T.K.P. Livera Director (Coverup)</p> <p>Mr. M.C.M. Farook Director (Actg.) (On no pay leave)</p> |
| <p>Mrs. G.H.P. Imali Prasanthika Assistant Director</p> <p>Mr. M.E. J.S. Munasinghe Assistant Director</p> <p>Mr. T.M.J. Perera Assistant Director</p> <p>Mr. I.U. Wijesingha Assistant Director</p> <p>Mrs. J.L.C.D. Liyanage Administrative Officer</p> | <p>Finance</p> <p>Mr. M.K. Jayantha Director</p> <p>Ms. L. Deepika Jayawickrama Assistant Director</p> <p>Mr. D.P.C.U.K. Hemapala Assistant Director</p> | <p>Administration & Corporate Affairs</p> <p>Mr. M.J.S. Ravisinghe Director</p> <p>Mrs. H.P.H.M. Pathirana Deputy Director (Actg.)</p> <p>Mr. Y.S.P.P. Gunarathna Assistant Director</p> <p>Mr. K.S.N. Wijerathna Assistant Director</p> <p>Ms. Shyamila Rathnayake Administrative Officer</p> |
| <p>Mr. T.P.T. Fernando Senior Telecommunication Officer</p> <p>Mrs. D.S.S. Jayawardene Senior Telecommunication Officer</p> | <p>Internal Audit</p> <p>Mr. R.R.S. Kithsiri Internal Auditor</p> <p>Mrs. D.B.N. Priyadarshani Internal Audit Officer</p> | |

Commission (05 Members - Chairman, 03 Appointed Members & Director General)



★ ★ Including DD/AD Financial Investigation. ★ Including DD/AD Technical Investigation.

DIRECTOR GENERAL'S REVIEW

It is with great pride that I present the Director General's Review for the Telecommunications Regulatory Commission of Sri Lanka (TRCSL) for the year 2023. This year marked a significant chapter in the evolution of Sri Lanka's telecommunications landscape, as we navigated a rapidly changing technological environment while maintaining our commitment to fostering innovation and ensuring regulatory integrity. Despite global economic challenges, TRCSL has continued to champion the expansion of digital infrastructure, embrace emerging technologies, and implement policies critical to the nation's digital transformation. Our achievements reflect the resilience and adaptability of the telecommunications sector, positioning Sri Lanka to seize future opportunities.

Telecommunication Industry

Sri Lanka's telecommunications sector experienced a 2.8% decline in cellular subscribers, bringing the total to 28.98 million. Fixed access subscribers also saw a slight decrease. However, the country maintained a cellular teledensity of 131.5%—the highest in South Asia—and a fixed access teledensity of 15.9%. Broadband subscriptions grew to 22.85 million, though there remains a need for greater geographic coverage to support the nation's digital transformation roadmap. TRCSL collected Rs. 24,680 million in levies and charges from the industry. Key regulatory initiatives included reducing interconnection rates, approving tariff proposals, and ensuring a competitive environment.

Spectrum Management

TRCSL updated the National Frequency Allocation Table (NFAT), making it publicly accessible to ensure transparency in radio frequency usage. This updated table helps users navigate frequency bands based on International Telecommunication Union (ITU) Region 3 allocations.

TRCSL also certified amateur radio operators and facilitated 5G test transmissions, marking a critical step toward 5G network deployment. Additionally, TRCSL started working with operators on radio frequency spectrum reallocation, particularly in light of the Bharti Airtel and Dialog Axiata merger and several ongoing litigations.

Regulatory Reforms

- **Radio Access Network Sharing:** TRCSL introduced pricing regulations for radio access network sharing, promoting competition and infrastructure efficiency. Wholesale service price regulations for mobile and fixed operators were also established.
- **Radio and Telecommunications Terminal Equipment (RTTE) Rules:** The RTTE rules were revised to align with current market conditions, fostering innovation and entrepreneurship by enabling the adoption of advanced technologies.
- **Unified Licensing Framework:** A unified licensing framework was developed in collaboration with ITU, targeting service and technology convergence. Public consultations identified prerequisites, which are being addressed. New license renewal guidelines have been prepared and are awaiting publication.
- **Amendment to the Telecommunications Act:** Despite several attempts, Sri Lanka Telecommunications Act has not been updated since 1996. TRCSL plans to finalize amendments to the Telecommunications Act by 2024, expanding license scopes to accommodate new technologies and introducing competitive spectrum assignment, industry competition and infrastructure-sharing regulations.

Telecommunications Infrastructure and Numbering

TRCSL oversaw the expansion of telecommunications infrastructure, including undersea cable landing stations and towers. By the end of 2023, Sri Lanka had 8,450 telecommunications towers, with 373 new constructions and 149 unapproved towers brought into compliance. Additionally, TRCSL is looking forward to introducing the Number Portability Service, ensuring mobile-to-mobile and fixed-to-fixed portability, with Lanka Number Portability Services Ltd. overseeing implementation.

- **Gamata Sannivedanaya Project:** Though impacted by economic downturns, this project is being revamped, with increased TRCSL investment and a faster reimbursement process to expand telecommunications networks.
- **Colombo Lotus Tower Project:** This centralized broadcasting hub continued its progress toward commercialization, now housing broadcasting services, restaurants, shopping areas, and observation decks.

Regulatory Compliance

TRCSL rigorously reviewed 84 monthly reports from operators to ensure compliance with Quality of Service (QoS) standards. It conducted 20 network audits, focusing on both voice and broadband services, and facilitated discussions with operators to improve service quality. Moreover, TRCSL carried out 16 audits to verify adherence to SIM registration guidelines and conducted 53 tests on tariff package mechanisms.

TRCSL played a vital role in assisting law enforcement agencies by analyzing call records and ownership details during criminal investigations. The Commission also took action against illegal cable television services and addressed 846 cyber harassment complaints, conducting public awareness campaigns aimed particularly at school children to promote responsible telecommunications usage. Additionally, TRCSL processed over 550 court orders related to criminal investigations, demonstrating its crucial support in upholding regulatory compliance.

Corporate Management

TRCSL prioritized staff development throughout the year, promoting six employees and granting permanent status to two contract employees. TRCSL filled all vacancies in the posts of Deputy Director General and Director while recruiting 14 Assistant Directors. TRCSL plans to recruit Telecommunications Officers during the year 2024. The Commission also facilitated 39 local and foreign training opportunities, ensuring that staff gained the necessary skills and knowledge to excel in their duties.

TRCSL made substantial progress in its digitalization efforts, redesigning the TRCSL website to enhance user experience and finalizing a memorandum with Sri Lanka CERT to implement the Information and Cyber Security Policy, thereby safeguarding sensitive information and strengthening the organization's digital infrastructure.

Financially, TRCSL successfully prepared and submitted its 2023 annual budget and financial statements, ensuring compliance with income tax regulations. All relevant taxes were collected and remitted promptly to the Inland Revenue Department and the government's Consolidated Fund. Internal audits focused on governance, risk management, and regulatory compliance, with special audits conducted to prevent losses and fraud.

International Relations

TRCSL maintained strong coordination with global regulatory bodies, including the International Telecommunication Union (ITU) and the Asia-Pacific Telecommunity (APT), to access technical assistance, collaborate on projects, and provide fellowship opportunities for capacity building.

In December 2023, TRCSL published a consultation paper on spectrum assignment for advanced broadband services, including 5G. TRCSL also worked closely with the World Bank under the Digital Development Policy Operation (DPO) framework, promoting broadband connectivity and advancing the digital economy.

TRCSL hosted several international meetings, such as the 2nd South Asian Telecommunications Regulatory Council (SATRC) Working Group on Spectrum and represented Sri Lanka at the SATRC Annual Meeting held in Dhaka, Bangladesh, along with other key international conferences and workshops throughout the year.

Conclusion

This report reflects TRCSL's efforts in modernizing Sri Lanka's telecommunications sector, enhancing regulatory frameworks, fostering competition, and advancing the country's digital transformation.


I extend my gratitude to the Hon. Minister of Technology, the Hon. State Minister of Technology, the Chairman and Members of the Commission, TRCSL staff, and all industry stakeholders for their invaluable support. We look forward to a progressive year in 2024.


Madhushanka Dissanayake
Director General

INITIATIVES FOR ACHIEVING SUSTAINABLE DEVELOPMENT GOALS 2023

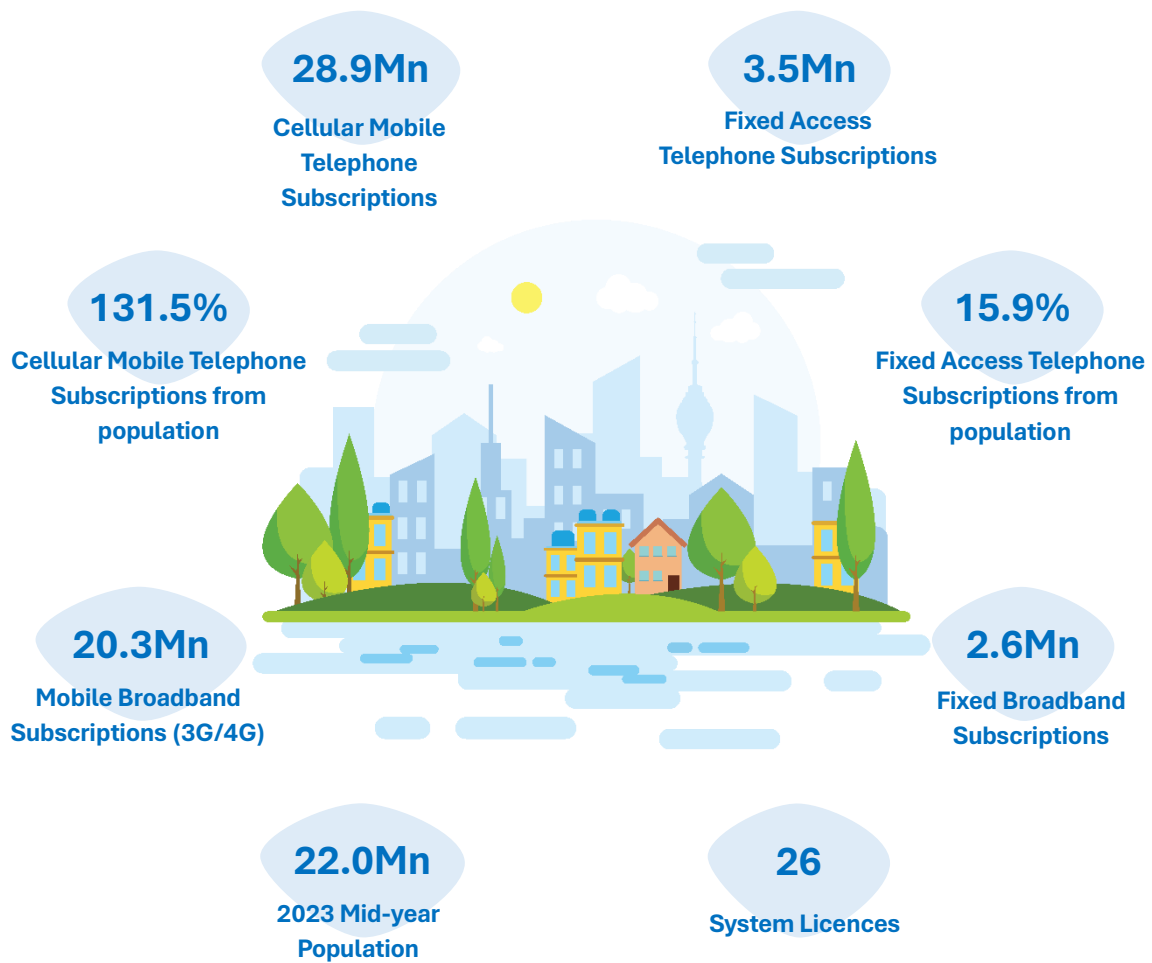
The global understanding of development is now moving towards Sustainable Development, which promotes prosperity, economic opportunity, protection of the environment, and greater social well-being. In this context, Telecommunications/Information and Communication Technologies (ICTs) are considered the primary 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 2023 to accelerate the achievement of the SDGs in the telecommunication/ICTs sector.

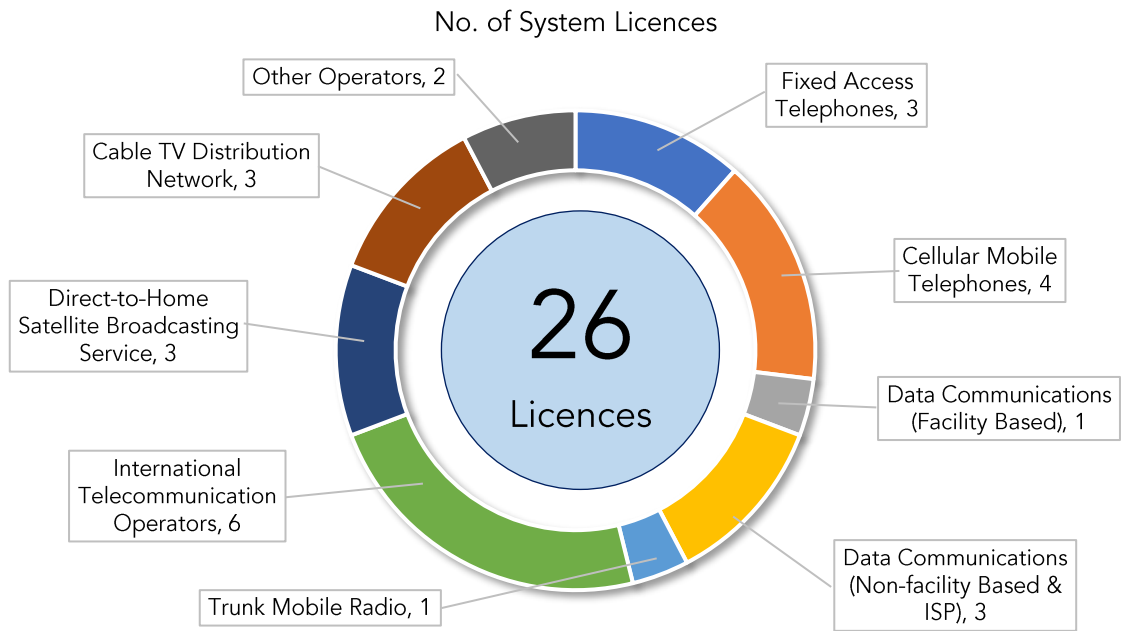
| Goal / Objective | Targets | Indicators of the achievement | Progress of the Achievement |
|--|---|--|-----------------------------|
|  <p>SDG 9 Industry, innovation and infrastructure</p> | 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all. | Preparation of License templates for unified license | 90% |
| | | Implementation of Number Portability | 54% |
| | 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending. | Completion of Research and Development with the support of Universities & Research Institutes in Sri Lanka | 70% |

| Goal / Objective | Targets | Indicators of the achievement | Progress of the Achievement |
|--|---|--|-----------------------------|
|  <p>SDG 17 Partnerships for the goals</p> | 17.6 Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism. | Completion of Amendment of Section 17 Guidelines | 100% |
| | | Completion of Spectrum Assignment for 5G | 80% |
| | 17.8 Fully operationalize the technology bank and science, technology and innovation capacity-building mechanism for least developed countries by 2017 and enhance the use of enabling technology, in particular information and communications technology. | Finalization of the Spectrum Road Map for next 5 Years | 100% |
| | | Completion of the Gamata Sannivedanaya Project | 14.93% |
| | | Completion of the School Fiber Project | 66% |

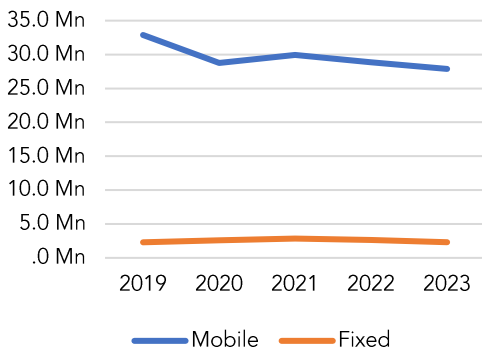
TELECOMMUNICATIONS SECTOR DEMOGRAPHICS



| | |
|--|------------|
| Number of System Licenses | 26 |
| Fixed Access Telephone Subscriptions (Voice Only) | 954,848 |
| Fixed Access Telephone Subscriptions (Voice & Data) | 1,352,893 |
| Fixed Access Telephone Subscriptions (Data Only) | 1,204,018 |
| Total Fixed Access Telephone Subscriptions | 3,511,759 |
| Fixed Access Telephone Density (per 100 inhabitants) | 15.9 |
| Cellular Mobile Telephone Subscriptions (Voice only) | 6,471,229 |
| Cellular Mobile Telephone Subscriptions (Voice & Data) | 21,406,052 |
| Cellular Mobile Telephone Subscriptions (Data Only) | 1,109,080 |
| Total Cellular Mobile Telephone Subscriptions | 28,986,361 |
| Cellular Mobile Density (per 100 inhabitants) | 131.5 |
| Fixed Broadband Subscriptions | 2,556,911 |
| Mobile Broadband Subscriptions (3G, 4G) | 20,307,262 |

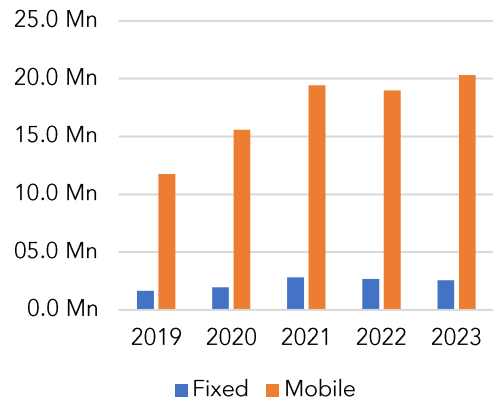


Mobile and Fixed Access Voice Telephone Subscriptions growth

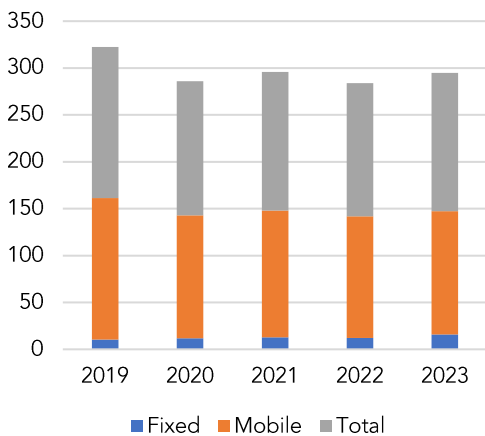


*Mobile and Fixed Data Only Subscriptions were not included for easy comparison

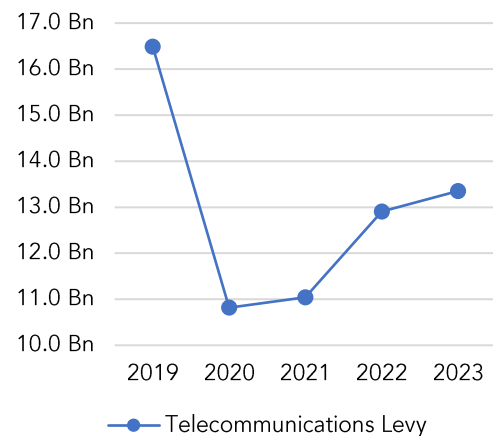
Fixed Broadband and Mobile Broadband Subscriptions

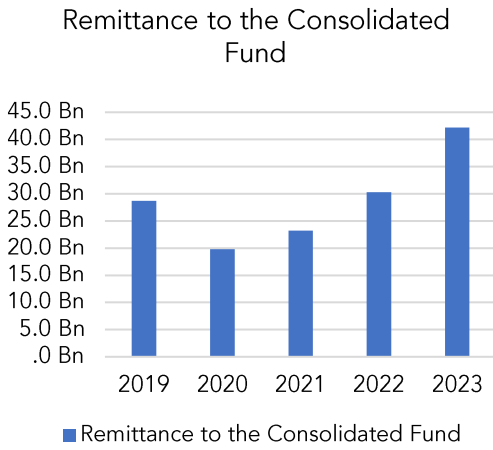
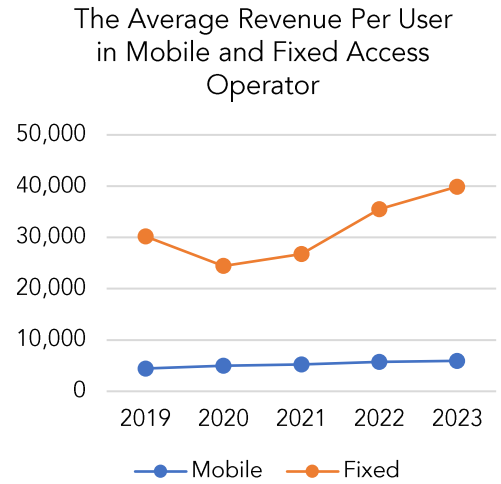


Teledensity



Telecommunications Levy





* Provisional data

REPORT OF THE DIRECTORS

LICENCE MANAGEMENT

Legal framework

All the reasonable demands for reliable and efficient national and international telecommunications services have to be satisfied by the Telecommunications Regulatory Commission of Sri Lanka as per the Telecommunication Act No. 25 of 1991 (as amended) (“The Act”), and such services are made available by telecommunications systems established and operated by Telecommunication system operators.

As per Section 17, no person shall operate such 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 19, a person who operates a telecommunication system without obtaining a Licence under Section 17 of the Act shall be guilty of an offense.

Further, as per Section 18 of the Act, the Commission recommends the modification of any licence condition to the Minister.

As per Section 18A 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 a 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 approve 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.

Type of Licences issued

The current Licensing regime in Sri Lanka is 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 are not allowed to provide retail services. Connectivity facilities can be provided only to operators and broadcasters.

All the above license regimes are processed under Section 17 of the Act for the issuance of licenses, and the necessary modifications are issued as per Section 18 A of the Act when required. Most of the licences are issued under category (a). 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

The Commission expects the convergence of technologies and services to provide a favorable atmosphere for market growth and enhancement of the well-being of society.

TRCSL also considers the following features in this respect.

- Open Access
- Promote the competition.
- Quality of service
- Deployment of new technology
- Efficiency and convergence
- Sharing of infrastructure and limited resources

A total of 25 licences are currently in force under various network categories under multiple service authorization regimes.

- 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”) – 1 licences
- Non-facility-based Internet Service Providers (“ISP”) – 3 licences

- Direct-to-Home Satellite Broadcasting Service Providers (“DTH”) – 3 licences
- Satellite Service Providers (“Satellite”) – 1 licence.
- Leased Line Services -1 licence

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

In the above 25 Licences, the following different types of services are authorized:

- 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 includes location-based services and any future developments of GSM-based services.
- Wireless Fidelity (Wi-Fi) based Data Communication Service for indoor applications.
- 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 the 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 operators.
- Control, monitor, and test functions related to the use, maintenance, operation, and control of space objects.
- International Transit Service
- Telemetry, Tracking and Command (TT&C)
- Colocation (Hosting) Services
- Maritime Connectivity.

As per the Act, the following license renewals have been processed in 2023.

- Mobitel (Pvt) Ltd- Mobile Service
- Dialog Axiata PLC- Mobile Service
- Dialog Broadband Network (Pvt) Ltd – Internet Service
- Mobitel (Pvt) Ltd- International Service
- Dialog Axiata PLC- International Service
- TATA Communications Lanka (Pvt) Ltd- International Service

- ASK Cable Vision (Pvt) Ltd- Cable TV Service
- Trymas Media Network (Pvt) Ltd- Cable TV Service
- SupremeSAT (Pvt) Ltd.- Satellite Service

As per the Act, the following Licence has been processed in 2023 for granting a new license.

- Freesat Lanka (Private) Limited-Teleport Service

Division Performance

It is essential to establish a robust regulatory framework that implements international best practices in a manner that is consistent with the Act to create a level playing field and enable operators to develop affordable and widely available services to meet the needs of corporate customers and consumers throughout Sri Lanka.

As the country moves forward into a converged digital economy, and as traditional service categories reflected in the licensing framework become progressively outdated and irrelevant to operators and customers alike, there is a need to adapt towards a more holistic and sustainable licensing framework. It is necessary to manage the required transition in a slow phase to achieve the available economic and societal gains without causing substantial industry impact.

Licensing framework will be adopted considering technology and 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) and simplified and more efficient administration.

The first step to implementing these principles is to consolidate the current individual operator licenses consistently in terms of service categories and network categories. The second step is the introduction of converged or unified licences.

Before introducing a unified license regime, special regulatory safeguards have to be implemented to protect the small operators from the incumbents and prevent the entire market from being pushed towards monopoly or duopoly market conditions. It is required to prepare equitable spectrum assignment policy and equitable infrastructure sharing guideline as vital pre-requisites. These have to be implemented by the relevant division and spectrum assignment rules have been prepared in 2023.

The License Management division has initiated a project to prepare a Roadmap for a new licensing framework to widen operators' capability and create market innovation steered by technological convergence that can benefit the public. A consultation paper has been prepared by an International Telecommunication Union (ITU) expert to facilitate the preparation of a new licensing framework. Accordingly, terms and conditions and definitions of the unified license template system types for fixed/mobile services are being prepared.

A Gazette (No. 1435/20 of 10.03.2006) has been published stipulating guidelines and procedures for issuing, renewing, and modifying Licenses under Section 17 of the Act. However, in these guidelines, a separate Section is not available for the renewal of Licenses and the same procedures for issuance of new

License have to be followed for renewal as well, which creates impediments in the license renewal process. Further, the Gazette needs to cover aspects such as revocations and transfer of ownership.

Therefore, a committee was appointed by the Director General to propose required amendments to the said guidelines. The committee has submitted the draft new guidelines with regard to issuance, renewal, revocation, modification, and transfer of ownership, and the guidelines were approved by the Commission.

Guidelines have been submitted to the Government Printer for publishing in the Government gazette.

Similarly, network approval is an extreme requirement of Section 17 licences and has not been adequately annexed to the licences in the past. Therefore, an initiative has been taken to implement this process based on the operator system/service surveys.

NETWORKS

Numbering & New Services

Numbering resource required for the operations of telecommunications networks is a scarce resource. TRCSL is responsible for managing this resource according to the National Numbering Plan of the Sri Lankan telecommunications industry. The Numbering Plan sets out the framework and guidelines for using numbering resources available for telecommunications networks in the country. Numbering is a scarce resource; hence, it should be managed efficiently. The numbering plan is revised from time to time according to the demands of the industry, which

depends on new developments and current trends in the telecommunications sector. 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, and network codes to telecommunications operators
- Allocating Object Identifiers (OID)s
- Implementation of Number Portability
- Implementation of Toll Free Numbering System
- Preparation of IPv6 Roadmap
- Issuing approvals to telecommunications operators to unblock voice over Internet Protocol (VOIP) ports, protocols, and applications to prevent illegal international call terminations.

Implementation of Number portability

The Commission has made a policy decision to implement number portability within mobile-to-mobile and fixed-to-fixed telecom networks and to prepare necessary regulations and guidelines. The Internal Committee, under the leadership of the Networks Division, drafted the Rules and Guidelines required for porting administration and expecting the approval of the Attorney General's Department for finalization. An Industry Technical Committee consisting of representatives from all fixed and mobile telecommunication operators and TRC officers is

involved in making important decisions related to implementing Number Portability. A guarantee company named 'Lanka Number Portability Services Ltd,' which comprises all licensed fixed and mobile operator members, has already been formed to carry out administrative services and functions of number portability. Lanka Number Portability Services Ltd (LNPS) will be the Number Portability Operator. They are in the process of selecting a suitable technical solution. Lanka Number Portability Services Ltd has also applied for the Section 17 licence.

Toll-Free Numbering System

There is a growing demand for Toll-Free Numbers from commercial organizations for their enterprises. Therefore, the Networks Division initiated the necessary work to implement this service in Sri Lanka. TRCSL has identified an 800 number level for this service in line with international practices. A Toll-Free number will be a 10-digit number in the 800 level as 800 xxx xxxx. Number blocks for PSTN operators have been identified, considering their existing prefixes. The Internal Committee, appointed to decide suitable charges for Toll-Free Number blocks, has finalized the charging structure. Number blocks from this range could be issued to operators once the tariff involved with the calls to these numbers is completed. The guideline for issuing number blocks has also been finalized.

Voice over Internet Protocol (VOIP) Unblocking

Network Division issues necessary approvals to the parties who request to unblock the VOIP ports protocols and applications of the internet links they obtain from the telecommunication operators. This is done as a precautionary measure to prevent illegal

international call terminations. The guideline used in issuing approvals has been published on the TRCSL website.

Preparation of IPv6 Roadmap

TRCSL conducted a status check on IPv6 readiness and transition progress of licensed ISPs in the country. A draft roadmap and the strategy for implementing the transition to IPv6 were prepared by the APT Expert, recruited under the APT Expert Assistance Program. TRCSL must follow the roadmap to encourage the operators and ensure they migrate to IPv6 smoothly.

Infrastructure Deployment

The main functions carried out by the Network division include facilitating the deployment of telecommunications infrastructures such as copper or optical fiber 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 the above-mentioned physical infrastructure facilities. The Networks Division facilitates those by issuing relevant approvals through coordination with other related government organizations.

- Due consideration is given to 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. Coordinate 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.

- Process applications for the erection of antenna structures that are submitted to the Antenna Structure Management System (ASMS).
- Reconcile Operators' On-Air site list with the data available at ASMS.
- Deal with obtaining the recommendations of relevant government authorities and issuing approvals for fresh applications that operators submit for regularizing unapproved towers.
- Grant recommendations for the locations identified for erecting telecommunication towers under the Gamata Sannivedanaya project, considering the details of existing towers and farm locations.
- Processing tower applications of the Gamata Sannivedanaya project will ensure the timely implementation of this national project by providing telecommunication services to the unserved areas of the country.
- Process the applications for sharing the already constructed Multi-Purpose Lamp Pole to install the telecommunication antennas for developing telecommunication coverage for limited areas, especially for 4G technology and 5G testing purposes.
- Facilitate licensed telecommunications operators in the implementation of their

- infrastructure deployment projects.
- Handle public complaints regarding issues related to telecommunications towers.
- Conduct Public Awareness Programs to overcome the issues related to telecommunication towers.
- Study project proposals submitted by individuals/organizations regarding telecommunication infrastructure deployments, make recommendations, and submit reports.
- Coordinate with District Secretaries (DS) to implement long-term lease agreements between the operators and DS for the telecommunication towers erected on government lands.
- Carry out the inspections to measure the radiation levels at vulnerable tower sites.

Vendor Licensing and Type Approval

Vendor Licensing

In accordance with Section 21 of the Telecommunications Act, no person shall manufacture, import, sell, 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 of the Telecommunication Regulatory Commission to perform the abovementioned activities. 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) etc. for the investigations related to Vendor Licences.

Monitoring the operation of Cable TV Service Providers

As per paragraph 22 of the System license 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 Networks licensed under S.17 of the Telecommunications Act quarterly.

Type Approval & Equipment Clearance

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

Hence, any customer premises equipment such as telephone instruments, fax machines, PABXs (Private Automated Branch Exchange), modems, and cordless telephones requires type approval to be connected to a telecommunication network. The type approval is required for customer premises equipment imported by operators, vendors, or

individuals or locally manufactured equipment.

The Networks Division is responsible for carrying out type approval procedures and issuing type approvals for wired terminal network equipment.

Also, the division is responsible for issuing authorization letters to the Customs/BOI/Import controller for importing all network-related equipment. The tasks carried out in this regard are summarized as follows.

- Making recommendations to the BOI Import Controller, Department of Customs, for the clearance of telecommunications equipment by issuing approval letters.
- Ensuring the network equipment complies with technical standards specified in ITU recommendations and guidelines.
- Providing necessary assistance for the investigations carried out by the Police/Criminal Investigation Department (CID), etc., in telecommunications-related matters.
- Participate in Technical Evaluation Committees (TECs) of Government Institutions and Public Corporations and provide technical telecommunications-related inputs.

PERFORMANCE

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

| Description | 2022 | 2023 |
|---|------|------|
| Total No. of Vendor licenses issued | 756 | 900 |
| Cumulative No. of Towers approved | 8077 | 8450 |
| Total No. of Tower complaints received | 125 | 196 |
| Total No. of Tower complaints solved | 125 | 196 |
| Total No. of technical investigations carried out (Tower related) | 12 | 52 |
| Total No. of court cases related to towers | 0 | 01 |
| Total No. of New Type Approvals given | 0 | 0 |
| Total No. of issuance of Import clearances | 2286 | 2752 |
| Total No. of Individual Clearances | 35 | 41 |
| Cumulative No. of New Short codes issued | 8 | 13 |

NUMBERING

Allocation of Short Codes

Short codes are assigned to organizations where the general public or customers require expeditious access. 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. The short code range 19XX has been allocated for assigning four-digit short codes for government organizations. Similarly, the short code range 13XX has been allocated to assign

four-digit short codes for private sector organizations.

Short Codes Assigned in 2023

Government Organizations

In the year 2023, six (6) short codes in 19xx range were assigned to Government organizations. Organizations and the respective short codes are listed in the table given below.

| Organization | Short Code |
|---|------------|
| Colombo Municipal Council | 1916 |
| Sri Lanka Ports Authority | 1984 |
| Department of Census & Statistic | 1901 |
| Measurement Unit, Standards and Services Department | 1902 |
| Sri Lanka Transport Board | 1958 |
| Road Development Authority | 1968 |

Private Sector Organizations

In 2023, seven (07) short codes in 13xx range were assigned to Private sector organizations. Organizations and their respective short codes are listed in the table given below.

| Organization | Short Code |
|---|------------|
| Lanka Jathika Sarvodaya Shramadhana Sangamaya | 1318 |
| Fara Construction & Maintenance Pvt Ltd | 1336 |
| Hemas Capital Hospitals Pvt Ltd | 1353 |
| Sampath Bank PLC | 1332 |
| Mahindra Ideal Finance PLC | 1363 |
| Alliance Finance Company PLC | 1321 |
| Ceylinco General Insurance Ltd | 1334 |

INFRASTRUCTURE DEPLOYMENT

Construction of Telecommunication Towers

The cumulative number of telecommunication towers constructed increased to 8450, with 373 new towers constructed in 2023, including the sharing of 89 Multi-Purpose Lamp Poles.

Handling of Infrastructure Deployment Complaints

The Networks Division carried out 52 technical investigations in 2023 for the complaints made by the general public against the technical-related issues of telecommunication towers. One hundred ninety-six (196) general complaints were received in 2023, all attended during the same year.

Reconciliation of unapproved towers

This year, the 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 five operators, and a total number of unapproved towers for each operator was finalized. They were requested to submit fresh applications for regularizing unapproved towers. Based on the recommendations of relevant government organizations, approvals have been granted for already constructed unapproved towers.

The data reconciliation process of one operator is in progress.

VENDOR LICENSING

900 vendor licenses were issued to different types of telecommunications equipment vendors in the year 2023.

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.

| Description | No. of clearances issued in 2023 |
|----------------------|----------------------------------|
| Equipment clearances | 2752 |
| Type Approvals | - |

SPECTRUM MANAGEMENT

Spectrum Road Map for the next five years

The telecommunications sector is experiencing perpetual evolution, with the fifth-generation mobile technology (5G) now assuming a pivotal role. While 4G is dedicated to providing mobile broadband services, 5G is birthing opportunities that extend beyond enhanced consumer mobile broadband (eMBB) such as Ultra Reliable Low Latency Communications and massive Machine Type Communications (mMTC). The distinctive attributes of 5G can facilitate use cases advantageous to societal and industrial spheres. This occurs while the overall global demand for mobile services continues to surge, thereby imposing a burden on spectrum management entities to guarantee the availability of the spectrum - a requisite resource necessary for enabling mobile services.

The successful implementation of 5G necessitates fresh spectrum distributions across varying bands – the lower, middle, and mmWave, for distinct coverage and speed considerations. Concurrently, technology vendors and service

providers are vigorously exploring novel strategies to optimize their existing spectrum assets. This may encompass implementing improved antenna technology, spectrum refarming, spectrum aggregation, and dynamic spectrum sharing. There is an obligation to ensure the spectrum's timely availability and modify regulations to cater to fluctuating requirements.

These factors underscore the necessity to establish a framework to guide spectrum management endeavors methodically and transparently. This is the primary objective of the Spectrum Master Plan – a future blueprint for spectrum distribution and forthcoming reviews of spectrum-related policies to be undertaken from 2023 to 2028. This scheme has been devised by integrating international best practices applicable to the context of Sri Lanka. Spectrum Road Map was finalized and published for the next five years (2024-2029).

The disclosure of this spectrum roadmap equips spectrum users with a comprehensive understanding of spectrum usage and availability while assisting commercial operators in network investment planning. The rapid and relentless transformation of the industry mandates the recognition that while the plan aims to offer transparency and certainty to the sector, a periodic review (every three years) is required to ensure sustained relevance.

The National Frequency Allocation Table

National Frequency Allocation Table (NFAT) is derived from the international frequency allocations of Article 5 of the International Telecommunication Union (ITU) Radio Regulations. And is also consistent with regional

allocations. The Radio Regulations are revised by the ITU World Radio Communication Conference (WRC), usually held every three years. NFAT shows all frequency bands for Sri Lanka and which services are allocated to those bands. The National Frequency Allocation Table has been finalized and published.

Radio Frequency Spectrum Licensing Rules (RFSL)

A licence is a unilateral grant of permission to operate a radio communication equipment or operate a radio communication and should not be regarded as a contract or bilateral agreement. The use of radio equipment requires a license after payment of the appropriate fee unless the user category has been exempted from licensing under section 22(2)(b) of the Act. Radio Frequency Spectrum Licensing Rules (RFSL) have been finalized collaboratively with international telecommunication guidelines, and they are currently in the printing stage.

The 5G Consultation paper was published to get the stakeholders' comments.

Sri Lanka is emerging from an economic downturn experienced in 2022. Integrating advanced broadband infrastructure, including 5th Generation (5G) mobile technology, could significantly contribute to this recovery process by enhancing current services, introducing novel use cases, and portraying the nation as a lucrative investment locus. Nevertheless, telecommunications operators within Sri Lanka are grappling with escalated costs and decreased customer demand/expenditure due to the economic predicament. They have raised concerns pertaining to a potential lack of demand for 5G services in the

prevailing economic climate and the exorbitant spectrum fees they may be subjected to for the new spectrum, particularly if it is procured through an auction.

TRCSL is inviting comments from stakeholders on the current market environment and the potential for a turnaround, their views of the current and future demand for 4G and 5G services (both fixed and mobile), and the best way forward for the deployment of 5G services in the given market conditions, on imbalances in current spectrum assignments and proposals for how to address them, how to rearrange the current spectrum assignments to create contiguous spectrum blocks for all operators. Operators are invited to state their current spectrum demand in the different bands and their projections for the next ten years, focusing on the spectrum required, as further detailed in the Consultation Paper.

Issuance of Frequency Licenses

| Category of Service | Year | |
|---|-------|-------|
| | 2022 | 2023 |
| Fixed service | 45 | 43 |
| Broadcasting service (Television and Radio) | 44 | 30 |
| Data / Radio Telemetry Service | 24/33 | 28/19 |
| Cellular Service (Mobile Operators) | 05 | 04 |
| Aeronautical Services | - | - |
| Aircraft stations | 71 | 75 |
| Aeronautical mobile | - | 11 |
| Maritime Services | 08 | - |
| Maritime mobile | 834 | 1192 |
| Ship stations | 71 | 110 |
| Private mobile radio service | 143 | 300 |
| Amateur Radio | 66 | 52 |

Complaints Received and Investigations handled

| Service | No. of Complaints Received | |
|---------------------------|----------------------------|------|
| | 2022 | 2023 |
| TV and Sound Broadcasting | 3 | 1 |
| Other Services | 14 | 17 |

Issuance of Clearance Letters

| Category of Service | Year | |
|-------------------------------------|------|------|
| | 2022 | 2023 |
| Fixed service including CDMA | 650 | 464 |
| Broadcasting service (TV and Radio) | 50 | 40 |
| Cellular Mobile Services | | |
| (i) Dealer Licence | 5340 | 5858 |
| (ii) Mobile Operators | 1695 | 1602 |
| (iii) Private Mobile Radio | 69 | 38 |
| Data Service/ Radio Telemetry | 12/1 | 28/0 |
| Satellite Service | 86 | 84 |
| Amateur Radio | 15 | 32 |
| Low Power Devices | 1840 | 1311 |
| (i) Vendor licence holders | 887 | 1051 |
| (ii) Individual customers | 953 | 260 |
| Maritime Communication | 87 | 65 |
| Ship stations | | |

*Provisional data

COMPETITION

Subscriber base

The Mobile and Fixed Access Subscriber base as of 31st December 2023 was 32,639,669. Following the trend of the year 2022, the Cellular Mobile Operators also demonstrated a decrease in subscriber base by 2.6% compared to the year 2022. The Fixed Access Operators showed a marginal increase in the subscriber base in

2022. However, Fixed Access operators demonstrated a decrease of 7% in the subscriber base, leading to a 3.1% decrease in the total subscriber base compared to 2022.

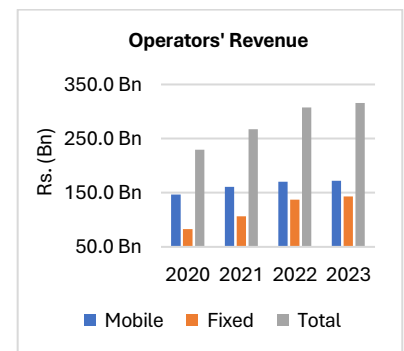
| Category | 2022 Mn. | 2023 Mn. | % Change |
|--------------|-------------|-------------|--------------|
| Mobile | 29.8 | 29.1 | -2.6% |
| Fixed Access | 3.8 | 3.6 | -7.0% |
| Total | 33.6 | 32.6 | -3.1% |

Operators Revenue

Though the overall subscriber base decreased in 2023, the industry revenue marginally increased from 307.7 million to 315.5 million, demonstrating a 1.02% increase. The main reason for this increase was the 20% tariff increase approved by the Commission for the industry in September 2022.

| Industry | 2022 Rs. Mn | 2023* Rs. Mn |
|--------------|----------------|----------------|
| Mobile | 170,516 | 172,368 |
| Fixed | 137,157 | 143,184 |
| Total | 307,673 | 315,552 |

* Unaudited



Profitability of Operators

The following table indicates that the profitability of Fixed Access Operators has increased up to the year 2022 and has remarkably decreased in the year 2023. As per the table below, mobile operators reported a loss of Rs. 746 million in 2023. Compared with the previous year, the loss of mobile operators in 2023 has drastically reduced from Rs. 54.8 billion to 0.7 billion.

| Industry | 2022 Rs. Mn. | 2023* Rs. Mn. |
|--------------|-----------------|------------------|
| Mobile | (54,803) | (746) |
| Fixed | 11,492 | 4,949 |
| Total | (43,311) | 4,203 |

*Unaudited

Average Revenue Per User (ARPU)

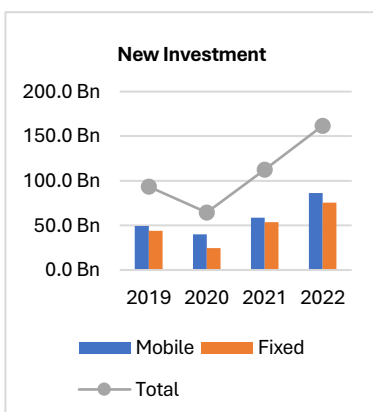
The ARPU (per annum) for the year 2023 for the Mobile Operator category was Rs 5,933, demonstrating a 3.8% increase compared to the ARPU of 2022. The Fixed Access Operator category also showed a 12.3% increase compared to last year.

| Category | 2022 | 2023 | % Change |
|--------------|--------|--------|----------|
| Mobile | 5,717 | 5,933 | 3.8% |
| Fixed Access | 35,524 | 39,904 | 12.3% |

Investments in Telecommunications Industry

The following chart depicts the new investments made by the Mobile and Fixed Access Operators from 2021s to 2022. [Investments include the additions to property, plant & equipment, intangible assets, and work in progress]. Compared to 2021, the industry investment increased from Rs. 112 billion to 162 billion in 2022.

| Industry | 2021 Rs. Mn. | 2022 Rs. Mn. |
|--------------|-----------------|-----------------|
| Mobile | 58,680 | 86,184 |
| Fixed | 53,763 | 75,630 |
| Total | 112,443 | 161,814 |



Direct Employments

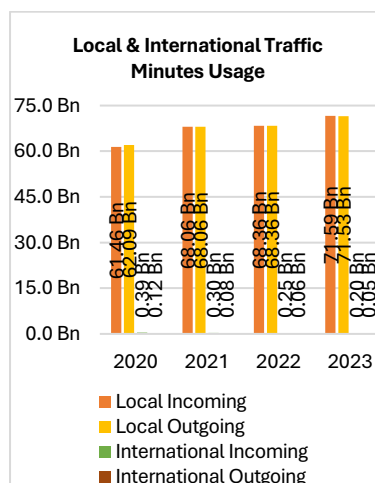
The telecommunication industry has generated a lot of direct and indirect job opportunities, and the following table depicts the direct employment of Fixed Access and Mobile operators for the last two years. Due to the economic downfall of the country commencing from the latter part of the year 2020, direct employment in the industry is gradually decreasing.

| Type | No of Employments | |
|--------------|-------------------|---------------|
| | 2022 | 2023 |
| Mobile | 7,516 | 7,076 |
| Fixed | 4,235 | 3,491 |
| Total | 11,751 | 10,567 |

Usage of Services

Local & International Traffic Minutes

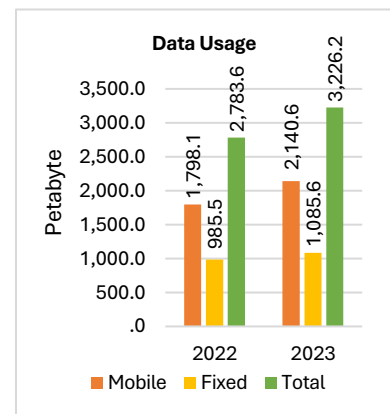
The following chart shows Local & International call traffic minutes during the last few years, and the local traffic minutes have increased every year. However, the international traffic minutes demonstrate a decrease, although total traffic minutes have increased.



Data Usage

Mobile and Fixed Access telecommunications sectors showed growth in their data usage compared to 2022, amounting to a 15.9% industry increase. The mobile sector growth is

considerably higher than the fixed sector growth.



Social Media Users (Mobile)

Social media plays a vital role in the communication arena of Sri Lanka, similar to most countries worldwide. As per the following table, Facebook, YouTube, and WhatsApp are Sri Lankans' most popular social media apps. Total subscriptions for the said three apps were about 44.4 million as of the end of 31st December 2023. It represents about 60% of the total social media users. However, compared with 2022, Instagram users have increased by 81.5%, while Snapchat shows an increase of 52.3% at the end of 2023. Further, it demonstrates an increase of total social media users by 25% in the year 2023 compared to the year 2022.

| Media | No of Users | | % Change |
|--------------|-------------|-------------|--------------|
| | 2022 (Mn) | 2023 (Mn) | |
| Facebook | 12.9 | 14.1 | 9.7% |
| YouTube | 12.8 | 13.9 | 8.7% |
| WhatsApp | 13.4 | 16.5 | 23.2% |
| Viber | 4.6 | 4.8 | 5.6% |
| Imo | 2.3 | 3.2 | 39% |
| Instagram | 3.8 | 6.9 | 81.5% |
| Snapchat | 4.1 | 6.2 | 52.3% |
| TikTok | 6.3 | 8.3 | 32% |
| Total | 59.3 | 74.1 | 24.9% |

Mobile Handsets/ End Equipment

Since the latter part of 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 of that, 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 2023. It is highlighted that smartphones and tabs cover a 64.9% share of the total number of end equipment, showing an 8.9% increase over 2022.

| Type | No. of Equipment | | % Change |
|-----------------------|------------------|-------------|-------------|
| | 2022 (Mn) | 2023 (Mn) | |
| Basic/ Feature Phones | 8.5 | 8.1 | -5.1% |
| Smart Phones /Tab | 15.9 | 17.3 | 8.9% |
| Dongles/ Routers | 0.3 | 0.3 | 6.3% |
| Others | 1.0 | 1.0 | 0.6% |
| Total | 25.6 | 26.6 | 3.9% |

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 table below illustrates the number of mobile subscribers in each province at the end of December 2023, as per the Visitor Location Register (VLR) of mobile operators. 37% of mobile subscribers were reported within the Western Province, and Western Province shows the highest Mobile Tele-density while Uva Province shows the lowest mobile tele-density.

| Province | No. of Subscribers (Mn) & % | | Mobile Tele Density % |
|---------------|-----------------------------|-------------|-----------------------|
| Western | 7.6 | 37% | 123.2 |
| Southern | 2.2 | 11% | 81.7 |
| Central | 2.3 | 11% | 83.2 |
| Uva | 0.9 | 4% | 62.1 |
| Eastern | 1.3 | 7% | 74.6 |
| North Central | 1.3 | 6% | 90.3 |
| North-western | 2.2 | 11% | 85.7 |
| Northern | 1.0 | 5% | 89.2 |
| Sabaragamuwa | 1.5 | 8% | 74.1 |
| Total | 20.3 | 100% | 92.3 |

Note: 2023 midyear (estimated) population information published by the Department of Census and Statistics has been considered to calculate mobile Tele density.

Provincial Distribution of Fixed Access Subscribers

As per the following table, 50% of fixed-access telephone connections have been provided to customers of the Western Province. The Fixed Access Tele-density of the Western Province was 28.0%. Uva, Eastern, and North Central provinces show the lowest Tele-densities.

| Province | No. of Subscribers (Mn) & % | | Fixed Tele Density % |
|---------------|-----------------------------|-------------|----------------------|
| Western | 1.7 | 50.5% | 123.2 |
| Southern | 0.3 | 9.5% | 81.7 |
| Central | 0.3 | 9.9% | 83.2 |
| Uva | 0.1 | 3.3% | 62.1 |
| Eastern | 0.1 | 4.2% | 74.6 |
| North Central | 0.1 | 3.4% | 90.3 |
| North-western | 0.3 | 9.3% | 85.7 |
| Northern | 0.1 | 3.7% | 89.2 |
| Sabaragamuwa | 0.2 | 6.3% | 74.1 |
| Total | 3.4 | 100% | 92.3 |

Fixed Access Technologies

Currently, three operators have been licensed to provide Fixed Access telephone services to the citizens of Sri Lanka, and 13.7% of the total customer base of the fixed telephone indicates voice telephony services provided through the copper line and wireless technology (CDMA). Most customers consume both voice and data services provided through different access technologies. Fiber and wireless technology (LTE) are becoming more popular among customers as such technologies support high-speed broadband services. The following table describes the types of fixed-access telephone services and the number of connections under such technologies.

| Types | No. of Connections | | % Change |
|--------------|--------------------|-------------|--------------|
| | 2022 (Mn) | 2023 (Mn) | |
| Copper Line | 0.56 | 0.48 | -14.8% |
| ADSL | 0.29 | 0.24 | -16.7% |
| Fiber | 0.42 | 0.44 | 3.9% |
| CDMA | 0.09 | 0.05 | -95.0% |
| LTE | 2.28 | 2.12 | -6.9% |
| Other | 0.22 | 0.22 | -0.3% |
| Total | 3.86 | 3.50 | -9.2% |

Telecommunications Levy (TL)

The 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 the supply of the services. A concessionary TL rate of 10% was imposed on Internet Services at the beginning of 2013. The TL rate on other Telecommunications services remained unchanged to promote broadband services throughout the country. 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%. In December 2019, this rate was further reduced to 11.25%, and again, the TL rate was increased to 15% in June 2022.

| Year | 2022 | 2023* |
|------------------------------|--------|--------|
| Telecom Levy (Rs. Mn) | 12,905 | 13,352 |

*Unaudited

Cess

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



1991 as amended. The following chart shows that the Cess collection has gradually increased from 2021 to 2023.

Cellular Tower Levy (CTL)

Cellular Tower Levy was imposed under Part XII of the Finance Act No. 35 of 2018, effective from 1st January 2019. As per the Finance above 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 share such towers. The Levy should be paid to the Telecommunication Regulatory Commission on a quarterly basis. The collection of CTL for the year 2023 demonstrated a 5.6% increase against the year 2022.

| Year | 2022 | 2023* | % of Change |
|-------------------------------------|-------|-------|-------------|
| Cellular Tower Levy (In Mn.) | 1,565 | 1,652 | 5.6% |

*Unaudited

Short Message Services Levy (SMS Levy)

Initially, the 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 gazetted by the Gazette No. 2014/16. Accordingly, Mobile Operators have to pay Rs. 0.25 per SMS sent through mobile phones to a group of recipients for commercial purposes. This levy is collected monthly by the Telecommunications Regulatory Commission from 01st January 2019. Further, this levy was extended to the Fixed Access operators from 13th December 2023, in line with Part I of the Finance Act No. 33 of 2023. As a result, the Collection of SMS Levy

of 2023 demonstrated a 23.6% increase compared to 2022.

| Year | 2022 | 2023* | % of Change |
|--------------------------|-------|-------|-------------|
| SMS Levy (In Mn.) | 231.4 | 286 | 23.6 |

*Unaudited

Telecommunication Development Charge (TDC)

Telecommunications Development Charge (TDC) collection was 3,660 million (Up to November 2023).

| Year | 2022 | 2023 |
|---------------------|-------|-------|
| TDC (In Mn.) | 4,810 | 3,660 |

Recommendation of Visa Applications

As the technology of the telecommunications sector rapidly changes, operators continuously strive to upgrade their networks with emerging technologies. The operators hire overseas industry professionals to work on their particular projects. On behalf of the Operators, the Commission recommends visas for such professionals to the line ministry. During the year 2023, the Division processed a total number of 20 visa applications for professionals.

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 was provided in coordination with other divisions. Collected industry data are published periodically on the TRCSL website.

Handling Interconnection

Following a lengthy process, including discussions with the industry, the Competition Division

recommended revised interconnection rates to the Commission for its determination. Accordingly, the Commission determined new interconnection rates, which would be implemented in four steps. The first step commenced on 15th April 2022, and other steps will be affected by 15th April 2023, 2024, and 2025.

Tariff Regulation

The Commission approves tariffs under three categories, namely seasonal tariffs, promotional tariffs, and permanent tariffs. Within the year, the Commission approved 17 seasonal tariffs, 42 promotional tariffs, and 14 permanent tariffs.

In line with the School Fiberization Project, which the Government initiated to provide fiber connectivity to schools, the Commission approved special Internet tariff plans for the schools considering the affordability and the continuation of the project.

Within 2023, the operators came up with Combo tariff plans (including Voice, SMS, and Data), which are more convenient for subscribers. Further, operators are prompted to offer unlimited packages at affordable rates due to fierce competition.

“Gamata Sannivedanaya” (Connect Sri Lanka) Project

The Telecommunications Regulatory Commission of Sri Lanka (TRCSL) commenced the project “Gamata Sannivedanaya” (Connect Sri Lanka) to fulfill 100% country-wide 4G/Fiber broadband coverage.

With utmost focus on Digital Transformation and the embracement of technology in driving the country towards a digitally enabled government and a digital economy through the government vision defined on the

vistas of prosperity and splendor, the underlying infrastructure for the country’s digitalization is the mandatory requirement of connectivity. Broadband internet coverage nationwide, focusing on affordability, will be a key success factor in ensuring that citizens are provided universal access.

The Gamata Sannivedanaya program launched by the TRCSL in 2019 is now in progress to address the lack of broadband connectivity, and preliminary work concluded with a yearlong exercise of a survey across all 25 districts and 14,000 plus Grama Seva administrative areas in understanding the ground realities of actual coverage issues.

Under this project, the Telecommunications Regulatory Commission (TRCSL) provides monetary support to the telecom operators through the Telecommunications Development Charge (TDC) fund to achieve 4G/Fiber broadband coverage for identified areas. Further, it is intended to develop and promote a high-speed, affordable, and sustainable 4G/Fiber broadband network focusing on last-mile connectivity and enhancing rural communities’ quality of life.

The TRCSL successfully implemented the first phase of the 4G/ fiber broadband deployment project in ten districts, including Rathnapura, Kurunegala, Matara, Anuradhapura, Kandy, Badulla Kalutara, Kegalle, Jaffna, and Trincomalee. It is estimated that approximately 276 new

telecommunication tower sites would be required to complete the 4G coverage under the “Gamata Sannivedanaya” project.

Accordingly, 56 tower sites have already been commissioned by the operators in the Rathnapura, Kurunegala, Badulla Kalutara, and Kegalle districts. Further, operators planned to construct new towers, and the rest of the areas and balance are in the process of acquiring lands and obtaining approvals from relevant government authorities.

The table below shows the progress summary of the telecommunication tower construction.

In 2023, three towers in Rathnapura District, eleven in Kurunegala District, and one in Badulla are on air. Additionally, two towers in the Kegalle District and one in the Kalutara District are temporarily operational to address the urgent needs of rural communities.

Due to the country’s unfavorable economic situation in 2022, telecommunications equipment and construction costs increased. Considering the cost escalation of tower constructions, the Commission decided to increase the per-site TDC disbursement to 27.4 Mn. Furthermore, Guidelines were amended to expedite the tower construction process under the “Gamata Sannivedanaya” Project.

| District | Total Towers | Land identificati on process | Authority approvals processing | Construction in progress | On aired |
|--------------|--------------|------------------------------|--------------------------------|--------------------------|-----------|
| Rathnapura | 35 | - | 2 | 2 | 31 |
| Kurunegala | 35 | - | 9 | 5 | 21 |
| Matara | 21 | 4 | 10 | 7 | - |
| Kandy | 33 | 20 | 10 | 3 | - |
| Anuradhapura | 31 | 10 | 18 | 3 | - |
| Badulla | 34 | 24 | 9 | - | 1 |
| Kalutara | 34 | 8 | 19 | 6 | 1 |
| Kegalle | 34 | 16 | 8 | 8 | 2 |
| Jaffna | 11 | 8 | 3 | - | - |
| Trincomalee | 8 | 8 | - | - | - |
| Total | 276 | 98 | 88 | 34 | 56 |

COMPLIANCE & INVESTIGATION

QUALITY OF SERVICE (QoS)

- 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 (20) Network Audits on Customer Service Parameters and Network Parameters of Voice Services and Broadband Services of seven (07) PSTN operators per quarter.
- Conducted sixteen (16) audits on the adherence to VAS guidelines by PSTN operators per quarter.

Highlights of Customer Service Key Performance Indicators of Mobile Operators

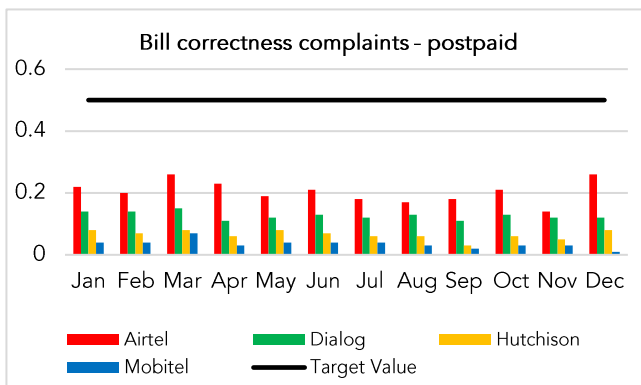
As per the QoS Gazette of the Democratic Socialist Republic of Sri Lanka (Extraordinary) No. 2211/2 of 18.01.2021, the below parameters have been measured

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 postpaid (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.

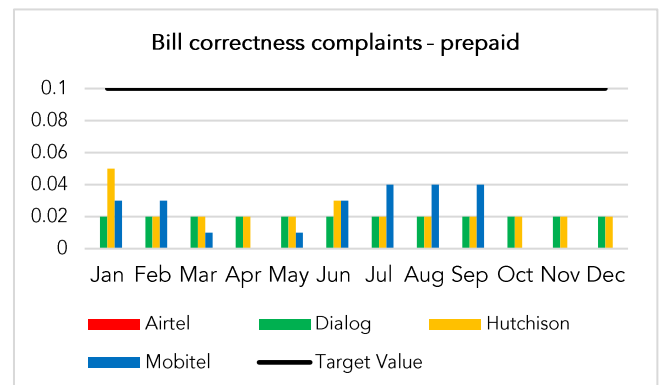
Bill correctness complaints - postpaid

- If the value (%) is greater than (>) 0.5%, target not achieved.
- If the value (%) is less than (<) 0.5%, target achieved.



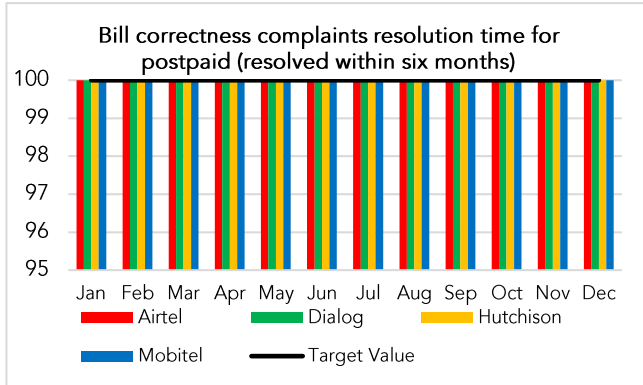
Bill correctness complaints - prepaid

- If the value (%) is greater than (>) 0.1%, target not achieved.
- If the value (%) is less than (<) 0.1%, target achieved.



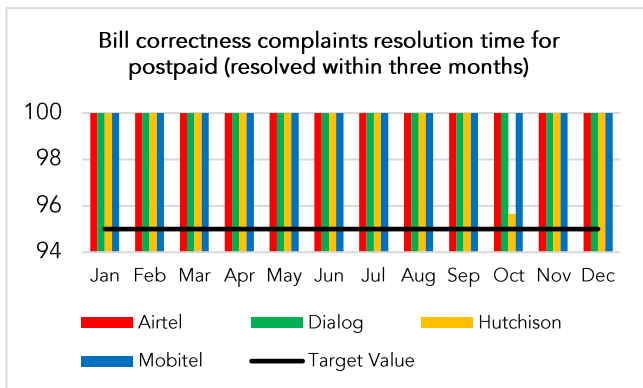
Bill correctness complaints resolution time for postpaid (resolved within six months)

- If the value (%) is not within the range of 95% to 100%, target not achieved.
- If the value (%) is within the range of 95% to 100%, target achieved.



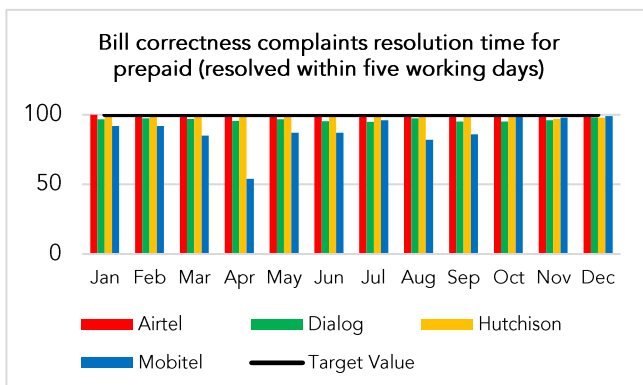
Bill correctness complaints resolution time for postpaid (resolved within three months)

- If the value (%) is not within the range of 90% to 95%, target not achieved.
- If the value (%) is within the range of 90% to 95%, target achieved.



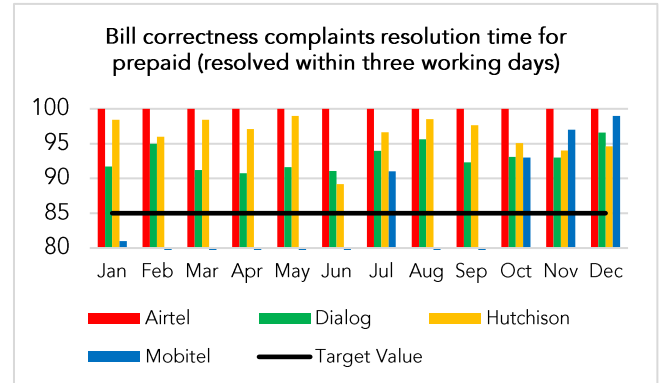
Bill correctness complaints resolution time for prepaid (resolved within five working days)

- If the value (%) is not within the range of 95% to 100%, target not achieved.
- If the value (%) is within the range of 95% to 100%, target achieved.



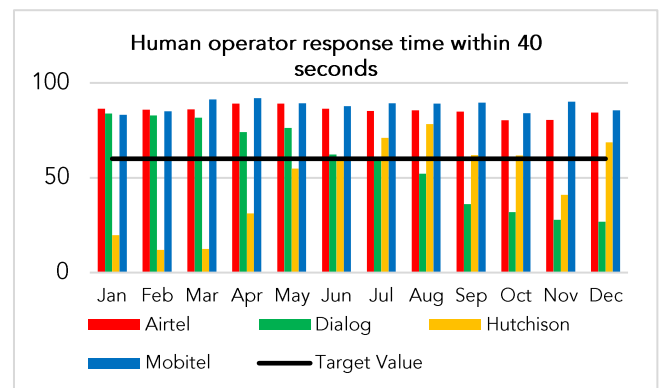
Bill correctness complaints resolution time for prepaid (resolved within three working days)

- If the value (%) is not 85% or below, target not achieved.
- If the value (%) is 85% or above, target achieved.



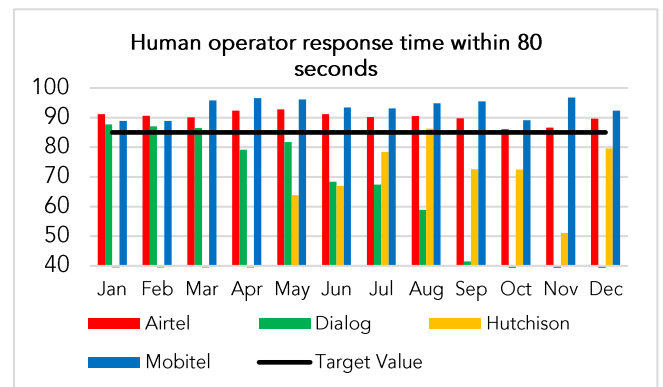
Human operator response time within 40 seconds

- If the value (%) is less than (<) 60%, target not achieved.
- If the value (%) is greater than (>) 60%, target achieved.



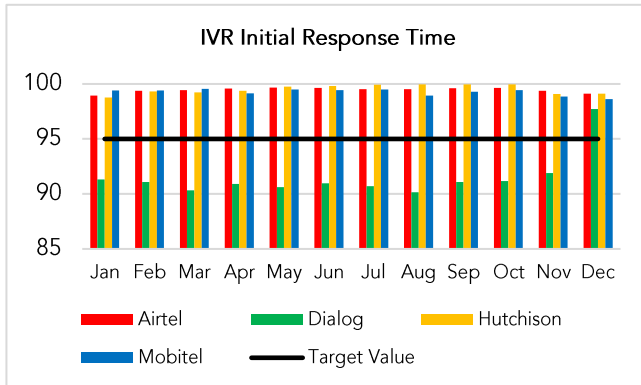
Human operator response time within 80 seconds

- If the value (%) is less than (<) 85%, target not achieved.
- If the value (%) is greater than (>) 85%, target achieved.



IVR Initial Response Time

- If the value (%) is less than (<) 95%, target not achieved.
- If the value (%) is greater than (>) 95%, target achieved.



SURVEILLANCE

- Regulatory measures had been taken against the vendors who have not obtained vendor licences.
- Inspected vendors in 8 districts out of 17 districts to check whether they possess valid vendor licenses issued by TRCSL.
- Seventeen (17) inspections had been carried out to monitor operators' adherence to Section 17 license conditions.
- Sixteen (16) audits per quarter had been carried out to verify whether operators have taken measures to re-register subscribers according to SIM Gazette Notification.
- Fifty-three (53) tests had been completed on charging mechanisms of tariff packages offered to subscribers.
- Provided assistance to CID for the court case lodged at Bandarawela Magistrate court for the illegal cable TV operation.
- Conducted pilot project for SIM re-registration process with the assistance of Divisional Secretariat offices in Kandy and Mathale districts.

- Conducted Forty (40) awareness programs for officers of the Divisional Secretariat and Police.
- Conducted ten (10) awareness programs through printed and electronic media.

INVESTIGATION & INTELLIGENCE

- 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 846 social media complaints.

CONSUMER COMPLAINTS & PUBLIC AWARENESS

Section 09 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 do investigations and take appropriate remedial measures 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.

Handling requests on misplaced mobile phones

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 2023. Out of 40,347 complaints received regarding misplaced mobile phones, 33,234 mobile phones were detected by operators. The found results were

submitted to Police stations for further action.

| New Complaints | Found results submitted to police stations |
|----------------|--|
| 40,347 | 33,234 |

Sri Lanka Police & TRC have introduced an online solution to report lost/ misplaced mobile 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 the police station.

Awareness Programmes

It was observed that the importance of creating awareness among the general public on the use of telecommunications/ICTs and other consumer-related issues.

Awareness programs have been conducted for the following audiences.

- 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.
- 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 the Public Transport Commission. A large number of TV/ Radio

programs and social media awareness programs have been conducted to educate the general public on basic information.

The following table illustrates the number of consumer complaints handled . Most of the complaints were received under the signal coverage and billing categories.

It is highlighted that 97% of all consumer complaints have been resolved.

| Type of Customer Complaint | No. of complaints | | % |
|----------------------------|-------------------|-------------|------------|
| | Received | Resolved | |
| Signals/ Coverage | 142 | 142 | 100% |
| Billing | 428 | 397 | 93% |
| Tele Fault | 107 | 107 | 100% |
| Connection | 138 | 138 | 100% |
| VAS | 52 | 43 | 83% |
| Data | 252 | 246 | 98% |
| Internet | 236 | 231 | 98% |
| Other | 174 | 174 | 100% |
| Total | 1529 | 1478 | 97% |

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 and 35 meetings were conducted during the year.

POLICY & INTERNATIONAL RELATIONS

POLICY

Research & Development in the field of Telecommunications

As per the provisions of the Sri Lanka Telecommunications Act, TRCSL is responsible for promoting Research & Development and the use of new techniques in telecommunication & related fields. Policy and International Relations division performs the duties of providing financial assistance to conduct telecom-related Research and Development activities conducted by state universities and government research institutions in Sri Lanka.

The state universities submitted a total of six research proposals, and the following research proposals from the University of Jaffna and the University of Ruhuna were granted funding in the year 2023. The selection was made with the approval of the research committee, subsequent to the consideration of the recommendations given by the sub-committee appointed to review the research components and scope of the project proposals.

- Smart Antenna Design for 5G and Future Wireless Technologies Using Machine Learning Approaches - Conducted by Dr. K. Pirapakaran, Dean, Faculty of Engineering, University of Jaffna.
- Blockchain Enabled RF Radiation Exposure Level Measurements in Wireless Mobile Networks - Conducted by Dr. W.N.B.A. Geeth

Priyankara, Lecturer,
Department of Electrical and
Information Engineering,
Faculty of Engineering,
University of Ruhuna.

Necessary arrangements were made to sign agreements with the University of Jaffna and the University of Ruhuna after obtaining the approval of the Department Procurement Committee – Major for granting financial assistance to the same. The research teams of the University of Ruhuna and the University of Jaffna conducted their initial presentation and first progress presentations on Microsoft Teams with the participation of the members of the TRCSL research committee, industry experts, TRCSL staff and team members of the research, including international collaborators. The principal researchers from their respective universities led the research teams in conducting the presentations. Financial grants for the research projects were provided on an installment basis upon the submission of relevant progress reports and presentations. The second progress presentation and final progress presentation of the projects are scheduled to be held next year.

The universities highly appreciated this Research and Development program for enabling researchers to access essential resources with the financial assistance provided by TRCSL and for successfully concluding their research projects with the anticipated research outcomes. It was reported that the practical exposure gained from these research projects under the supervision of local and international researchers benefited

the undergraduate researchers in developing their knowledge and experience.

TRCSL ICT Volunteer Program 2023

The ICT volunteer program is highlighted as one of the capacity-building initiatives undertaken by TRCSL to uplift the ICT education of 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. Over 600 students from 33 schools in nine districts benefited from this program during the years 2019 and 2021.

ICT Volunteer Programme 2023 was organized in collaboration with the Ministry of Education, Vocational Training Authority (VTA), and with the assistance of universities and telecom operators to promote ICT literacy among students in remote areas.

The volunteers were dispatched to 13 remote schools in 5 districts under this program for ICT capacity building of students. The 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, networking, smart education, awareness of cybersecurity, and pedagogical aspects. After training the volunteers at the boot camp, they were dispatched to 13 schools in Badulla, Kandy, Rathnapura, Ampara, Galle, and Colombo districts for two months of volunteer work.

Students who have passed NVQ levels 4 or 5 (National Certificate in ICT) and have been recommended by the VTA underwent interviews for selection as volunteers. Thirteen of them were selected for the program.

Beyond benefiting students in remote areas, the ICT volunteers are also considered as target beneficiaries of this initiative. The experience and exposure gained through this program will enable the volunteers to find better employment opportunities or pursue entrepreneurship in the future. 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.

ITU/APT/NIA International ICT Volunteer Program

TRCSL has been functioning as a coordinator/facilitator for dispatching over 100 international ICT volunteers to public and private institutions across the country since 2011 in collaboration with the National Information Society Agency of South Korea (NIA), the International Telecommunication Union (ITU), and the Asia-Pacific Telecommunity (APT).

This year, the Policy and International Relations division coordinated with officials of NIA and assisted them in distributing donations to vocational training centers involved in "The APT/NIA International ICT Volunteer Program 2022". The staff of the division, accompanied by NIA officials, visited two vocational training centers in Kandy and Seeduwa to donate the IT equipment. Under this program, online training was conducted to improve ICT literacy among students with special educational needs in Sri Lanka. Three volunteer teams of South Korean undergraduates have been assigned to provide IT training to students with special educational needs at Seeduwa, Wategama,

and Ketawala vocational training centers from July to August 2022.

NIA appreciated the cooperative support provided by TRCSL for successfully implementing this program. In addition, Sri Lanka was selected as one of the most prosperous countries among the 11 that implemented the Korean International ICT Volunteer Program in 2022.

INTERNATIONAL RELATIONS

Sri Lanka is a long-standing member of the International Telecommunications Union (ITU), Asia Pacific Telecommunity (APT), and South Asian Telecommunications Regulators' Council (SATRC). The Telecommunications Regulatory Commission of Sri Lanka (TRCSL) is the sole lawful authority to negotiate with the ITU or its affiliated bodies in all matters associated with telecommunication regulations.

The aforementioned international organizations' membership enables TRCSL to receive technical/expert assistance, collaborative projects, programs, and fellowship opportunities for capacity building in telecommunication/ICT. The Policy and International Relations division is the focal point for coordinating with international organizations to implement the abovementioned activities. Furthermore, the division facilitates the provision of required information to international organizations through surveys/questionnaires and disseminating information from international organizations to relevant local organizations and the other divisions of TRCSL.

Collaboration with International Organizations and Regional Regulators

1. Coordinating the Expert Assistance Programs

International organizations, including ITU and APT, provide technical or expert assistance in telecommunication/ICT to its member countries upon their requests. In the expert assistance process, the Policy and International Relations division is involved in the recruitment of experts, facilitation of discussions/meetings, arranging of public consultations, execution of projects, facilitation of logistic arrangements for foreign experts, preparation of necessary documents, etc.

Following expert assistance programs are currently being conducted in partnership with the ITU and World Bank.

a. World Bank Expert Assistance Programs

Under the Digital Development Policy Operation framework, the World Bank has affirmed its commitment to extend expert assistance to TRCSL to promote the digital economy and expand broadband connectivity in Sri Lanka. The expert assistance provided by the World Bank focuses on the areas of Spectrum Management, Competition Regulation, Amendment to the Telecommunications Act, and Organizational Restructuring & Capacity Building.

Ongoing programs undertaken by the World Bank are summarized as follows:

- i) Spectrum Assignment for Advanced Broadband Services including 5G Consultation Paper was published in December 2023. Responses for the

public consultation are expected to be received.

- ii) Competition Regulation on Telecommunication Market

The latest version of the consultation paper was received from the World Bank consultants and TRCSL expects to complete this in Q2 in 2024.

- iii) Amendment to the Telecommunications Act

Cabinet approval was pending for the Act amendment, and this will be completed in Q2 in 2024.

- iv) Organizational Restructuring & Capacity Building

Preliminary meetings were conducted with all divisions of TRCSL by the expert from World Bank.

b. ITU Expert Assistance Program

As a part of the expert assistance program in Asia and the Pacific, ITU agreed to provide technical assistance to Sri Lanka on "National gap analysis on affordable access to ICTs through infrastructure sharing." This mission is carried out in collaboration with TRCSL to develop a National Policy on Infrastructure Sharing. A committee was appointed by the Director General for the preparation of the Infrastructure Sharing Regulatory Framework. After reviewing ITU's Infrastructure Sharing draft report, the committee submitted its comments to ITU. The committee is currently awaiting feedback from ITU consultants.

2. Coordinating the Country Representations in High-Level Meetings & Conferences

International Regulatory Organizations in the telecommunication sector have encouraged member countries to continue their active participation and to contribute to related programs through in-person or online participation. In this context, the division coordinated with relevant international organizations (ITU, APT & SATRC) and arranged for the Director General and executive staff of TRCSL to participate in the following high-level meetings/conferences.

- The 24th Meeting of South Asian Telecommunication Regulator’s Council (SATRC-24)

SATRC is a key sub-regional activity established with a high level of commitment from nine South Asian countries. The SATRC Council Meeting functions as a forum for policymakers and regulators of the ICT/telecom industry to engage in discussions and coordination on common telecommunication issues at the regional level. The council meeting was attended by the Director General of TRCSL. The Director General delivered a General Statement during the opening session of the meeting and further contributed to the meeting by serving

as a panelist for two sessions.

- The 16th Session of the APT General Assembly (GA-16) and the 47th Session of the Management Committee (MC- 47).

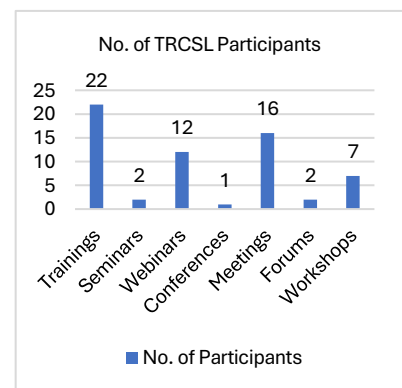
The General Assembly is the supreme organ of the Asia Pacific Telecommunity (APT), convenes in ordinary sessions every three years and in extraordinary sessions as required. The Management Committee, composed of all Members and Associate Members, meets once a year. It pursues the policies and principles of the General Assembly, and supervises the Secretariat’s function, reviews and approves work programs, annual budget, accounts, and draws up regulations. The Policy and International Relations division arranged credentials in coordination with the Ministry of Technology and Ministry of Foreign Affairs (UN Division) for the delegation of Sri Lanka to attend the aforementioned programs. A few executive officers of the TRCSL participated in these programs online, along with the in-person participation of representatives from the Sri Lankan Embassy in Bangkok.

3. Coordinating the Capacity Building and Training programmes

The division coordinated with international organizations, including ITU and APT, and arranged capacity-building for the TRCSL staff. For the sharing of knowledge and experience gathered from such capacity-building programs, the Policy and International Relations division conducted post-training presentations.

The division has made arrangements to nominate the relevant TRCSL officers to participate in the following programs for 2023 with the approval of the Advanced Training Committee (ATC).

| Category | ITU | APT | Other | Total |
|--------------|-----------|-----------|-----------|-----------|
| Trainings | - | 16 | - | 16 |
| Seminars | - | - | 01 | 01 |
| Webinars | 03 | 01 | 02 | 06 |
| Conferences | - | 01 | - | 01 |
| Meetings | 08 | 06 | - | 14 |
| Forums | - | 02 | - | 02 |
| Workshops | 02 | 03 | - | 05 |
| Total | 13 | 29 | 03 | 45 |



| Programs according to funding type | ITU | APT | Other | Total |
|--|-----|-----|-------|-------|
| Fellowship Programs | 08 | 22 | 01 | 31 |
| Free of Charge Programs | 05 | 07 | 02 | 14 |
| Total Number of International Programs | 13 | 29 | 03 | 45 |

Furthermore, three APT local training programs were organized in coordination with the APT, GSM Association (GSMA), Asia Pacific Network Center (APNIC), and Internet Society (ISOC) on the undermentioned topics with a total participation of 30 officials from TRCSL and telecom operators.

- APNIC Training Course on “Introduction to Software Defined Networking” (In-Person Training Course conducted at TRCSL), 9 - 13 October 2023.
- GSMA Online Training Course on "Competition Policy in the Digital Age", 29 June - 25 August 2023.
- ISOC Online Training Course - "Design and Deploying Computer Networks", 17 August – 17 September 2023.

International Events Organized/Hosted by TRCSL

The 2nd Meeting of the SATRC Working Group on Spectrum 19 – 21 September 2023, Colombo, Sri Lanka

The 2nd Meeting of the SATRC Working Group on Spectrum (WG SPEC) for Action Plan Phase VIII (SAP-VIII) was held from 19 to 21 September 2023 in Colombo, Sri Lanka. This event was organized by the Asia-Pacific Telecommunity (APT) and hosted by the Telecommunications Regulatory Commission of Sri Lanka (TRCSL). It was organized as a hybrid event and attended by delegates in person and virtually.

This SATRC meeting convened the highest-level representatives of regulatory bodies from the region onto a common platform for discussions on spectrum-related matters in the form of work items assigned to the SATRC Working Group on Spectrum by the Council of SATRC. These discussions include:

- Approaches to spectrum harmonization for 5G in SATRC countries
- Evaluating spectrum utilization in SATRC member countries
- Exploring regulatory approaches for spectrum

sharing, trading, and leasing of Spectrum,

- Cross-border coordination for interferences in SATRC countries
- SATRC Action Plans for the development of spectrum management infrastructure, procedures, and tools within SATRC countries.

This meeting was held in the Courtyard by Marriot Hotel, Colombo. The Policy and International Relations division collaborated with APT and the management of the Courtyard by Marriot Hotel to ensure the smooth progression of the meeting in adherence to APT's requirements and formalities, including facilitating a hybrid meeting setup. Furthermore, the division coordinated with relevant institutes for visa arrangements for foreign participants and worked with other divisions of TRCSL to fulfill the logistical requirements of the meeting.

This SATRC meeting was attended by 30 participants representing 9 SATRC member countries and four affiliate members of APT. 16 experts from 9 SATRC member countries were physically present at the meeting.

World Telecommunication and Information Society Day 2023

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 socioeconomic 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 2023, ITU invited all its member states to contribute and raise awareness under this year's theme:

'Empowering the Least Developed Countries through Information and Communication Technologies.' The theme highlights that billions of people who remain unconnected to the internet are in the 46 Least Developed Countries (LDCs), and the development of ICT in a country can enhance social and economic growth. This is achieved by assisting the underprivileged in business development, making it easier to access information and new markets, and facilitating access to education and health.

The Policy and International Relations division made necessary arrangements to obtain WTISD special messages from the Secretary General of the ITU, the Chairman, and the Director General of TRCSL and publish them on the TRCSL website. 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. Further, an event was successfully organized at the TRCSL auditorium with the participation of TRCSL staff, highlighting the theme of WTISD 2023. Subsequently, an awareness session on "Computer Security; Need for Information Security, Privacy Protection & Secure Use of Social Media" was also conducted for the same audience by a resource person from the Sri Lanka Computer Emergency Readiness Team (SLCERT).

Telecommunications Regulation Related Surveys and other Questionnaires

ITU World Telecommunication /ICT Indicators Questionnaire 2023

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. In this regard, the statistical data received from telecom operators have been aggregated, compiled, and submitted within the given time limits. Clarifications for some statistical data were obtained from operators where necessary. The "ITU ICT Indicators Short Questionnaire 2023" was completed in April 2023. The "ITU ICT Indicators Long Questionnaire 2023," which consists of 70 ICT indicators, was completed during the fourth quarter of this year.

The objective of the survey was to collect/update global data for the calculation of the ICT Development Index. 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 utilized to update various publications, including the World Telecommunication/ICT Indicators database, ITU's statistical publications, and World Bank publications.

ITU/APT Questionnaires and other surveys

The Policy and International Relations division made necessary arrangements to obtain relevant data in coordination with other divisions/telecom operators/

government organizations and completed following surveys/questionnaires after compilation of the collected information.

- ITU Global Cybersecurity Index Online Questionnaire 2023
- ITU ICT Price Basket Questionnaire 2023
- ITU Mobile Money Ad-Hoc Questionnaire
- ITU Artificial Intelligence Landscape Survey
- APT Questionnaires Approved by APT Wireless Group - 30(Five questionnaires)
- APT Questionnaire on Needs Survey for Training Courses in 2024
- APT Survey on Priority among APT Work Programmes in 2024
- Survey for APT/NIA World Friends Korea ICT Volunteer Program 2023
- Questionnaire on Stakeholder Consultation for Proposed National Policy on Biodiversity - Ministry of Environment
- Questionnaire on National Youth Policy - Ministry of Technology

Annual Subscriptions of International Organizations

As a member of international regulatory organizations in the telecom sector, such as ITU, APT, and SATRC, 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 to strengthen the human and institutional capacity of the country and adapt to an evolving telecommunication sector.

The 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 membership in 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 UN ESCAP (United Nations Economic and Social Commission for Asia and the Pacific) and ITU in July 1979 with the objective of promoting 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 the development and implementation of policies that are beneficial to the telecommunication and ICT sectors in the region. Subscriptions are paid by TRCSL on an annual basis to maintain membership in the APT.

South Asian Telecommunication Regulators' Council (SATRC) was formed in 1997 by an initiative of APT and ITU Regional Office for Asia and the Pacific. The SATRC is responsible for the discussion and coordination of all the issues relating to regulations in telecommunication and ICT, which are of common interest to

telecommunication regulators in South Asian countries. These issues include radio frequency coordination, standards, regulatory trends, strategies for telecommunication development, and telecommunication-related international affairs. The council also identifies and promotes areas of potential cooperation in telecommunication among South Asian countries and facilitates the exchange of information in these areas through activities such as seminars, trainings, and workshops. Subscriptions are paid by TRCSL on a two-yearly basis to maintain membership in the SATRC.

The TRCSL made arrangements to disburse membership payments to both ITU and APT during the fiscal year 2023. A membership subscription payment of CHF 159,000 was remitted to ITU, and a corresponding payment of USD 15,420 was made to APT in the first quarter of 2023.

LEGAL AFFAIRS

- Legal advice was provided for issues relating to section 17 (2) Telecommunication System Licenses, Vendors licenses, Radio Frequency Spectrum, Network, and telecom operators.
- Advised and assist in compliance matters ranging from customer complaints, SIM registration, website – related issues, and other initiatives relating to regulatory compliance. The division also advises on administrative and human resources-related issues.
- Participated and advised on many initiations of TRCSL, including the introduction of mobile number portability, IMEI registration system, and Internal Committee for

Resolution of Consumer Complaints.

- Processed 554 court orders required for criminal investigations in the year 2023, to assist the law enforcement authorities in investigating offences.

In the year 2023 the division was actively involved and contributed towards the following regulatory activities of the Commission despite the country's economic issues. The year 2023 in review was a very productive one.

(i) Special projects/Colombo Lotus Tower Project

- 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 Colombo Lotus Tower (CLT). The signing of the management agreement and preparation of lease agreement for CLT.

(ii) Amendment of the Telecommunications Act

- The 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.
- Steps have been taken to refer the preparation of concept paper to AG's Department and on their advice Cabinet paper has been submitted by the Ministry of Technology on the said amendments.

(iii) Litigation

- The Legal division has initiated legal action to recover statutory dues from defaulting operators. Several new cases were filed in the Supreme Court with regard to social media issues in year 2023, legal division took all steps to ensure that these cases were defended in court.
- Regulatory cases: Writ application was filed in the Court of Appeal by Mobitel (Pvt) Ltd against the acquisition and amalgamation of Dialog Axiata PLC with Bharthi Airtel Lanka (Pvt) Ltd re: spectrum assignments.
- Sri Lanka Telecom PLC filed a Writ application in the Court of Appeal challenging the directives issued by TRCSL against sharing of Radio Access Network (RAN) including radio frequencies with Mobitel (Pvt) Ltd.

SPECIAL PROJECTS

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 from one

direction with the use of a single antenna. 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 a high-elevated 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 the University of Moratuwa |
| Contracted Price | USD 104.3 Mn. + 9.3 Total |
| 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) |
| Project Completion Date | 28.02.2022 |

Summary of the Project

| Colombo Lotus Tower Project | | |
|--|---|---|
| Action Item | Outcome | Performance |
| Colombo Lotus Tower Construction | <ul style="list-style-type: none"> Percentage of testing and commissioning/coordinate investigation and clear/ handover. EXIM bank loan repayment Percentage of defect rectifications. Delivery of contractual documents Disposal/re export of Machinery and equipment | <ul style="list-style-type: none"> Re-appointment of the CANC/PC. Major defect rectifications and inspection. The Cabinet paper on PCU balance payments is under review. Compilation of Asset Register Initiated the process with the assistance of Sri Lanka Customs on the tax payment of disposable/re-export equipment. |
| Commercialization of the Colombo Lotus Tower Complex | <ul style="list-style-type: none"> Obtaining insurance cover Enter into maintenance agreements with local agents/suppliers by the management company. Marketing campaign Monetization from broadcasting infrastructure. | <ul style="list-style-type: none"> Initiated discussions with Mass Media for the use of the CLT infrastructure for Digital Broadcasting. Required insurance covers were obtained. Lease Agreement was signed with CLTMC. Commence the operation of CLT Revolving restaurant. |
| Utilization of Tower Mast | <ul style="list-style-type: none"> Digital Video Broadcasting from CLT and Making CLT the Broadcasting hub of Sri Lanka. Facilitating MOD requirements Utilization of CLT Mast for value-added services. | <ul style="list-style-type: none"> 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. Initialization of discussions with MOD to mobilize Defence requirements. Steps have been taken to value the area of the two floors of the Tower House. |
| Lotus Tower Phase 02 Project | <ul style="list-style-type: none"> Vehicle parking facility along with mixed development. | <ul style="list-style-type: none"> The land was acquired, and developments are in progress. |
| Administrative Progress of the project | <ul style="list-style-type: none"> Following contractual processes to complete the site, testing and commissioning. Serving EXIM bank Loan | <ul style="list-style-type: none"> Loan capital and interest payment due in 2023 was on hold due to the advice of Ministry of Finance. Reviewed the amended agreement on repayment of Exim Bank loan. |

| Other Development Projects | | |
|---|---|--|
| Project | Outcome | Performance |
| TRCSL New Building Construction | <ul style="list-style-type: none"> Percentage of completion. Values of the delivery of the project components. | <ul style="list-style-type: none"> Committee was Appointed for interior design. Additional works essential for the completion of the project was identified. Physical works were completed other than testing and commission. The process started to Inform the Cabinet of Ministers on the new building construction instead of the development of the building approved by the Cabinet of ministers. |
| IT Park – Hambantota | <ul style="list-style-type: none"> Calling EOI for investment in Hambantota IT Park. | <ul style="list-style-type: none"> Internal Committee was Appointed to call EOI. |
| Kadirana Rehabilitation, Renovation & Refurbishment Project | <ul style="list-style-type: none"> Percentage of completion. Values of the delivery of the project components. Additional Work required for fully completion project. | <ul style="list-style-type: none"> Rescheduled the project with identifying additional work. Internal Committee was Appointed to identify additional work. |

ADMINISTRATION & CORPORATE AFFAIRS

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.

The total staff as of 31st December 2023 was 222. Of the entire staff, 53 were in Senior Managerial posts, 24 were in Middle Managerial posts, 100 were in subordinate ranks, and 45 were in minor grades. The number of cadres approved for the TRCSL was 298.

Under the internal promotion scheme, 01 Management Assistant, 04 Office Aides, and 01 Assistant Director were promoted from Grade II to Grade I.

03 Deputy Director Generals, 09 Directors, a Commission Secretary, 17 Assistant Directors, 02 Audit Assistants, 02 Management Assistants, and 08 drivers were appointed. Upon consideration of successful performance and fulfillment of entry requirements, 02 contract employees were offered permanent employment as Management Assistants.

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

In 2023, necessary actions were taken by the division to prepare the performance evaluation for employees and to provide salary increments for 194 permanent staff officers. 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. 01 preliminary investigation was conducted during the year.

The total number of new 2/3rd reimbursements, distress loans, and vehicle loans arranged by the division for 2023 were 258, 51, and 01, respectively. Gratuity payments were also made for 06 retired employees.

The division continued its work on the proposed Scheme of Recruitment (SOR) during the year under the direction and guidance of the Commission of TRCSL. Accordingly, discussions were continued to verify the proposed organigrams for the respective divisions.

The division successfully conducted an Efficiency Bar Examination for the officers of the staff.

Annual Report 2022

An annual report is a publication that must be provided annually to Parliament describing the operational performance and financial status along with the observations of the Auditor General. TRCSL submitted the draft Annual Report 2022 with the Financial Statement to the Auditor General Office and other relevant institutions on 02.05.2023. The Commission paper was submitted for approval for the Annual Report 2022 after receiving the draft Auditor General's report on 22.08.2023. The Commission approval was received on 14.09.2023, and final preparations are being made. The report was in the translation stage at the end of the year. However, Cabinet papers and relevant supporting documents have been prepared parallelly to expedite the submission process after completion of the translation.

Corporate Plan 2024-2026 & Action Plan 2024

The Corporate plan process sets out a robust way forward for the organization to ensure the achievement of its objectives while ensuring the optimal utilization of resources.

The telecommunications industry is a dynamic one with rapid changes in technology. Customers and industry, financial, internal process, and organization capacity perspectives will benefit when reaching our goal. The corporate plan incorporates strategies to be implemented by TRCSL and strives to create an effective regulatory environment. The TRCSL's Corporate Plan was updated for three years, from 2024 to 2026.

The Corporate Plan and the Action Plan 2024 were prepared with consultation of Heads of Divisions under the supervision of the Director General. Commission approval was obtained on 22nd December 2023 for its implementation, and those reports/ the action plan were submitted to relevant Ministries and Authorities.

Quarterly Review of the Action Plan 2023

TRCSL conducted 04 progress review meetings each quarter to review the Action Plan. As the guidelines have been set to submit the quarterly progress of the institution, TRCSL has submitted the progress information to the Line Ministry, Department of Public Enterprises, and National Audit Office on time.

Co-ordinated previous CSR Matters of the Institution

TRCSL attended to the previous Corporate Social Responsibility (CSR) activities while directing the Commission decisions. According to the Commission's decision, a Cabinet paper was drafted and forwarded to the Ministry of Technology (MoT). MoT forwarded

the cabinet paper to the cabinet office. The Cabinet Office has called observations from the Ministry of Finance, and the requested information was submitted to the Finance Ministry with the concurrence of the Legal division.

The Cabinet decision was “To direct the Secretary, Ministry of Technology to take necessary actions to appoint a three-member committee with the consultation of the H.E. the President in his capacity as the Minister of the Technology.” Accordingly, TRCSL requested the Secretary to the MoT to assign a three-member Committee with the consultation of the H.E., the President, and

awaiting the implementation of the Cabinet decision. The ministry to which the TRCSL belongs changed several times in a short period. Necessary awareness was raised regarding the proposed committee appointment and introduced to the relevant Ministries. Therefore, coordinating the work of this initiative at the Ministry level was delayed.

Official Correspondence of Corporate Affairs matters

TRCSL coordinated and handled matters related to the Presidential Secretariat, Cabinet Secretariat, Treasury, Ministries, Departments, and other statutory authorities in relation to the function of institution activities in the year.

Further, matters related to the National Audit Office, Line Ministry, Committee on Public Enterprises (COPE), and other parliamentary committees were attended during the year.

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. Due to the government policy of controlling government expenditure, providing local training during the year is highly restricted. 83 officers attended local training, and 38 officers have attended fully funded foreign training and other programs.

Participation of TRCSL Staff in Foreign & Local Training programs in 2023

| No | Foreign Programme | Funding Type | Period | | Number of Officials Participated |
|----|--|--------------|--------------|------------|----------------------------------|
| | | | From (D/M/Y) | To (D/M/Y) | |
| 01 | The South Asian Telecommunication Regulators' Council (SATRC) Workshop on Spectrum | Fellowship | 31.01.2023 | 02.02.2023 | 2 |
| 02 | APT Training Course on Cyber Security Technologies - Trend of Risks in the latest and its Counter measures | Fellowship | 13.02.2023 | 17.02.2023 | 1 |
| 03 | Fellowship to APG23-5 | Fellowship | 20.02.2023 | 25.02.2023 | 1 |
| 04 | Cybersecurity for 5G Applications Meeting of ITU-T Study group 17 | Fellowship | 21.02.2023 | 03.03.2023 | 1 |
| 05 | APT Training course on preparing for International Conferences | Fellowship | 07.03.2023 | 10.03.2023 | 1 |
| 06 | The Meeting of ITU-T Study Group 03 | Fellowship | 01.03.2023 | 10.03.2023 | 1 |
| 07 | 35th APT Standardization Program Forum (ASTAP-35) and the 1st Meeting of the APT Preparatory Group for WTSA-24 | Fellowship | 17.04.2023 | 21.04.2023 | 1 |
| 08 | Inauguration Ceremony of ITU Area office India | Fellowship | 21.03.2023 | 24.03.2023 | 1 |
| 09 | SATRC Workshop on Policy, Regulation and Services | Fellowship | 08.05.2023 | 10.05.2023 | 2 |
| 10 | ITU T Study Group 11 | Fellowship | 10.05.2023 | 19.05.2023 | 1 |
| 11 | ITU-T Study Group 9 | Fellowship | 09.05.2023 | 18.05.2023 | 1 |
| 12 | The 31st Meeting of the APT Wireless Group | Fellowship | 22.05.2023 | 26.05.2023 | 1 |
| 13 | APT-NIA Training Program on Resolving Economic and Social Issues through Data, Network and AI | Fellowship | 22.05.2023 | 17.06.2023 | 1 |
| 14 | ITU Masterclass on "Technologies defining the new broadcast media approaches" | Fellowship | 22.05.2023 | 26.05.2023 | 1 |
| 15 | The APT Training Workshop on Policy Development for High Level Officials | Fellowship | 26.06.2023 | 29.06.2023 | 1 |
| 16 | The APT Training Course on Ultra Broadband Network Technology and Solution | Fellowship | 14.08.2023 | 18.08.2023 | 1 |
| 17 | The 23rd APT Policy and Regulatory Forum (PRF-23) | Fellowship | 20.06.2023 | 22.06.2023 | 1 |
| 18 | The Meeting of SATRC Working Group on Policy Regulation and Services | Fellowship | 04.07.2023 | 06.07.2023 | 2 |

| | | | | | |
|----|---|------------|------------|------------|---|
| 19 | The 06th Meeting of the APT Conference Preparatory Group for WRC-23 | Fellowship | 14.08.2023 | 19.08.2023 | 1 |
| 20 | The APT Training course on Empowerment of Blockchain, Cyber Security & Cyber Forensic | Fellowship | 01.09.2023 | 06.09.2023 | 1 |
| 21 | The APT Training course on Future Network Infrastructure and the Implementation of Digital Transformation | Fellowship | 04.09.2023 | 08.09.2023 | 1 |
| 22 | The APT Training Course on Artificial Intelligence and 5G Technology | Fellowship | 17.09.2023 | 26.09.2023 | 1 |
| 23 | The ITU Senior Executive Capacity Building Workshop on Whole-of-Government (WoG) and Gov Stack | Fellowship | 21.09.2023 | 22.09.2023 | 1 |
| 24 | APT Training Course on Innovation, Application, and Governance Challenges of Artificial Intelligence | Fellowship | 23.09.2023 | 27.09.2023 | 1 |
| 25 | The 24th Meeting of the South Asian Telecommunication Regulators' Council | Fellowship | 03.10.2023 | 05.10.2023 | 1 |
| 26 | The APT Training Course on Developing fundamental network planning skills in regional communities to bridge the digital divide | Fellowship | 11.10.2023 | 20.10.2023 | 1 |
| 27 | The APT Training Course on LTE and 5G: the Next Generation of Wireless Communication | Fellowship | 09.10.2023 | 14.10.2023 | 1 |
| 28 | Advanced Seminar on 5G Mobile Communication Technology and Application AIBO | Fellowship | 11.11.2023 | 24.11.2023 | 2 |
| 29 | The APT Workshop for bridging the gender gap and training mobile solution architects for local issues | Fellowship | 13.11.2023 | 17.11.2023 | 1 |
| 30 | The ITU Study Group 02 – Operational Aspects of service Provision and Telecommunication Management | Fellowship | 06.11.2023 | 19.11.2023 | 1 |
| 31 | The APT Training Course on Optical & Wireless Network Technologies for Future ICT, NTT Advanced Technology Corporation | Fellowship | 06.11.2023 | 14.11.2023 | 1 |
| 32 | The ITU Second Meeting of ITU -D Study Group for the 2022-2025 | Fellowship | 30.10.2023 | 03.11.2023 | 1 |
| 33 | The APT Training Courses on State Computation on 5G and IoT Network Infrastructures to provide their Industrial Verticals, NT Academy | Fellowship | 20.11.2023 | 24.11.2023 | 2 |

Participation in Local Training Programmes

| Local Programme | Organization | Duration | Number of officials Participated |
|---|----------------------------------|----------|----------------------------------|
| Conducting in house training program on Bid Evaluation | SLIDA | 02 days | 30 |
| How to Minimize Audit problems in government organization | SDFL | 01 day | 01 |
| 44 th National Conference of ICASL | ICASL | 01 day | 03 |
| New Tax Law & Computation of income tax Liability | Distance Learning Centre Ltd. | 01 day | 02 |
| Induction training for new AD's | - | 02 days | 17 |
| Workshop on written communication | Department of Official Languages | 02 days | 30 |

Procurement Activities

The division coordinated activities to supply different goods, works, and services to the Commission. These activities include preparing bidding documents, publication 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. During the period under review, 15 meetings of the Department Procurement

Committee (Major) and 04 meetings of the Department Procurement Committee (Minor) were held successfully.

Thirty-nine procurements were completed in the year, and 20 were continued to the following year.

Maintenance of Fleet of Vehicles

In 2023, the fleet of vehicles of TRCSL consisted of eleven cars, two double cabs, four jeeps, five vans, one bus, and two motorbikes. The vehicles were allocated for inspection visits, transport facilities for the staff for official duties and welfare activities, etc.

Annual Board of Survey

The annual board of survey for the year 2022 was carried out in January 2023. A board comprising six members was appointed to carry out the survey. Items to be disposed were identified, and necessary actions were taken to dispose these items according to standard procedure. The auction of goods for the year 2022 was held at the Head office of TRCSL on 10.11.2023. The auction's total income was Rs. 279,600.00.

Logistics Support

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

Recommendation/Approval of Payments

An essential activity of the Administration Division is approving 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.

Library

The TRCSL library has been established to assist individuals engaged in the telecom industry and other interested parties to update their knowledge. It has an extensive collection of textbooks and magazines on telecommunications. The library facilities are continuously being improved to fulfill the requirements of the users. The library provides reference facilities to TRCSL staff and external parties such as researchers, university students, school children, etc.

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 organization's telecommunications regulatory activities.

- **Event Coverage:** The media unit captures photographs and videos of significant TRCSL events and occasions, utilizing cutting-edge technology for editing and secure storage.
- **Content Creation:** In collaboration with relevant TRCSL divisions, the media unit produces animated and awareness videos related to telecommunication regulatory activities. These videos are disseminated through official social media channels and the TRCSL website.

INFORMATION TECHNOLOGY

Information Technology Division functioned under the leadership of Actg. Director/Information Technology, towards a fully digitalized government organization.

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

Initiated the work 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.

System & Process Development

The redesign of the TRCSL official website phase 01 was completed in 2023, hosted on a cloud platform, and the works are in progress for further development. The TRCSL official website domain name was secured with Secure Sockets Layer (SSL) certificate implementation to increase the connection's security to communicate with the public and related parties.

The IT Division initiated several systems and process developments to improve the digitalized services to be provided to the related beneficiaries. Furthermore, the Division made arrangements for the automation of the work process & functional transformation of selected Divisions of TRCSL. Finance Division Automation process initiated.

Information Technology Governance

The Information Technology Division initiated a process to prepare the information security guidelines to align with information and cyber security policy. TRCSL is working with SLCERT to obtain advisory services to implement information and cyber security policy. For this purpose, a Memorandum of Understanding (MOU) is being prepared with SLCERT. According to the cyber security policy, guidelines will be prepared to apply the best practices when using the ICT systems. Once the MOU is signed, IT general control review & diagnostic technical reviews and process-based IT risk assessments will be implemented.

Information Technology Governance framework was initiated, and 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.

FINANCE

Annual budget / Delegation of Financial Authority / Financial statement

Reports relating to the Annual Budget of 2023, Statement of Delegation of Financial Authority of 2023, and Annual Financial Statement of 2022 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."

| | 2021/22 Rs. Mn | 2022/23 Rs. Mn |
|----------------------------|-------------------|-------------------|
| Assessable Income | 16,449 | 14,872 |
| Less: Qualifying Payment | 8,500 | 13,200 |
| Taxable Income | 7,949 | 1,672 |
| Final Tax Liability | 1,908 | 502 |

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. 9,330 Mn
- 2nd Quarter - Rs. 3,753 Mn
- 3rd Quarter - Rs. 7,086 Mn

- 4th Quarter - Rs. 7,786 Mn (Total of 27,956 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

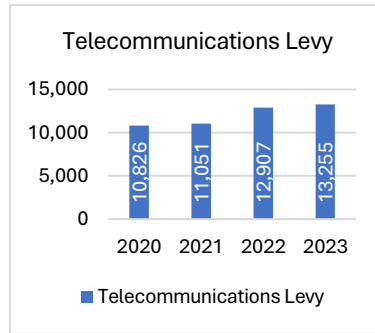
The Statutory power to earn and collect the revenue of the Commission is vested by the Telecommunication Act No. 27 of 1996. Accordingly, the Commission earns/collects revenue by way of Radio License Fees, Cess Fees, System Operator

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.

| Source of Income | 2023 (Rs. '000) |
|--|--------------------|
| System Operator License Fees | 5,011,857 |
| CESS Fees | 5,637,770 |
| Radio Frequency License Fees | 8,329,845 |
| Frequency Upfront Fees | 6,106,230 |
| Vendors License Fees | 15,793 |
| Amateur Radio License Fees | 86 |
| Ship Station License Fees | - |
| Aircraft License Fees | - |
| Cordless Phone Dealer Charges | 71,589 |
| Examination Fees | 360 |
| Type Approval Fee | 23,407 |
| Application Processing Fees | 2,320 |
| Short Code Charges | 55,200 |
| ISP License Fees | - |
| Label fee | 44,189 |
| Other Income (Interest income from Fixed Deposits, Staff loans etc.) | 3,759,145 |

Collection of Telecommunication Levy

The Telecommunications Levy is collected per the provisions in the Telecommunication Levy Act, No. 21 of 2011. The Telecommunications levy rate was 15% until 1st November 2019. The Government imposed the telecommunications levy rate of 11.25% with effect from 1st December 2019 after introducing a 25% reduction to the previous levy rate. The Government has decided to increase Telecommunications levy from 11.25% to 15% with effect from 04.06.2022.



Collections under Finance Act

International Telecommunication Operators' Levy

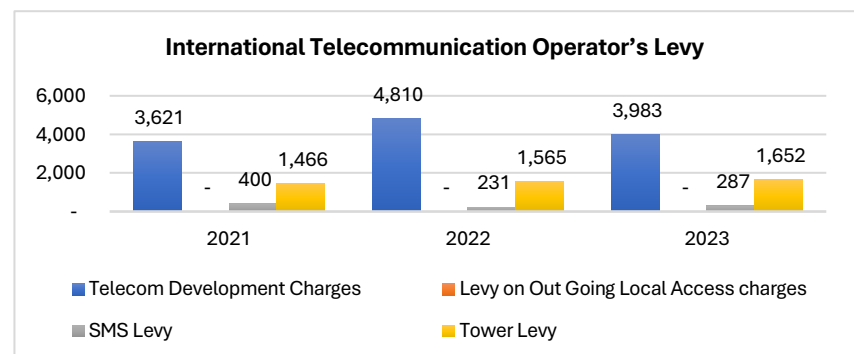
In addition to the above revenue, in terms of Finance Act No. 11 of 2004, as amended by the Finance Act No. 13 of 2009, the Commission collected the International Telecommunication Operator's Levy from International Telecommunication Operators.

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.

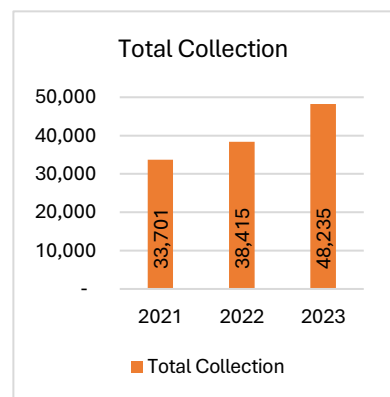
SMS Levy

This is charged as mobile bulk SMS and introduced with effect from 01st April 2019 at a rate of Rs. 0.25 per SMS. Under section 48 of the Finance Act No.35 of 2018 there shall be charged w.e.f 13.12.2023 on bulk advertisement sent through a fixed telephone line.

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.



Remittance to the Consolidated Fund

In 2023, Rs. 44.05 billion was transferred to the Government Treasury by TRC to strengthen the Government Revenue as follows.

| Description | 2022 Rs. Bn | 2023 Rs. Bn |
|---------------------------------------|----------------|----------------|
| Telecom Act / TRC Funds | 13.2 | 25.0 |
| Telecom Levy | 12.9 | 13.25 |
| Telecom Development Charges 50% | 2.4 | 1.9 |
| Levy on Outgoing Local Access Charges | - | - |
| SMS Levy | 0.23 | 0.28 |
| Tower Levy | 1.56 | 1.62 |
| TDC Unutilized-Treasury | - | 1.87 |
| Total | 30.30 | 44.05 |

Property, Plant & Equipment

During the year 2023, Rs. 2.5 Mn was spent to purchase computers and other office equipment 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. 1,125 Mn as interest income through money market transactions during the year under review.

INTERNAL AUDIT

- 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 above-

mentioned tasks and arranges Audit Committee meetings.

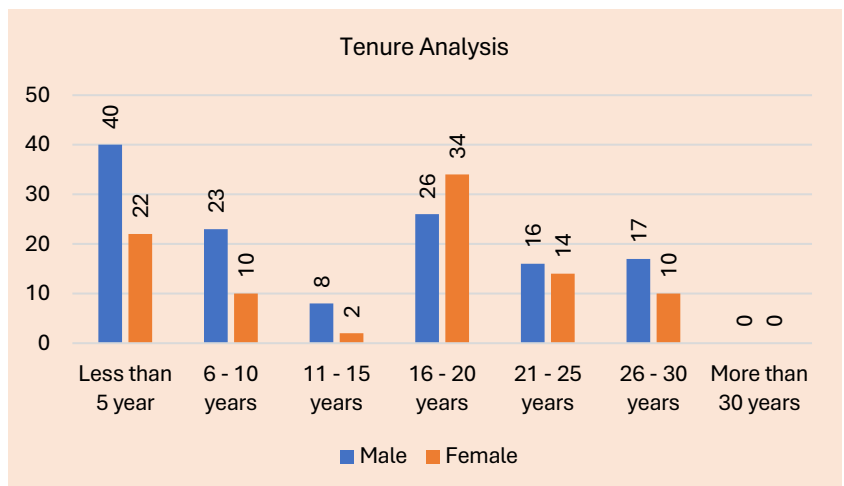
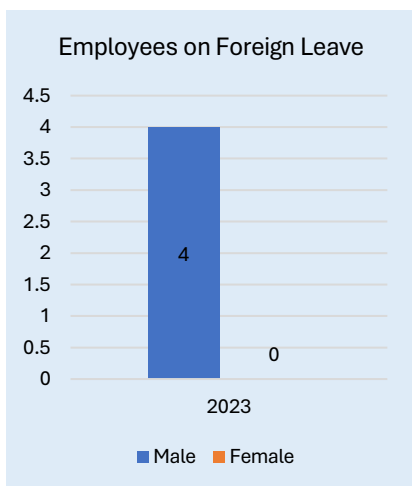
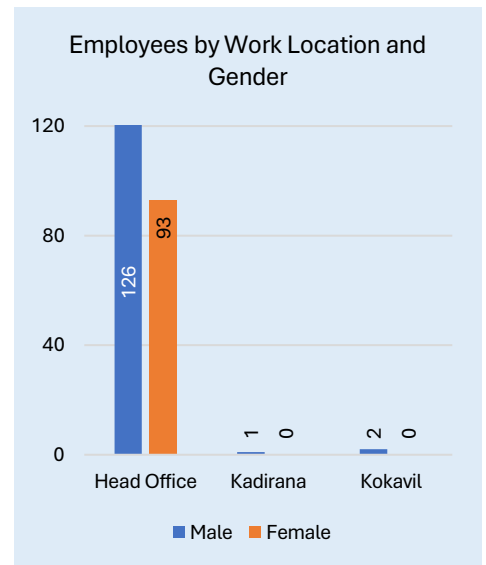
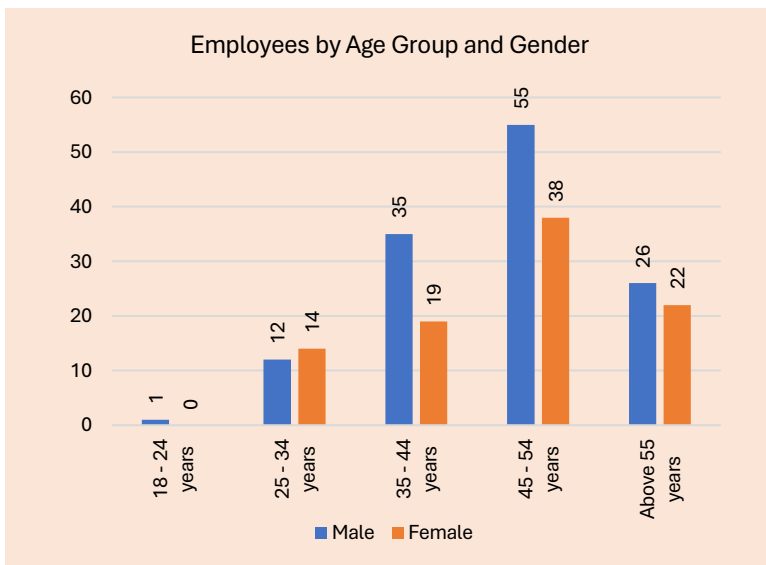
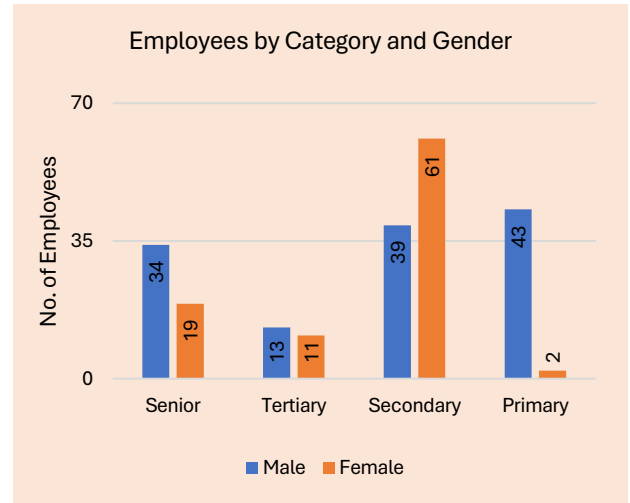
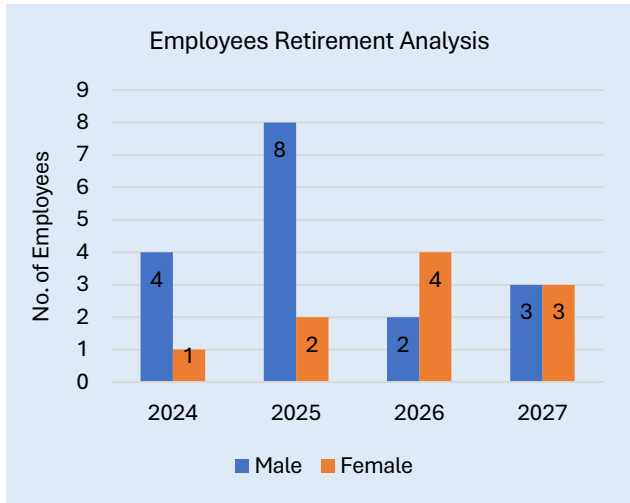
- Preparation and circulation of the decisions of the Audit Committee to Heads of Divisions to take appropriate action.
- Submission of half yearly reports to the Auditor General's Department.
- Carry out special investigations when requested by the Director General / Members of the Commission.
- Assist and make recommendations to various committees appointed by Director General / Commission from time to time.

Internal Audit Carried following activities for the year 2023

| # | 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 | Issue 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. | Completed & Submitted the Internal Audit Report |
| 4 | Issue 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 | Revenue from Telecommunications system Operator (License issued under section 17 of the TRC Act No. 25 of 1991 as amended by Act No. 27 of 1996.) | Completed & Submitted the Internal Audit Report |
| 6 | Sundry Income | Completed |

| # | Description | Complete/In progress/Other |
|----|---|--|
| 7 | Maintenance of Running Charts | Completed & Submitted the Internal Audit Report |
| 8 | Payment of Salaries & Wages | Completed & Submitted the Internal Audit Report |
| 9 | Process of granting and settlement of advances of TRCSL | Completed & Submitted the Internal Audit Report |
| 10 | Maintenance of Fixed Asset Inventory | Submission of the Internal Audit Report is in progress |
| 11 | Procurement of TRCSL | Completed & Submitted the Internal Audit Report |
| 12 | Verification of Bank Reconciliations | Completed & Submitted the Internal Audit Report |
| 13 | Debtor Balances on Frequencies | Completed & Submitted the Internal Audit Report |
| 14 | Process of Granting and Recovery of Distress Loan | Completed & Submitted the Internal Audit Report |
| 15 | Coordinate with National Audit Office, regarding all audit queries & replies – Audit Reports - 03 Audit Queries - 54 Request to Information - 17 | Completed |
| 16 | Coordinate with Department of Management Audit | Completed |

OUR EMPLOYEE PROFILE



AUDIT COMMITTEE UPDATES

During the year 2023, four (04) Audit Committee meetings were held, and the following matters were discussed at this meeting.

1. Audit Committee meeting held on 30th May 2023.

1.1 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 | To send a letter to IESL requesting suggestion on selection process of auditor for technical audit for Colombo Lotus Tower. |
| Checking of Vehicle Loan | To send a letter reminding RMV on the inquiring made by TRCSL and to submit finalized Vehicle Loan Circular. |
| Query received from Auditor General Physical Verification of Telecommunication Towers is being carried out with the assistance of respective Divisional Secretariats or Local Authorities. | <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 by the relevant divisions. |
| Report on Actual vs. Budgeted revenue, amount remitted to Treasury for the year 2023. | To submit amount remitted to treasury for the year 2023. |
| Internal Audit Plan for the year 2022 | To recruit required staff for the Internal Audit Division. |
| Audit on the process of Granting and settlement of Advances of TRCSL | To submit unsettled advances as at the end of every quarter. |
| Internal Audit on the Procurement of TRCSL | To submit management responses on undue delays in procurement procedure. |
| Audit on Bank reconciliation | To expedite reconciliation of unrecognized deposits. |
| Audit on the Payment of Salaries and Wages | To forward a memo to all staff members informing them to place their signatures in salary sheet as per the requirements of Financial Regulations. |
| Audit on Internal Audit on Broadcast Station Licence (TV) and Broadcast Station Licence (FM) | To provide reason for delays in payments of licence fees. |
| Audit on Maintenance of Running Chart | To check the completeness of running chart before recommending the payment on overtime. |
| Internal Audit on Licensing to operate Telecommunications System | To provide reasons for payment delays |
| Query received from Auditor General Issue relating to Colombo Lotus Tower on consultation Fees | To submit the draft cabinet paper. |

2. Audit Committee meeting held on 22nd June 2023

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 | To send a letter to IESL requesting suggestion/opinion on selection process of auditor for technical audit for Colombo Lotus Tower. |
| Checking of Vehicle Loan | To review the draft vehicle loan circular and to obtain legal opinion and concurrence. |
| Query received from Auditor General | <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 by the relevant divisions |
| Report on amount remitted to Treasury for the year 2023 | To report amount remitted to Treasury for the year 2023. |
| Internal Audit Plan for the year 2022 | To recruit 02 audit assistants after obtain approval of Director General of Department of Public Enterprises. |
| Audit on process of Granting and Settlement of Advances of TRCSL | To submit unsettled advances as at the end of every quarter. |
| Audit on the Procurement of TRCSL | To provide under which contractual clause procurement of CCTV Camara System, agreement was canceled. |
| Audit on Bank reconciliation | To submit deposits not recognized on the Bank Reconciliation Statements 2020 to 2022. |
| Audit on the Payment of Salaries and Wages | To forward a memo to all staff members informing them to place their signatures in salary sheet as per the requirements of Financial Regulations. |
| Query received from Auditor General Issue relating to Colombo Lotus Tower on consultation Fees | To calculate the consultation fees and obtain the approval of Cabinet of Ministers. |
| Matter raised from Observer from Ministry of Technology | To submit a commission paper base on Audit Query/ COPE minutes on enabling a Treasury representative to act as a member of TRCSL. |
| Payments (except salaries and related payments, loans and advances to employees) | To submit a reply to internal audit observation. |
| Matter raised from Observer from Ministry of Finance | To reconcile revenue remittance to treasury and revenue stated in Financial Statements. |

3. Audit Committee meeting held on 21st September 2023

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 and Special Projects | <ul style="list-style-type: none"> To schedule a meeting to discuss the scope of the Technical Audit with Institute of Engineers. To schedule a meeting with selected auditor to discuss the Technical Audit. |
| Checking of Vehicle Loan | To submit the draft vehicle loan circular after incorporating observations and recommendations of Legal Division. |
| Query received from Auditor General | <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 by the relevant divisions. |
| Report on amount remitted to Treasury for the year 2023 | To report amount remitted to Treasury for the year 2023. |
| Internal Audit Plan for the year 2022 | To recruit 02 audit assistants after obtain approval of Director General of Department of Public Enterprises. |
| Audit on process of Granting and Settlement of Advances of TRCSL | To submit unsettled advances with all advance balance including long outstanding balance as at the end of every quarter. |
| Audit on the Procurement of TRCSL | To provide technical report on operation of CCTV Camara System. |
| Query received from Auditor General Issue relating to Colombo Lotus Tower on consultation Fees | To calculate the consultation fees and obtain the approval of Cabinet of Ministers. |
| Matter raised from Observer from Ministry of Technology | To submit a commission paper base on Audit Query/COPE minutes on enabling a Treasury representative to act as a member of TRCSL. |
| Matter raised from Observer from Ministry of Finance | To reconcile revenue remittance to treasury and revenue stated in Financial Statements. |
| Internal Audit on Bank Reconciliation | To follow up the reconciliation of deposits not recognised relating to the People's Bank Account. |

4. Audit Committee meeting held on 21st December 2023.

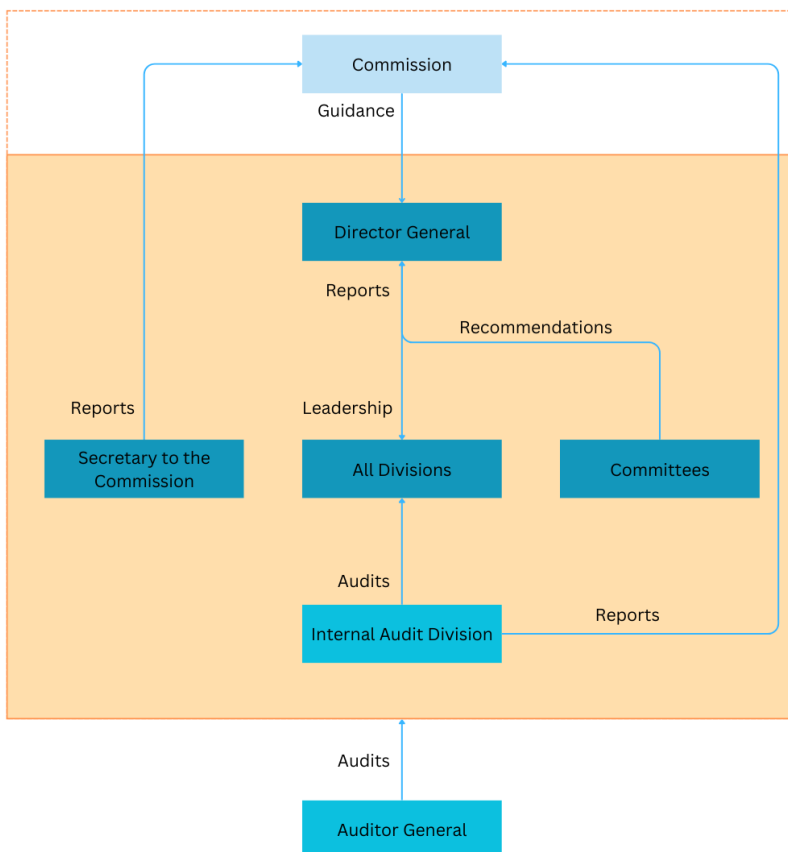
4.1 The reports/matters were discussed, and decisions / actions were taken as follows:

| Subject Area | Action / Decision taken |
|--|---|
| Internal Audit of Colombo Lotus Tower and Special Projects | To submit a commission paper on technical audit in CLTP. |
| Checking of Vehicle Loan | To submit the draft vehicle loan circular after incorporating all concerns raised. |
| Query received from Auditor General | <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 by the relevant divisions |
| Audit on process of Granting and Settlement of Advances of TRCSL | To submit unsettled advances with all advance balance including long outstanding balance as at the end of every quarter. |
| Audit on the Procurement of TRCSL | To provide technical report on operation of CCTV Camara System. |
| Audit on Bank reconciliation | To follow up the reconciliation of deposits not recognised relating to the People’s Bank Account. |
| Internal Audit on Process of Distress Loan | To ensure regular reconciliations with general ledger and loan register. |
| Audit on the Payment of Salaries and Wages | <ul style="list-style-type: none"> • To forward a memo to all staff members informing them to place their signatures on the salary sheet as per the requirements of Financial Regulations. • To reconcile the long outstanding balances of Salary Control account. |
| Corporate Plan, Annual Report, Action Plan, Budget, Procurement Plan and Board of Survey | <ul style="list-style-type: none"> • To submit the Annual Report for the year 2022 to parliament. • To submit Procurement Plan for the year 2024 and Board of Survey Report for the year2023. |

CORPORATE GOVERNANCE REPORT

The Telecommunications Regulatory Commission of Sri Lanka is a statutory body which recognizes excellent corporate governance as a crucial corporate requirement. In all areas of its operations, the Commission is dedicated to adhering to all statutory and regulatory requirements. Transparency, dependability, and compliance are the guiding principles that the Commission uses to lead itself in achieving its goals.

Corporate Governance Framework



The Commission

The Commission deeply committed to upholding the highest standards of governance, firmly believes that strong corporate governance practices are the cornerstones of a thriving telecommunications landscape. These practices not only enhance the value of regulations, but also ensure the vital interests of consumers and stakeholders are safeguarded. In pursuit of this noble objective, the Commission has diligently crafted a set of rigorous governance principles. These principles prioritize excellence in every aspect of the Commission's work, from diligent control procedures to unwavering transparency and robust accountability. Moreover, strict adherence to all applicable laws and regulations remains paramount, solidifying the Commission's commitment to ethical and responsible governance.

- Sri Lanka Telecommunication Act No. 25 of 1991
- Sri Lanka Telecommunication (Amendment) Act No. 27 of 1996
- Regulations issued by the Commission.
- Appointment and Disciplinary Codes of TRCSL
- Establishment Code

- Financial Regulations
- Department of Public Enterprises guidelines
- Sri Lanka Accounting and Auditing Standards
- National Procurement Guidelines
- Relevant Government Circulars

Appointments to the Commission

The Secretary of the Line Ministry serves as the ex officio Chairman, bringing leadership and a deep understanding of the government's perspective. The Director General and other three esteemed Members are appointed by the Minister. The Director General is the Chief Executive Officer of the Commission and responsible for direction of the affairs & transaction of the Commission, the exercise & performance of powers and duties of the Commission. He serves as the primary channel, leading both the staff and the Commission towards the attainment of well-defined strategic objectives.

Three members are appointed representing the fields of Law, Finance, and Management. The Commission members have the necessary knowledge, skills, and experience to lead the institution toward the highest levels of good governance and achieve the objectives of the Telecommunications Regulatory Commission. They are individuals who possess vision, leadership skills, competence, and integrity. Page 08 to 09 of this Report provide the individual profiles of the Commission members.

Responsibilities of the Commission

The Commission is the highest decision-making body of the organization which provides strategic leadership to the management. Members of the Commission are responsible for overseeing the operations of the organization. The operations are managed under the direction of the Commission. The Commission delegates its authority to the Director General and to other Senior Management for regulating the Telecommunications sector.

The Commission,

- Ensure that the strategies are capable of achieving goals of the organization.
- Review and approve significant corporate actions.
- Review and monitor implementation of Management's strategic plans.
- Review and approve the action plan, corporate plan, procurement plan and annual budget.
- Monitor the performance and evaluate results compared to the strategic plans and other long-range goals.
- Review financial controls and reporting systems.
- Review and approve the Financial Statements and financial reporting.
- Review the policies and procedures for legal compliance.

Commission Meetings

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. The majority vote of the members present at a Commission meeting determines the decisions made at that meeting.

The Commission meets generally every month and as required. Throughout the year, the Commission met 10 times. To increase the effectiveness of Commission meetings, Commission papers are distributed well in advance before the meeting. It will ensure that the Commission members have adequate time to scrutinize the Commission papers.

The attendance at Commission meetings held in 2023 is shown below.

| Name | No. of Meetings attended |
|---|--------------------------|
| Snr. Prof. N.D. Gunawardena, Chairman | 10 |
| Mr. R.G.H.K. Ranatunga, Acting DG <i>Retired on 11.08.2023</i> | 04 |
| Mr. D.M.M. Disanayake, DG <i>Appointed w.e.f. 11.08.2023</i> | 05 |
| Mr. A. Bimal Rajasinghe, Member <i>Appointed w.e.f. 16.02.2023</i> | 09 |
| Mr. Nandasiri Ponnampereuma, Member <i>Appointed w.e.f. 13.06.2023</i> | 05 |
| Mr. Erusha Kalidasa, Member <i>Appointed w.e.f. 28.06.2023</i> | 04 |

Role of the Commission Secretary

- Convening the Meetings of the Commission.
- Preparation of the meeting minutes of the Commission and maintaining the relevant documents.
- Compiling the Commission Decisions & Reports.
- Distribution of the decisions of the Commission and follow-up actions.
- Maintaining of a Register of the instruments and documents to which Seal of the Commission is affixed.
- Provide assistance to regulatory activities with the guidance of the Commission and Director General when necessary.

Key Governing practices

Accountability

The Commission adheres to the Sri Lanka Accounting Standards in presenting of financial statements and reporting.

In accordance with the provisions of the Finance Act No. 38 of 1971, read with Article 154(1) of the Constitution and the National Audit Act No. 19 of 2018, the Auditor General conducts financial and managements audits on the activities of the Commission.

Responsibility

The Director General conducts continues progress reviews and management meetings to monitor and ensure that operations of the commission are handled as planned and directed by the Commission ensuring the long term sustainability of the entity.

The Commission periodically reviews the progress of the activities in the Action Plan of the Commission.

Transparency

The Commission has set out rules, regulations, guidelines to ensure the activities of the Commission are handled with transparency.

The Internal Audit Division functions under the Internal Auditor of TRCSL directly reports to the Commission and the Director General. The division is responsible for ensuring that all systems and processes including internal controls of the Commission are functioning in order.

The Audit Committee periodically reviews the major activities of the Commission.

FINANCIAL STATEMENT FOR THE YEAR 2023

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2023
(Expressed in Sri Lankan Rupees)

| | NOTES | Year as at 31.12.2023 | Year as at 31.12.2022 |
|---|-------|--------------------------|--------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, Plant & Equipment | 4 | 3,445,580,151 | 240,632,259 |
| Investment Property - Colombo Lotus Tower | 4.1 | 61,450,235,494 | 23,613,421,995 |
| Intangible Assets | 4.2 | 1 | 6,841,125 |
| Work In Progress | 5 | 1,025,916,186 | 970,347,921 |
| Investment | 6 | 7,551,394,125 | 11,563,722,603 |
| TOTAL NON-CURRENT ASSETS | | 73,473,125,957 | 36,394,965,903 |
| CURRENT ASSETS | | | |
| Accounts Receivable | 7 | 2,791,140,497 | 3,104,691,601 |
| Prepayments and Advances | 8 | 205,833,705 | 77,629,209 |
| Loans and Other Receivables | 9 | 1,835,537,864 | 1,305,304,693 |
| Cash & Cash Equivalents | 10 | 10,294,093,663 | 2,691,954,967 |
| TOTAL CURRENT ASSETS | | 15,126,605,730 | 7,179,580,469 |
| TOTAL ASSETS | | 88,599,731,687 | 43,574,546,372 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Government Contribution | 11 | 22,737,646,792 | 526,214,744 |
| Accumulated Surplus | | 32,428,417,564 | 31,137,553,343 |
| Revaluation Surplus | 12 | 19,572,379,054 | 37,380,000 |
| TOTAL EQUITY | | 74,738,443,410 | 31,701,148,087 |
| NON-CURRENT LIABILITIES | | | |
| Project Loan - Exim Bank (Lotus Tower) | | 2,234,220,795 | 5,105,962,811 |
| Retention | 13 | 17,448,766 | 17,448,766 |
| Retirement Benefit Obligation | 14 | 44,790,264 | 38,665,062 |
| TOTAL NON-CURRENT LIABILITIES | | 2,296,459,825 | 5,162,076,639 |

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2023
(Expressed in Sri Lankan Rupees)

(Contd...)

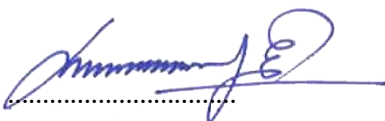
| | NOTES | Year as at 31.12.2023 | Year as at 31.12.2022 |
|---------------------------------------|-------|--------------------------|--------------------------|
| CURRENT LIABILITIES | | | |
| Accounts Payable | 15 | 3,116,819,143 | 51,419,723 |
| Advances, Deposits and Other Payables | 16 | 3,432,320,334 | 1,109,071,697 |
| Payable To Treasury | 17 | 1,637,168,956 | 1,763,592,926 |
| Lotus Tower Delay Damages | | 3,378,520,019 | 3,787,237,300 |
| TOTAL CURRENT LIABILITIES | | 11,564,828,453 | 6,711,321,646 |
| TOTAL LIABILITIES | | 13,861,288,277 | 11,873,398,285 |
| TOTAL EQUITY AND LIABILITIES | | 88,599,731,687 | 43,574,546,372 |

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 2023 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.



Dr. Dharmasiri Kumarathunge
Chairman



Madushanka Dissanayake
Director General



Nandasiri Ponnapperuma
Member of the Commission

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED DECEMBER 31, 2023
(Expressed in Sri Lankan Rupees)

| | NOTES | Year Ended 31.12.2023 | Year Ended 31.12.2022 |
|--|-------|--------------------------|--------------------------|
| Revenue | | | |
| Income | 18 | 48,235,966,865 | 38,414,628,131 |
| Total Operating Income | | 48,235,966,865 | 38,414,628,131 |
| Less: Regulatory Expenses | 19 | (469,955,508) | (209,596,429) |
| Net Total Operating Income | | 47,766,011,357 | 38,205,031,702 |
| Less : Other Expenses | | | |
| Administration & Establishment | 20 | 2,226,677,789 | 1,822,878,544 |
| Finance & Others | 21 | 120,438,179 | 119,961,363 |
| (Gain) / Loss on Foreign Currency Transactions | | (384,645,157) | 4,565,034,424 |
| Total Expenditure | | 1,962,470,811 | 6,507,874,331 |
| Profit for the Year from Continuing Operations Before Income Tax | | 45,803,540,546 | 31,697,157,371 |
| Less: Income Tax - Charge for the year | | 0 | 0 |
| Adjustment for previous year under provision | | (501,617,700) | (159,117,368) |
| Profit for the Year from Continuing Operations After Income Tax | | 45,301,922,846 | 31,538,040,003 |
| Other Comprehensive Income | | | |
| Gain/(Loss) on Retirement Benefit Obligation | | 101,443 | 4,796,706 |
| Total Other Comprehensive Income for the Year | | 101,443 | 4,796,706 |
| Total Comprehensive Income for the Year After Tax | | 45,302,024,289 | 31,542,836,709 |
| Less: Contribution to the Consolidated Fund | 22-1 | (43,055,632,587) | (29,308,503,882) |
| Total Comprehensive Income for the Year After Contributing to the Consolidated Fund | | 2,246,391,702 | 2,234,332,827 |
| Add: | | | |
| Total Comprehensive Income Brought Forward | | 31,182,025,862 | 29,903,220,516 |
| Less: Contribution to the Consolidated Fund | 22-2 | (1,000,000,000) | (1,000,000,000) |
| Total Comprehensive Income Carried Forward | | 30,182,025,862 | 28,903,220,516 |
| Total Comprehensive Income Carried Forward | | 32,428,417,564 | 31,137,553,343 |

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in Sri Lankan Rupees)

| | Notes | Year Ended 31.12.2023 | Year Ended 31.12.2022 |
|---|-----------|--------------------------|--------------------------|
| Cash Flows from Operating Activities | | | |
| Cash Generated from Operations | 23 | 45,711,556,178 | 32,732,275,082 |
| Income Tax Paid | | (815,318,475) | (2,517,398,705) |
| Surcharge Tax Paid | | 0 | (1,593,707,018) |
| Retirement Benefit Obligation Paid | | (10,636,780) | (1,720,250) |
| Net Cash Generated from Operating Activities | | 44,885,600,923 | 28,619,449,110 |
| Net Cash used in Investing Activities | | | |
| Purchase of Property Plant & Equipment | | (2,505,689) | (35,567,482) |
| Projects under Work in Progress | | (55,568,265) | (46,431,042) |
| Net Investment in Fixed Deposit & Treasury Bonds | | 3,900,000,000 | (2,787,671,522) |
| Interest Income from Fixed Deposit | | 1,783,165,651 | 1,341,809,605 |
| Investment in Fixed Deposit - Gratuity Obligation | | (4,680,000) | (910,000) |
| Interest Income from Fixed Deposit - Gratuity Obligation | | 9,262,419 | 13,057,820 |
| Proceed from sale of Property, Plant & Equipments | | 279,600 | 4,650,111 |
| Net Cash used in Investing Activities | | 5,629,953,715 | (1,511,062,510) |
| Cash Flow from Financing Activities | | | |
| Mobilization Advance Payment | 24 | 17,450,122 | 157,081,430 |
| Interest Income from Money Market Transactions | | 1,124,766,523 | 493,775,933 |
| Remittance to the Consolidated Fund | | (44,055,632,587) | (30,308,503,882) |
| Project Loan - Exim Bank (Lotus Tower) | | 0 | (452,549,828) |
| Retention | | (0) | (46,152,801) |
| Net Cash used in Financing Activities | | (42,913,415,942) | (30,156,349,149) |
| Net (Decrease) / Increase in Cash and Cash Equivalents | | 7,602,138,696 | (3,047,962,550) |
| Movement in Cash and Cash Equivalents | | | |
| As at 01 st January 2023 | | 2,691,954,967 | 5,228,410,528 |
| (Decrease) / Increase | | 7,602,138,696 | (2,637,962,550) |
| Exchange (Losses) / Gains on Cash and Cash Equivalent | | 0 | 101,506,989 |
| As at 31st December 2023 | 10 | 10,294,093,663 | 2,691,954,967 |

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in Sri Lankan Rupees)

| | Notes | Government Contribution | Revaluation Surplus | Accumulated Surplus / (Deficits) | Total Equity |
|--|-----------|-------------------------|-----------------------|----------------------------------|------------------------|
| Balance at 01st January 2022 | | 526,214,744 | 37,380,000 | 31,496,927,534 | 32,060,522,278 |
| Surcharge Tax for the year 2020 | | - | - | (1,593,707,018) | (1,593,707,018) |
| | | 526,214,744 | 37,380,000 | 29,903,220,516 | 30,466,815,260 |
| Less: Transfer to Consolidated Fund | | - | - | (1,000,000,000) | (1,000,000,000) |
| | | 526,214,744 | 37,380,000 | 28,903,220,516 | 29,466,815,260 |
| Total Comprehensive Income for the Year Ended 31st December 2022 | | - | - | 2,234,332,827 | 2,234,332,827 |
| Thudawe Brothers | 25 | - | - | 44,472,519 | 44,472,519 |
| Balance at 31st December 2022 | | 526,214,744 | 37,380,000 | 31,182,025,862 | 31,745,620,606 |
| Balance at 01st January 2023 | | 526,214,744 | 37,380,000 | 31,182,025,862 | 31,745,620,606 |
| Less: Transfer to Consolidated Fund | | - | - | (1,000,000,000) | (1,000,000,000) |
| | | 526,214,744 | 37,380,000 | 30,182,025,862 | 30,745,620,606 |
| Government Grant | 11 | 22,211,432,048 | - | - | 22,211,432,048 |
| Revaluation Surplus | 12 | - | 19,534,999,054 | - | 19,534,999,054 |
| Total Comprehensive Income for the Year Ended 31 st December 2023 | | - | - | 2,246,391,702 | 2,246,391,702 |
| Balance at 31st December 2023 | | 22,737,646,792 | 19,572,379,054 | 32,428,417,564 | 74,738,443,410 |

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS – 31.12.2023

(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 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 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 ensure 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

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

I. Property Plant & Equipment

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.

II. Investment Property-Colombo Lotus Tower

Investment Property are stated at cost less accumulated depreciation.

(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 a proportionate basis from the month the asset is put into use and no depreciation will be charged to the month in which the particular asset is disposed.

(c) Estimated Useful Lives of PPE (including Investment Property)

| | |
|----------------------------------|---------------|
| Lotus Tower Building & Structure | Over 50 Years |
| Other Buildings | Over 20 Years |
| Telecommunication Towers | Over 10 Years |
| Furniture & Fittings | Over 10 Years |
| Office Equipment | Over 10 Years |
| Fire Protection System | Over 10 Years |
| Kitchen Equipment | Over 10 Years |
| Air Conditions | Over 10 Years |
| Generators | Over 10 Years |
| Elevators | Over 10 Years |
| Office Telephones | Over 10 Years |
| Technical Equipment | Over 10 Years |
| Motor Vehicles | Over 08 Years |
| Computers | Over 04 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 Temporary Fund Management /Investments

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

Investment balance represents a fixed deposit of Rs. 7,400,000 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 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. 4,276,051,080, whereas the face value of it is Rs 4,000,000,000. The residual discount amount of Rs. 163,722,603 is added to the investment

and it will be amortized throughout the bond life cycle until maturity. The discount amortization applicable for the period under review, which amounts to Rs 112,328,477 is classified as a finance cost.

The interest income from the above fixed deposit and coupon interest income derived from treasury bond has recorded under note number 18 A (1) Sundry Income.

3.2.3 Accounts Receivable

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

3.2.4 Cash and Cash Equivalents

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

3.3 LIABILITIES AND PROVISIONS

All material liabilities as of the balance sheet date are included in the Financial Statements and adequate provision has been made for liabilities that 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 the financial year are treated as current liabilities in the Statement of Financial Position. Liabilities payable after one year from the last date of the 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. 3.8.

3.3.2 Employee Benefit

(a) Retirement Benefit Obligation

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

| | 2023 (Rs.) | 2022 (Rs.) |
|---|--------------------|--------------------|
| Balance at the beginning of the financial year | 117,674,290 | 99,939,358 |
| Current Service Cost | 3,942,155 | 3,771,394 |
| Interest Cost | 7,851,356 | 7,422,674 |
| Charged as other expenses to the Statement of Comprehensive Income | 129,467,801 | 111,133,426 |
| Actuarial losses / (gains) | (101,443) | (4,796,706) |
| Benefits paid | (10,636,780) | (1,720,250) |
| Add: Interest earned on the investment which is to cover gratuity obligation | 18,622,933 | 13,057,820 |
| Balance at the end of the financial year | 137,352,511 | 117,674,290 |

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 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 | - | 10.25% per annum |
| Rate of salary increment | - | 1% - 6.7% |
| Retirement Age | - | 60 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 the 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

Revenue is recognized in accordance with Sri Lanka Accounting Standard - LKAS 18, except revenue items in notes from 3.4.1 to 3.4.11.

3.4.1 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, the 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, the Ship station fee and Aircraft license fee were also classified under the Radio Frequency license fee since the year 2019.

If the license period of any frequency license fee which was collected during the year runs through the 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.

3.4.2 Operator License Fee

The operator license fee is recognized on a cash basis when the new licenses are issued, or existing licenses are renewed for a 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.

3.4.3 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.

3.4.4 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.

Recovery process of unpaid Cess fee from Lanka Broadband Network (Pvt) Ltd is in progress.

3.4.5 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.

The 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 2011, which was decided in a meeting of Cabinet of Ministers held on 27.11.2019. Hence, it is proposed to increase the Telecommunication Levy from 11.25% to 15% from 4th June 2022.

Recovery process of unpaid telecommunication levy from Lanka Cable Satellite Network (Pvt) Ltd, is in progress as per the provisions of the Telecommunication Act, No. 21 of 2011.

3.4.6 Telecommunication Development Charges

Telecommunication Development Charges received from the External Gateway Operators under Part III of the Finance Act, No.11 of 2004, and further regulations are been published under the Extraordinary Gazette NO. 1662/1, dated 12th July 2010, and 50 percent of this revenue is remitted to the State Consolidated Fund, on or before the stipulated due dates.

3.4.7 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 further regulations are been 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) were abolished with effect from 01.06.2019 as per the 2019 budget decision which was published via Extraordinary Gazette No. 2123/19 on 14th May 2019 under Finance Act No. 11 of 2004.

3.4.8 Levy on Bulk Short Message Service (SMS)

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

3.4.9 Cellular Tower Levy

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

3.4.10 Type Approval Fees

This is a new revenue source introduced as Radio and Telecommunications Terminal Equipment (RTTE) Type Approval Rules 2020, under the extraordinary 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.

The 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.

3.4.11 Sundry Income

Sundry income comprises interest income on short-term fixed deposit and Money Market savings accounts, 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 a direct association between the cost incurred and the earnings 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

An under provision of Rs. 501,617,700, which for the previous financial year 2022 in the income tax payable account has been adjusted in income tax expense during the year. Income tax overpaid for the current year is Rs. 670,131,114.

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 2023 is shown below.

| | 2023 (Rs.) |
|---|------------------------|
| Accounting Profit before Taxation | 43,934,531,465 |
| Add: Total disallowable expenses in determining taxable income/ (loss) | 333,593,121 |
| Less: Income on Levies, total allowable expenses & interest income in determining taxable income/ (loss) | (25,250,205,073) |
| Adjusted Accounting profit/ (loss) chargeable to income taxes | 19,017,919,513 |
| Interest Income | 3,563,373,942 |
| Assessable Income | 22,581,293,456 |
| Less: Qualifying Payments (Remitted to Treasury) | (25,000,000,000) |
| Total Taxable Income | (2,418,706,544) |
| Tax rate for the year | 30% |
| Tax effect for the year | - |
| Self-Assessment Tax Installments paid | |
| Income Tax Payment (1st Quarter) paid in May 2023 | 55,923,663 |
| Income Tax Payment (3rd Quarter) paid in November 2023 | 614,207,451 |
| Payable/Receivable Tax Amount | (670,131,114) |

3.6 INVESTMENT PROPERTY-COLOMBO LOTUS TOWER

The Colombo Lotus Tower was leased out by the Lease Agreement no. 33, of Sonali K. M. Perera, Attorney-At-Law & Notary Public, to the Colombo Lotus Tower Management Company (Private) limited (lessee) a fully state-owned company duly incorporated under the Companies Act No. 07 of 2007 bearing Company No. PV 00252719 and having the registered office at 320, D R Wijewardena Mawatha, Colombo 10, for a period of 50 years commencing from the 1st March 2022 to 29th February 2072.

The Urban Development Authority (UDA) 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 of the Telecommunications Regulatory Commission of Sri Lanka (TRCSL) and transferred the ownership of the lands marked Lots as B, C, D, E, O & S depicted in Plan No.3115 dated 5th November 2015 made by P.M.Sunil Licensed Surveyor containing in the 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.

3.7 GOVERNMENT GRANTS

3.7.1 Land Lotus Tower

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 and 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 have been granted to the Telecommunications Regulatory Commission of Sri Lanka. The re-valued amount of the total extent (Hectares 2.3513) of both grants were Rs. 22,167,432,048.

3.7.2 IT Park Hambantota Sooriyawewa

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.Pathmasiri Registered Licensed Surveyor and Leveler.

Sooriyawewa land cost shall be capitalized when the value of the land is assessed by the government valuer.

3.8 CONTINGENCIES

3.8.1 D.C (Colombo) Case No. DMR / 3277/17

The Plaintiff has filed this case to recover damages for sum of Rupees Rs.14,800,000,000/= from TRCSL for its unlawful and /or wrongful and /or without any right thereto for disruption of service and for damaging the Transmission Station which covered the entire Jaffna Peninsula and nearby Islands. This case is pending before Court and fixed for further trial.

3.8.2 H.C.(Civil) Colombo Case No. 137/11

The Plaintiff has filed this case to recover damages for sum of Rupees 47,345,112,000/= for Respondent's unlawful and/ or wrongful and /or without any right thereto and in breach of the terms and conditions of the said license and/ or agreement refused to and / or failed and neglected to permit the Plaintiff to commence the aforesaid project to set up and operate a GSM mobile and SCDMA network. This case is pending before Court and fixed for further trial.

3.8.3 DC (Colombo) Case No. 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.

3.9 COMPARATIVE INFORMATION

Comparative information has been reinstated or re-classified where necessary in line with the presentation requirements for the current year.

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS - 31.12.2023

(Expressed in Sri Lankan Rupees)

(Contd...)

4. PROPERTY, PLANT & EQUIPMENT

| COST | BALANCE AS AT 01.01.2023 | For the Year 2023 | | BALANCE AS AT 31.12.2023 |
|------------------------------------|-----------------------------|----------------------|-------------------------|-----------------------------|
| | | ADDITIONS | DISPOSALS/ TRANSFERS | |
| Lands | 148,863,771 | 3,228,966,229 | 0 | 3,377,830,000 |
| 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 | 164,200,913 | 0 | 0 | 164,200,913 |
| Air conditioners | 18,143,145 | 0 | 101,000 | 18,042,145 |
| Elevators | 4,683,848 | 0 | 0 | 4,683,848 |
| Generators | 2,665,428 | 0 | 0 | 2,665,428 |
| Computers | 120,408,044 | 1,678,999 | 0 | 122,087,043 |
| Web Server | 34,095,551 | 0 | 0 | 34,095,551 |
| Other Office Equipment | 48,920,746 | 826,690 | 137,000 | 49,610,436 |
| Mobile Phones | 1,517,309 | 0 | 0 | 1,517,309 |
| Office Furniture | 27,638,925 | 0 | 41,600 | 27,597,325 |
| Technical Equipment | 75,377,569 | 0 | 0 | 75,377,569 |
| 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 | 13,615,066 | 0 | 0 | 13,615,066 |
| | 1,631,336,478 | 3,231,471,918 | 279,600 | 4,862,528,796 |

| DEPRECIATION | BALANCE AS AT 01.01.2023 | For the Year 2023 | | BALANCE AS AT 31.12.2023 |
|------------------------------------|-----------------------------|-------------------|-------------------------|-----------------------------|
| | | ADDITIONS | DISPOSALS/ TRANSFERS | |
| Buildings | 137,003,562 | 2,000,949 | 0 | 139,004,511 |
| Kokavil Tower | 314,826,584 | 106,895 | 0 | 314,933,480 |
| Vauniya Tower | 29,900,741 | 0 | 0 | 29,900,741 |
| Vehicles | 162,584,704 | 1,616,208 | 0 | 164,200,912 |
| Air Conditioners | 15,463,587 | 652,193 | 101,000 | 16,014,780 |
| Elevators | 4,683,848 | 0 | 0 | 4,683,848 |
| Generators | 2,665,428 | 0 | 0 | 2,665,428 |
| Computers | 113,132,883 | 2,220,332 | 0 | 115,353,215 |
| Web Server | 34,095,550 | 0 | 0 | 34,095,550 |
| Other Office Equipment | 36,071,976 | 2,422,795 | 137,000 | 38,357,771 |
| Mobile Phones | 1,124,095 | 81,273 | 0 | 1,205,368 |
| Office Furniture | 22,301,667 | 1,156,020 | 41,600 | 23,416,087 |
| Technical Equipment | 56,923,356 | 5,631,419 | 0 | 62,554,775 |
| FMMS Project Surveillance Vehicles | 61,712,127 | 0 | 0 | 61,712,127 |
| FMMS Project Equipment | 379,563,173 | 10,448,442 | 0 | 390,011,615 |
| Gymnasium Equipment | 5,629,707 | 0 | 0 | 5,629,707 |
| Video Unit Equipment | 13,021,230 | 187,500 | 0 | 13,208,730 |
| | 1,390,704,219 | 26,524,026 | 279,600 | 1,416,948,645 |
| NET BOOK VALUE | 240,632,259 | | | 3,445,580,151 |

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS - 31.12.2023

(Expressed in Sri Lankan Rupees)

(Contd...)

4.1 INVESTMENT PROPERTY - COLOMBO LOTUS TOWER

| COST | BALANCE AS AT 01.01.2023 | For the Year 2023 | | BALANCE AS AT 31.12.2023 |
|------------------------|-----------------------------|---------------------------|-------------------------|-----------------------------|
| | | ADDITIONS/ REVALUATION | DISPOSALS/ TRANSFERS | |
| Lands | 2,355,535,127 | 38,517,464,873 | 0 | 40,873,000,000 |
| Building & Structures | 18,773,228,257 | 0 | 0 | 18,773,228,257 |
| Air Conditioning | 636,947,459 | 0 | 0 | 636,947,459 |
| Elevators | 613,103,592 | 0 | 0 | 613,103,592 |
| Generators | 540,207,042 | 0 | 0 | 540,207,042 |
| Fire Protection System | 362,321,270 | 0 | 0 | 362,321,270 |
| Other Equipment | 568,170,384 | 0 | 0 | 568,170,384 |
| Furniture & Fittings | 94,721,217 | 0 | 0 | 94,721,217 |
| Kitchen Equipment | 236,397,126 | 0 | 0 | 236,397,126 |
| | 24,180,631,473 | 38,517,464,873 | 0 | 62,698,096,346 |

| DEPRECIATION | BALANCE AS AT 01.01.2023 | For the Year 2023 | | BALANCE AS AT 31.12.2023 |
|------------------------|-----------------------------|--------------------|-------------------------|-----------------------------|
| | | ADDITIONS | DISPOSALS/ TRANSFERS | |
| Building & Structures | 312,887,138 | 375,464,565 | 0 | 688,351,703 |
| Air Conditioning | 53,078,955 | 63,694,746 | 0 | 116,773,701 |
| Elevators | 51,091,966 | 61,310,359 | 0 | 112,402,325 |
| Generators | 45,017,254 | 54,020,704 | 0 | 99,037,958 |
| Fire Protection System | 30,193,439 | 36,232,127 | 0 | 66,425,566 |
| Other Equipment | 47,347,532 | 56,817,038 | 0 | 104,164,570 |
| Furniture & Fittings | 7,893,435 | 9,472,122 | 0 | 17,365,556 |
| Kitchen Equipment | 19,699,760 | 23,639,713 | 0 | 43,339,473 |
| | 567,209,478 | 680,651,374 | 0 | 1,247,860,852 |

NET BOOK VALUE

23,613,421,995

61,450,235,494

Notes:

Land of Head office, Kadirana, Lotus Tower, IT park Hambantota are revalued and recorded as at 31/12/2023.

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS - 31.12.2023

(Expressed in Sri Lankan Rupees)

(Contd...)

4.2 INTANGIBLE ASSETS

| COST | BALANCE AS AT 01.01.2023 | For the Year 2023 | | BALANCE AS AT 31.12.2023 |
|-------------------|-----------------------------|-------------------|-------------------------|-----------------------------|
| | | ADDITIONS | DISPOSALS/ TRANSFERS | |
| Computer Software | 47,369,781 | 0 | 0 | 47,369,781 |
| | 47,369,781 | 0 | 0 | 47,369,781 |

| AMORTIZATION | BALANCE AS AT 01.01.2023 | For the Year 2023 | | BALANCE AS AT 31.12.2023 |
|-----------------------|-----------------------------|-------------------|-------------------------|-----------------------------|
| | | ADDITIONS | DISPOSALS/ TRANSFERS | |
| Computer Software | 40,528,656 | 6,841,124 | 0 | 47,369,780 |
| | 40,528,656 | 6,841,124 | 0 | 47,369,780 |
| NET BOOK VALUE | 6,841,125 | | | 1 |

5. WORK IN PROGRESS

| | BALANCE AS AT 01.01.2023 | For the Year 2023 | | BALANCE AS AT 31.12.2023 |
|--|-----------------------------|---------------------------|-------------|-----------------------------|
| | | ADDITIONS/ ADJUSTMENTS | (TRANSFERS) | |
| Main H/O Building | 10,057,910 | 451,000 | 0 | 10,508,910 |
| Construction of Lotus Tower | 0 | 0 | 0 | 0 |
| IT Park - Hambantota | 711,608,769 | (339,972) | 0 | 711,268,797 |
| Construction of TRC H/O - New Building | 150,287,934 | 49,460,191 | 0 | 199,748,125 |
| Construction of Kadirana | 97,143,358 | 5,522,503 | 0 | 102,665,861 |
| Work In Progress A/C | 1,249,950 | 474,543 | 0 | 1,724,493 |
| | 970,347,921 | 55,568,265 | 0 | 1,025,916,186 |

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS - 31.12.2023
(Expressed in Sri Lankan Rupees)

(Contd...)

| | Year Ended 31.12.2023 | Year Ended 31.12.2022 |
|--|----------------------------------|----------------------------------|
| 6. INVESTMENTS | | |
| Fixed Deposit | 3,500,000,000 | 7,400,000,000 |
| Investments - Treasury Bond | 4,000,000,000 | 4,000,000,000 |
| Investments - Discount - Treasury Bond | 51,394,125 | 163,722,603 |
| | 7,551,394,125 | 11,563,722,603 |
| 7. ACCOUNTS RECEIVABLE | | |
| CESS Receivable | 560,419,554 | 558,909,906 |
| TDC Receivable | 632,433,755 | 820,178,261 |
| Telecom Levy Receivable | 839,954,289 | 932,029,436 |
| Kokavil Tower Recoverable | 115,320,992 | 108,996,583 |
| Tower Levy Receivable | 412,818,085 | 391,279,178 |
| SMS Levy Receivable | 68,179,704 | 27,967,039 |
| Outstanding Staff Loans Recoverable | 713,143 | 1,226,011 |
| Kokavil Lease Rental Receivable | 1,176,987 | 2,133,717 |
| Madukanda Lease Rental Control A/C | 1,146,758 | 2,526,093 |
| Air Ticket Receivable | 764,900 | 162,500 |
| Interest Receivable on Fixed Deposit | 140,239,726 | 241,310,274 |
| Coupon Interest Receivable | 17,972,603 | 17,972,603 |
| Trade Debtors | 7 A (0) | 0 |
| | 2,791,140,497 | 3,104,691,601 |
| 7 A. Trade Debtors | | |
| Radio Frequency Fees | 372,764,954 | 373,166,107 |
| Armature Radio License Fees | 32,790 | 32,790 |
| | 372,797,744 | 373,198,897 |
| Less - Provision for Bad Debtors ** | (372,797,744) | (373,198,897) |
| | (0) | 0 |

**** Provision for Bad Debtors**

| | Debtors | | Provisions |
|--------------------|----------------|-------------|-------------------|
| More Than 20 Years | 372,977,601 | 100% | 373,198,897 |

Trade debtors are stated at fair value after providing 100%.

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS - 31.12.2023
(Expressed in Sri Lankan Rupees)

(Contd...)

| | Year Ended 31.12.2023 | Year Ended 31.12.2022 |
|--|----------------------------------|----------------------------------|
| 8. PREPAYMENT AND ADVANCE | | |
| Special Advances | 575 | 575 |
| Festival Advances | 198,000 | 184,000 |
| Purchase Advances | 221,553 | 505,355 |
| Pre-payments | 205,413,578 | 59,489,157 |
| Mobilization Advance (H/O New) | 0 | 11,927,619 |
| Mobilization Advance (Kadirana) | 0 | 5,522,503 |
| | 205,833,705 | 77,629,209 |
| 9. LOANS AND OTHER RECEIVABLES | | |
| Distress Loans | 52,391,777 | 48,985,602 |
| Motor Vehicle Loans | 106,277,187 | 139,847,799 |
| Property Loans | 279,640 | 350,500 |
| Motor Cycle Loans | 1,015,014 | 489,407 |
| Salary Deduction Recoverable | 2,305,065 | 2,305,065 |
| Other Receivables | 85,383,333 | 2,200,000 |
| CEB Security Guarantee Deposit A/C (IT Park) | 125,000 | 125,000 |
| Commissioner General of Inland Revenue (WHT) | 163,072,996 | 14,244 |
| Commissioner General of Inland Revenue (Income Tax Over Provision) | 1,391,693,000 | 1,077,992,225 |
| Lotus Tower Electricity Security Deposit | 3,125,000 | 3,125,000 |
| CLT Monetization Receivable | 29,869,852 | 29,869,852 |
| | 1,835,537,864 | 1,305,304,693 |
| 10. CASH & CASH EQUIVALENTS | | |
| Cash At Bank | 2,273,593,726 | 90,003,226 |
| Cash In Hand | 75,000 | 55,000 |
| People's Bank - Narahenpita Branch, Money Market Saving Account - (No.119-2-001-2-3693169) | 8,020,424,937 | 2,601,896,741 |
| | 10,294,093,663 | 2,691,954,967 |
| 10 A. CASH AT BANK | | |
| People's Bank - Narahenpita Branch (Deposit Account) A/c No.119-4021-1-3960300 (RFC USD 0032) | 209,716,013 | 229,453,190 |
| People's Bank - Narahenpita Branch (Collection Account) Current A/c No.119-1-001-4-3693169 | 1,529,383,962 | (234,834,591) |
| People's Bank - Narahenpita Branch (Collection Account) Current A/c No.119-1-002-3-3693169 | 30,000 | 0 |
| People's Bank - Narahenpita Branch Current A/c No. 119-1-001-3-3693264 | 467,974,275 | 1,649,514 |
| Bank of Ceylon - Narahenpita Branch Current A/c No.2323167 | 66,489,477 | 93,735,113 |
| | 2,273,593,726 | 90,003,226 |
| 10 B. CASH IN HAND | | |
| Petty Cash - Head Office | 10,000 | 10,000 |
| Petty Cash - Admin & HR Division | 15,000 | 5,000 |
| Petty Cash - DG Office | 25,000 | 15,000 |
| Petty Cash - Compliance | 5,000 | 5,000 |
| Petty Cash - A/O Admin | 20,000 | 20,000 |
| | 75,000 | 55,000 |
| 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 |
| Government grants -Land | 22,211,432,048 | 0 |
| | 22,737,646,792 | 526,214,744 |

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS - 31.12.2023
(Expressed in Sri Lankan Rupees)

(Contd...)

| | Year Ended 31.12.2023 | Year Ended 31.12.2022 |
|--|----------------------------------|----------------------------------|
| 12. REVALUATION SURPLUS | | |
| Revaluation Surplus - Opening Balance | 37,380,000 | 37,380,000 |
| Revaluation Surplus - Investment Property - Lotus Tower | 16,350,032,825 | 0 |
| Revaluation Surplus - Other Land | 3,184,966,229 | 0 |
| | 19,572,379,054 | 37,380,000 |
| 13. RETENTION | | |
| Retention H/O New Building | 10,454,652 | 10,454,652 |
| Retention Kadirana | 6,994,114 | 6,994,114 |
| | 17,448,766 | 17,448,766 |
| 14. RETIREMENT BENEFIT OBLIGATION | | |
| Provision for Gratuity | 137,352,511 | 117,674,290 |
| Fixed Deposit (Gratuity) | (77,100,000) | (72,420,000) |
| Interest Receivable on Fixed Deposit for Gratuity Benefits | (15,462,247) | (6,589,228) |
| Net Benefit Liability | 44,790,264 | 38,665,062 |
| 15. ACCOUNTS PAYABLE | | |
| <u>Accrued Expenses</u> | | |
| Telephone - Office | 740,018 | 453,377 |
| Salaries Control | 306,679 | 290,580 |
| Salaries Payable | 629,884 | 323,541 |
| Electricity | 2,839,931 | 1,494,629 |
| Water | 77,287 | 42,451 |
| Janitorial Services | 838,167 | 2,392,916 |
| Security Services | 1,659,790 | 3,370,315 |
| Overtime | 1,076,974 | 951,229 |
| E.P.F | 3,761,797 | 3,669,230 |
| E.T.F | 451,415 | 440,307 |
| Internet | 405,939 | 556,152 |
| Medical Insurance Claims | 250,995 | 250,995 |
| Staff Welfare | 1,213,370 | 1,127,025 |
| News Papers & Notifications | 330,400 | 233,150 |
| Audit Fees | 2,000,000 | 1,500,000 |
| Bonus | 35,823,516 | 11,871,021 |
| Retention - General | 508,436 | 275,188 |
| Salary Deductions | 133,374 | 132,524 |
| Repairs & Maintenance | 15,399,925 | 4,687,129 |
| Stamp Duty Payable | 1,369,460 | 939,391 |
| PAYE Payable | 56,537 | 56,537 |
| APIT Payable | 5,424,109 | 0 |
| Misc. Purchase & Supplies Payable | 166,563,411 | 1,103,555 |
| Over Recoveries of Staff Loan | 12,657 | 12,657 |
| Printing & Stationery Payable | 159,425 | 474,950 |
| Miscellaneous Payable | 718,572 | 12,852,813 |
| Filing & Depend Court Action | 447,000 | 40,000 |
| Deferred Income | 1,878,060 | 1,878,060 |
| CLT Loan Repayment | 2,871,742,016 | 0 |
| | 3,116,819,143 | 51,419,723 |

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS - 31.12.2023
(Expressed in Sri Lankan Rupees)

(Contd...)

| | Year Ended 31.12.2023 | Year Ended 31.12.2022 |
|--|----------------------------------|----------------------------------|
| 16. ADVANCES, DEPOSITS AND OTHER PAYABLES | | |
| Revenue Received in Advance | 2,109,725,422 | 965,359,434 |
| Refundable Deposits for Tender | 1,745,167 | 1,563,167 |
| 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 | 2,175,002 | 2,172,737 |
| C.T.O Telecenter Project | 924,492 | 924,492 |
| VAT Control Account | 1,078,317,169 | 68,374,399 |
| Commissioner General of Inland Revenue (SSCL) | 181,130,172 | 12,336,809 |
| Withholding Tax Payable | 5,250 | 0 |
| Construction Creditors | 751,650 | 751,650 |
| Unaccepted Vendor - Refund | 11,800 | 54,800 |
| | 3,432,320,334 | 1,109,071,697 |
| 17. PAYABLE TO TREASURY | | |
| 50% TDC Payable to Treasury | 316,216,877 | 410,389,129 |
| Telecom Levy Payable to Treasury | 839,954,291 | 933,957,580 |
| SMS Levy Payable to Treasury | 68,179,704 | 27,967,039 |
| Cellular Tower Levy Payable to Treasury | 412,818,085 | 391,279,178 |
| | 1,637,168,956 | 1,763,592,926 |
| 18. INCOME | | |
| Income - License Fee | 18 A 29,057,796,413 | 18,900,917,956 |
| Telecommunications Levy | 13,255,333,224 | 12,906,756,507 |
| Telecom Development Charges | 18 B 3,983,034,681 | 4,810,412,572 |
| Mobile Short Messages Services Levy | 287,485,768 | 231,424,383 |
| Cellular Tower Levy | 1,652,316,780 | 1,565,116,713 |
| | 48,235,966,865 | 38,414,628,131 |
| 18 A. INCOME - LICENSE FEES | | |
| Cess Fee | 5,637,770,474 | 5,514,298,727 |
| Radio Frequency Fee | 8,329,845,593 | 5,430,252,390 |
| Frequency Upfront Fee | 6,106,230,000 | 3,278,900,000 |
| Telecom Operator Fees | 5,011,857,976 | 2,252,509,051 |
| Vendor License Fee | 15,793,750 | 14,198,890 |
| Amateur Radio License Fee | 86,038 | 71,192 |
| Cordless Phone Dealer Charges | 71,589,345 | 63,251,578 |
| Examination Fee | 360,730 | 371,722 |
| Type Approval Fee | 23,407,284 | 23,278,625 |
| Label Fee | 44,189,867 | 2,538,870 |
| Application Processing Fee | 2,320,000 | 1,400,000 |
| Short Code Charges | 55,200,000 | 39,749,950 |
| Sundry Income - 18 A (1) | 3,759,145,355 | 2,280,096,961 |
| | 29,057,796,413 | 18,900,917,956 |

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS - 31.12.2023
(Expressed in Sri Lankan Rupees)

(Contd...)

| | Year Ended 31.12.2023 | Year Ended 31.12.2022 |
|--|----------------------------------|----------------------------------|
| 18 A(1). SUNDRY INCOME | | |
| Interest Income from Staff Loans | 7,467,105 | 8,029,353 |
| Interest Income from Fixed Deposits | 2,021,140,315 | 1,341,809,605 |
| Interest Income from Money Market Transactions | 1,124,766,523 | 493,775,933 |
| Kokavil Lease Rental | 7,076,563 | 6,837,009 |
| Madukanda Lease Rental | 3,289,082 | 3,289,082 |
| Lease Rental - Colombo Lotus Tower | 183,333,333 | 0 |
| Other Income - Miscellaneous | 1,391,681 | 11,612,897 |
| Fixed Assets Disposal | 279,600 | 4,650,111 |
| Coupon Interest Income | 410,000,000 | 410,000,000 |
| Recovery of Bad Debts | 401,153 | 92,973 |
| | 3,759,145,355 | 2,280,096,961 |
| 18 B. TELECOMMUNICATION DEVELOPMENT CHARGES (TDC) | | |
| TDC Revenue | 3,983,034,681 | 4,810,412,572.00 |
| | 3,983,034,681 | 4,810,412,572.00 |
| 19. REGULATORY EXPENSES | | |
| ITU Annual Subscription | 64,202,161 | 35,530,903 |
| APT Annual Subscription | 5,901,701 | 10,301,239 |
| Library Annual Subscription | 93,334 | 43,333 |
| Participating in Regulatory Affairs Work | 3,388,241 | 264,565 |
| Filing & Depending Court Actions | 9,385,050 | 9,676,960 |
| Lotus Tower Loan Interest | 162,594,088 | 151,370,648 |
| Traveling & Subsistence for Regulatory Affairs | 1,861,535 | 1,018,774 |
| Project of Gamata Sannivedanaya | 207,322,524 | 1,514,716 |
| Student Awareness Program | 1,272,450 | (137,250) |
| Miscellaneous Regulatory Expenses | 13,934,425 | 12,540 |
| | 469,955,508 | 209,596,429 |

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS - 31.12.2023
(Expressed in Sri Lankan Rupees)

(Contd...)

| | Year Ended 31.12.2023 | Year Ended 31.12.2022 |
|--|----------------------------------|----------------------------------|
| 20. ADMINISTRATION & ESTABLISHMENT EXPENSES | | |
| Salaries | 179,257,568 | 185,086,168 |
| E.P.F. (15% Contribution) | 26,177,574 | 26,783,794 |
| E.T.F. (3% Contribution) | 5,235,534 | 5,356,759 |
| Cost of Living Allowance | 2,869,294 | 0 |
| Transport Allowance | 33,073,687 | 23,076,749 |
| House Rent Allowance | 17,380,978 | 18,204,701 |
| Other Allowances | 22,823,212 | 19,846,231 |
| Performance Incentive | 43,206,970 | 45,643,145 |
| Special Allowance | 358,852 | 351,779 |
| Bonus | 60,854,211 | 60,807,814 |
| Overtime | 11,820,529 | 8,686,594 |
| Chairman's Remuneration | 1,200,000 | 1,099,007 |
| Unutilized Vacation Leave Allowance | 11,575,930 | 11,591,735 |
| Commission's Contribution for Pension | 1,591,443 | 1,511,025 |
| Communication Allowance | 3,372,180 | 2,955,638 |
| Uniforms | 986,364 | 258,317 |
| Staff Welfare | 15,446,885 | 9,331,470 |
| Staff Professional Membership Subscription | 644,279 | 642,815 |
| Local Training | 698,940 | 295,500 |
| Commission Members Allowance | 62,500 | 370,000 |
| Audit Committee Allowances | 187,500 | 37,500 |
| Housing Loan 2/3 Interest Reimbursement | 4,209,491 | 4,287,104 |
| Gratuity | 3,942,155 | 3,771,394 |
| Electricity | 22,182,962 | 10,921,935 |
| Water | 916,892 | 520,120 |
| Janitorial Services | 10,467,927 | 6,086,388 |
| Security | 17,740,147 | 17,070,285 |
| Rates & Taxes | 2,051,424 | 467,555 |
| Printing and Stationery | 7,885,352 | 14,212,217 |
| Fuel | 7,287,082 | 5,374,280 |
| Postage | 1,633,910 | 1,113,640 |
| Telephone, Fax and PABX | 5,664,571 | 5,954,452 |
| Insurance (Property & Medical) | 161,711,048 | 90,812,430 |
| Internet Charges | 89,847 | 648,095 |
| Social Security Contribution Levy | 661,675,252 | 61,166,205 |
| Newspapers & Notifications | 3,768,165 | 2,757,115 |
| Seminars & Conferences | 1,285,231 | 1,146,884 |
| Professional Allowance | 7,949,903 | 6,411,283 |

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS - 31.12.2023
(Expressed in Sri Lankan Rupees)

(Contd...)

| | Year Ended 31.12.2023 | Year Ended 31.12.2022 |
|--|----------------------------------|----------------------------------|
| Audit Fee | 2,060,000 | 1,383,000 |
| Legal Expenses/Disciplinary Inquiries/Preliminary Investigation | 304,364 | 772,776 |
| Depreciation | 707,175,400 | 626,855,401 |
| Amortization | 6,841,124 | 18,811,071 |
| Administration Miscellaneous | 959,278 | 1,331,705 |
| Operating Cost Miscellaneous | 2,163,620 | 4,753,746 |
| Office Equipment Maintenance | 9,020,475 | 3,993,668 |
| Vehicle Maintenance | 7,463,716 | 4,961,238 |
| Building & Structure Maintenance | 6,644,395 | 4,735,337 |
| Technical Equipment Maintenance | 9,294,479 | (12,061) |
| Software Maintenance & Development | 100,796,838 | 65,062,042 |
| Repairs & Maintenance - Miscellaneous | 1,608,022 | 1,104,667 |
| Rent for Leased Premises | 2,292,945 | 0 |
| Rent Intern Lease Line | 6,107,677 | 5,314,026 |
| Monitoring System Upgrade | 105,982 | 0 |
| Arbitration Award Expense | 0 | 426,897,598 |
| Development of Sports Activities | 872,215 | 78,300 |
| Miscellaneous Purchase & Supplies | 2,457,337 | 2,173,148 |
| Maintenance of Monitoring Station | 1,224,135 | 4,760 |
| | 2,226,677,789 | 1,822,878,544 |
| 21. FINANCE & OTHER EXPENSES | | |
| Bank Charges | 258,345 | 210,211 |
| Interest on Gratuity Provision | 7,851,356 | 7,422,674 |
| Treasury Bond Discount Amortization | 112,328,478 | 112,328,478 |
| | 120,438,179 | 119,961,363 |
| 22. CONTRIBUTION TO THE CONSOLIDATED FUND | 22-1 | |
| Contribution under Telecommunication Act For the Year Ended 31.12.2023 | 24,000,000,000 | 12,200,000,000 |
| Contribution under Finance Act for the Year Ended 31.12.2023 | | |
| Telecommunication Levy Paid | 13,255,387,225 | 12,906,756,501 |
| 50% Telecommunication Development Charges | 1,991,517,340 | 2,405,206,286 |
| SMS Levy Paid to Treasury | 287,485,768 | 231,424,383 |
| Cellular Tower Levy Paid to Treasury | 1,652,316,780 | 1,565,116,713 |
| TDC Unutilized – Treasury | 1,868,925,474 | 0 |
| | 43,055,632,587 | 29,308,503,882 |
| CONTRIBUTION UNDER TELECOMMUNICATION ACT | 22-2 | |
| Out of total comprehensive income for the year ended 31.12.2022 | 1,000,000,000 | 1,000,000,000 |

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS - 31.12.2023
(Expressed in Sri Lankan Rupees)

(Contd...)

| | Year Ended 31.12.2023 | Year Ended 31.12.2022 |
|--|----------------------------------|----------------------------------|
| 23. CASH GENERATED FROM OPERATIONS | | |
| Net profit before tax | 45,803,540,546 | 31,697,157,371 |
| Adjustments for | | |
| Depreciation on Property, Plant and Equipment | 707,175,400 | 626,855,401 |
| Amortization of Intangible Assets | 6,841,124 | 18,811,071 |
| Recovery of Bad Debts | 401,153 | 92,973 |
| Retirement Benefit Obligation | 3,942,155 | 3,771,394 |
| Interest Income from Fixed Deposit | (2,021,140,315) | (1,341,809,605) |
| Interest Income from Money Market Transactions | (1,124,766,523) | (493,775,933) |
| Interest Cost on Retirement Benefit Obligation | 7,851,356 | 7,422,674 |
| (Gain) / Loss on Foreign Currency Transactions | (384,645,157) | 4,305,538,299 |
| Gain on Disposal of Fixed Assets | (279,600) | (4,650,111) |
| Coupon Interest income | (410,000,000) | 0 |
| Discount Amortization on Treasury Bonds | 112,328,478 | 0 |
| Changes in Working Capital | | |
| Accounts Receivable | 23-1 313,952,257 | (751,853,575) |
| Prepayment and Advance | 23-2 (145,654,618) | 1,043,247,963 |
| Loans and Other Receivables | 23-3 460,648,166 | (1,038,603,206) |
| Interest Receivable in FD - Gratuity | (8,873,019) | (3,248,829) |
| Accounts Payable | 23-4 193,410,108 | (112,082,510) |
| Advances, Deposits and Other Payables | 2,323,248,637 | (1,577,465,449) |
| Payable To Treasury | (126,423,970) | 352,867,155 |
| Cash Generated from Operations | 45,711,556,178 | 32,732,275,082 |
| 24. Mobilization Advance Payments | | |
| Mobilization Advance Payment - (IT PARK) | 0 | 0 |
| Mobilization Advance (H/O New) | 0 | 11,927,619 |
| Mobilization Advance (Kadirana) | 0 | 5,522,503 |
| | 0 | 17,450,122 |
| | 17,450,122 | |
| 25. Arbitration Payment-Thudawe Brothers | | |
| Accumulated Surplus as at 31/12/2022 | 31,137,553,345 | |
| Correction for the VAT | 44,472,519 | |
| Adjusted Accumulated Surplus as at 31/12/2023 | 31,182,025,864 | |

AUDITOR GENERAL'S REPORT FOR THE YEAR 2023



ජාතික විගණන කාර්යාලය

தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல. }
My No. }

CAM/E/TRC/01/23/17

ඔබේ අංකය
உமது இல. }
Your No. }

දිනය
திகதி }
Date }

25th July 2024

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 2023 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 statement of the Telecommunications Regulatory Commission of Sri Lanka for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023 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 statement, 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.

In my opinion, except for the effects of the matters described in the basis for the qualified opinion section of my report, the accompanying financial statements give a true and fair view of the financial position of the Commission as at 31 December 2023, and of its financial performance and cash flow for the year then ended in accordance with Sri Lanka Accounting Standards.

1.2 Basis for Qualified Opinion

- (a) Even though the land where the head office is located, and not owned by the Commission, had been revalued and brought to accounts a sum of Rs. 1,177,880,000 during the year under review, it had not been disclosed in the Financial Statement.

අංක 306/72, පොල්දූව පාර, මත්තරමුල්ල, ශ්‍රී ලංකාව.

இல. 306/72, பொல்தூவ வீதி, பத்தரமுல்லை, இலங்கை.

No. 306/72, Polduwa Road, Battaramulla, Sri Lanka.



+94 11 2 88 70 28 - 34



+94 11 2 88 72 23



ag@auditorgeneral.gov.lk



www.naosl.gov.lk

- (b) Recoveries of bad debts amounting to Rs. 401,153 recognized as income under the operating activities contrary to Sri Lanka Accounting Standards No. 07 had been accumulated in return for the Net Profit Before Tax. Also, the same value had been accumulated in return for the changes in working capital. The changes in payable expenses to be adjusted to the changes in working capital amounting to Rs. 247,296 were also not adjusted. Even though interest income earned on investments in treasury bills of Rs. 410,000,000 had been adjusted under operating activities in cash flow, it had not been recognized under investing activities.
- (c) Since the payment to the cost of Rs. 12,467,039 spent for preceding years in repairing damage to the Compressor Unit of the Software and Mobile Vehicles, Monthly Rentals, Maintenance charges with consultancy fees to the Arthur C Clarke Institute of Modern Technology, and Cost of setting up the Human Resource Management System was made during the year under review, it had been specified as the net profit of the year under review understated by that amount.
- (d) The Commission's financial statement showed a trade debtor balance of Rs. 372,764,954 as of 31 December 2023, and its value as per the schedule submitted with the Financial Statement regarding those debtors was Rs. 370,622,742 accordingly, even if the reasons caused for this change were not submitted to the audit, its variance amounted to Rs. 2,142,212.

I conducted my audit in accordance with Sri Lanka Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement 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 2023

The other particulars mean the details included in the Commission's Annual Report 2023, which I obtained prior to the date of this Audit Report, but not included in the financial statements and 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 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 be required to report the same fact. I do not have any issues to report in this regard.

When reading the Annual Report of the Commission 2022, if I conclude that there are material misrepresentations, those facts should be communicated to the governance parties for their rectification. If there are any further

inaccurate misrepresentations, they will be included in the report tabled by me in Parliament in due course in terms of Article 154(6) of the Constitution.

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 a 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 the 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 a 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 by 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 as a whole 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 the 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 judgment and maintain professional skepticism 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 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 instate 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 explanations 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 N0 19 of 2018.

2.1.3 The financial statements presented include 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 the evidence obtained limited to material matters, nothing 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, or 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.

| Reference to Laws, Rules / Regulations | Non – Compliance |
|---|---|
| (a) Section 20 (2) (c), 21 (2) (b) and 22 (2) (a) of the Sri Lanka Telecommunications (amended) Act No. 27 of 1996 | Due to supplying services prior to the receipt of money, during the period before the year 2018 in the manner of non-compliance with its provisions, the receivable amount of Rs. 372,764,954 had not been recovered even as at 31 December 2023. |
| (b) Section 17 of the Sri Lanka Telecommunications Act No. 25 of 1991 and Section 5 of the license issued to Ask Cable Vision Pvt. Ltd. | Even though the Cess value calculated on the basis of the annual turnover should be received on or before the 31 st of January following the end of an accounting year, a sum of Rs. 3,812,242 receivables from a private company had not been recovered by 30 May 2024. |
| (c) Section 3 of Part 1 of the Telecommunication Levy Act, No.21 of 2011. | The receivable telecommunication tax by 03 private companies belonging to the Dialog Group related to the month of March 2023 is a total amount of Rs. 77,707,577 as Rs. 35,773,073, Rs. 30,000,000, and Rs. 11,934,504 respectively. However, the Dialog group informed us that the payment would not be made as the amount was written off from the borrowers as bad debt. Even though the Commission had informed the Dialog Group and the Treasury that the amount should be paid, the same amount had not been identified in the financial statements. |

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.

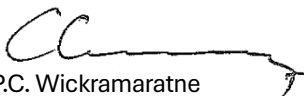
2.2.4 To state that the resources of the Commission had not been procured and utilized economically, efficiently, and effectively within time frames and in compliance with the applicable laws as per the requirement of section 12 (h) of the National Audit Act No. 19 of 2018, except for the following observation.

- (a) Even though the construction work of the new building related to the construction of an extension to the main building of the Commission had to be completed on February 15, 2020, as per the contract agreement worth amounting to Rs. 209,093,034, it had not been completed its constructions by May 30, 2024. The period of this project has not been extended. Further to this, it was paid a sum of Rs. 10,057,910 to the University of Moratuwa on January 25, 2015, as the consultancy fee for the preparation of estimates to the bill of quantities in the contract for the renovation of the Commission's head office building, but not renovated the same building till 30 May 2024 even if its expenses had been brought to accounts for the work in progress.

- (b) Even though the contract was awarded to the private entity on 31 January 2019 for the reconstruction and renovation of the Kadirana Frequency Monitoring Station, amounting to Rs. 139,882,281 excluding the value-added tax, the expenditure incurred as at 31 December 2023 was Rs. 102,662,861. Although the contract completion date was 11 November 2019, the contract had not been completed by 22 May 2024.
- (c) Even though the relevant contract had been scheduled to be completed on August 10, 2016, as per the agreement entered with the Commission and the Contractor for the construction of the Telecommunication Media Center in the IT Park, Hambantota, only 33 percent of the contract had been completed by the time that the agreement was terminated on August 10, 2016. Accordingly, this contract had become a contract that had been stopped midway by the audit date of 30 May 2024. Also, an amounting to Rs. 711,268,796 incurred by December 31, 2023, was the effective expense, and it was shown under the work in progress in the statement of financial position.

2.3 Other Observations

- (a) Action had not been taken to settle the 544 debit balances, in the debtor's balance, a sum of Rs. 2,174,406 by 31 December 2023. In the said debit balances, the number of Debtors less than Rs. 100 was 415.
- (b) A sum of Rs. 372,764,954 should have been recovered from the Trade Debtors by 31 December 2023. Although the totaled debit balance had been classified as the balance from more than 02 years in the Financial Statement 2023, it had been included for the debit balance amounting to Rs. 15,103,410 existing from 1976 as per audit verification. These debtors had not been recovered because the proper procedure had not been introduced to recover due frequency income. Further, it should have recovered more than 46 percent out of the total debtor balance amounting to Rs. 174,800,000 from Electronics Private Limited since 1993; and more than 40 percent amounting to Rs. 145,254,449 from the Sri Lanka Broadcasting Corporation since 1976.
- (c) The accrual of values, totaling the amount of Rs. 1,947,254 in the payable accounts balance during the year under review, had been specified in accrual without continuous payment.



W.P.C. Wickramaratne

Auditor General

SUPPLEMENTARY INFORMATION

FINANCIAL PROGRESS OF 10 YEARS

(All amounts in Sri Lankan Rupees million)

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Financial Position | | | | | | | | | | |
| Total non-current assets | 73,473.1 | 36,395.0 | 43,506.6 | 35,826.9 | 34,215.3 | 30,334.9 | 34,324.5 | 25,330.0 | 45,915.1 | 19,341.0 |
| Total current assets | 15,126.6 | 7,179.6 | 9,123.3 | 12,724.0 | 9,295.8 | 8,306.0 | 12,120.3 | 18,746.0 | 7,022.0 | 17,586.8 |
| Total assets | 88,599.7 | 43,574.5 | 52,629.8 | 48,550.9 | 43,511.1 | 38,640.9 | 46,444.8 | 44,076.0 | 52,937.0 | 36,927.9 |
| Total equity | 74,738.4 | 31,701.1 | 32,060.5 | 27,478.8 | 20,327.8 | 11,132.4 | 17,309.2 | 20,041.4 | 29,242.9 | 26,143.2 |
| Total non-current liabilities | 2,296.5 | 5,162.1 | 12,581.8 | 13,850.1 | 15,294.3 | 16,947.1 | 18,451.7 | 16,966.6 | 15,856.3 | 5,239.1 |
| Total current liabilities | 11,564.8 | 6,711.3 | 7,987.5 | 7,222.0 | 7,889.0 | 10,561.4 | 10,683.9 | 7,068.0 | 7,837.9 | 5,545.6 |
| Total liabilities | 13,861.3 | 11,873.4 | 20,569.3 | 21,072.1 | 23,183.3 | 27,508.5 | 29,135.6 | 24,034.6 | 23,694.2 | 10,784.7 |
| Total equity and liabilities | 88,599.7 | 43,574.5 | 52,629.8 | 48,550.9 | 43,511.1 | 38,640.9 | 46,444.8 | 44,076.0 | 52,937.0 | 36,927.9 |
| Profit Or Loss and Other Comprehensive Income | | | | | | | | | | |
| Revenue | 48,236.0 | 38,414.6 | 33,700.5 | 29,000.9 | 38,575.2 | 48,032.9 | 54,368.0 | 56,024.0 | 48,235.1 | 47,579.8 |
| Regulatory expenses | 470.0 | 209.6 | 50.1 | 54.8 | 78.9 | 82.2 | 66.9 | 164.2 | 97.8 | 1,014.9 |
| Other expenses | 1,962.5 | 6,507.9 | 1,354.2 | 918.0 | 612.8 | 2,244.1 | 724.7 | 518.0 | 543.9 | 298.8 |
| Profit before Income tax | 45,803.5 | 31,697.2 | 32,296.3 | 28,028.1 | 37,883.5 | 45,706.6 | 53,576.5 | 55,341.7 | 47,593.4 | 46,266.1 |
| Income tax | 501.6 | 159.1 | 4,492.1 | 702.9 | 0.0 | 2,349.2 | 536.4 | 727.8 | 842.1 | 403.7 |
| Profit after income tax | 45,301.9 | 31,538.0 | 27,804.1 | 27,325.1 | 37,883.5 | 43,357.3 | 53,040.0 | 54,614.0 | 46,751.3 | 45,862.4 |
| Other comprehensive income | 0.1 | 4.8 | 5.1 | 2.5 | 7.1 | 5.1 | 0.8 | 1.5 | 0.5 | 10.9 |
| Contribution to the Consolidated Fund | 43,055.6 | 29,308.5 | 22,227.5 | 18,817.6 | 27,681.0 | 34,529.0 | 40,773.1 | 48,816.9 | 43,652.1 | 41,328.1 |
| Total comprehensive income | 2,246.4 | 2,234.3 | 5,581.7 | 8,505.0 | 10,195.4 | 8,823.2 | 12,267.8 | 5,798.6 | 3,099.7 | 4,523.5 |
| Cash Flow | | | | | | | | | | |
| Net Cash Generated from Operating Activities | 44,885.6 | 28,619.4 | 29,113.6 | 27,415.0 | 33,498.7 | 44,722.8 | 54,790.7 | 51,101.7 | 46,054.0 | 46,042.9 |
| Net Cash used in Investing Activities | 5,630.0 | (1,101.1) | (7,353.3) | (1,476.3) | (3,946.8) | 3,584.7 | (7,398.2) | 22,462.9 | (8,339.2) | (33,280.8) |
| Net Cash used in Financing Activities | (42,913.4) | (30,156.3) | (24,523.4) | (21,583.8) | (29,573.4) | (50,301.2) | (53,749.8) | (62,420.8) | (42,485.2) | 259.7 |

LIST OF ACRONYMS

| | |
|-------|---|
| AI | Artificial Intelligence |
| APT | Asia Pacific Telecommunity |
| ARPU | Average Revenue Per User |
| ASMS | Antenna Structure Management System |
| ATC | Advance Training Committee |
| BOI | Board of Investment |
| CANC | Cabinet Appointed Negotiating Committee |
| CDMA | Code Division Multiple Access |
| CEIEC | China National Electronics Import & Export Corporation |
| CEO | Chief Executive Officer |
| CID | Crime Investigation Department |
| CLT | Colombo Lotus Tower |
| CLTMC | Colombo Lotus Tower Management Company |
| COPE | Committee on Public Enterprises |
| CSR | Corporate Social Responsibility |
| CTL | Cellular Tower Levy |
| DS | Divisional Secretariat |
| DTH | Direct to Home |
| DVB | Digital Video Broadcasting |
| ESCAP | Economic and Social Commission for Asia and the Pacific |
| FM | Frequency Modulation |
| GPRS | General Packet Radio Services |
| GSM | Global System for Mobiles |
| ICT | Information and Communications Technology |
| IESL | Institution of Engineers Sri Lanka |
| IET | Institution of Engineering and Technology |
| IMEI | International Mobile Equipment Identity |
| IP | Internet Protocol |
| IPMSL | Institute of Project Managers of Sri Lanka |
| ISP | Internet Service Provider |
| IT | Information Technology |
| ITU | International Telecommunication Union |
| JICA | Japan International Cooperation Agency |
| LTE | Long Term Evolution |
| MOD | Ministry of Defence |
| MOU | Memorandum of Understanding |

| | |
|--------|---|
| NIA | National Information Agency |
| NVQ | National Vocational Qualification |
| PC | Procurement Committee |
| PCU | Project Consultancy Unit |
| PLC | Public Limited Company |
| PSTN | Public Switched Telephone Network |
| RF | Radio Frequency |
| RFSL | Radio Frequency Spectrum Licence |
| SATRC | South Asian Telecommunication Regulators Council |
| SDFL | Skills Development Fund Ltd |
| SDG | Sustainable Development Goals |
| SIM | Subscriber Identity Module |
| SLCERT | Sri Lanka Computer Emergency Readiness Team |
| SLIDA | Sri Lanka Institute of Development Administration |
| SMS | Short Message Service |
| SOR | Scheme of Recruitment |
| TB | Terabyte |
| TDC | Telecommunications Development Fund |
| TL | Telecommunications Levy |
| TRCSL | Telecommunications Regulatory Commission of Sri Lanka |
| VIP | Very Important Person |
| VLR | Visitor Location Register |
| VPN | Virtual Private Network |
| VTA | Vocational Training Authority |
| WTISD | World Telecommunication and Information Society Day |



TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA

276 Elvitigala Mawatha, Colombo 08, Sri Lanka
Tel: +94 11 268 9345 / 1900 | Fax: +94 11 268 9341



www.trc.gov.lk



twitter.com/TRCSL



facebook.com/trcsl