

Annual Report 2022



**Digital technologies for
older persons and healthy ageing**



Telecommunications Regulatory Commission of Sri Lanka



TELECOMMUNICATIONS
REGULATORY
COMMISSION OF
SRI LANKA

ANNUAL REPORT
2022

Digital technologies for Older Persons and Healthy Ageing

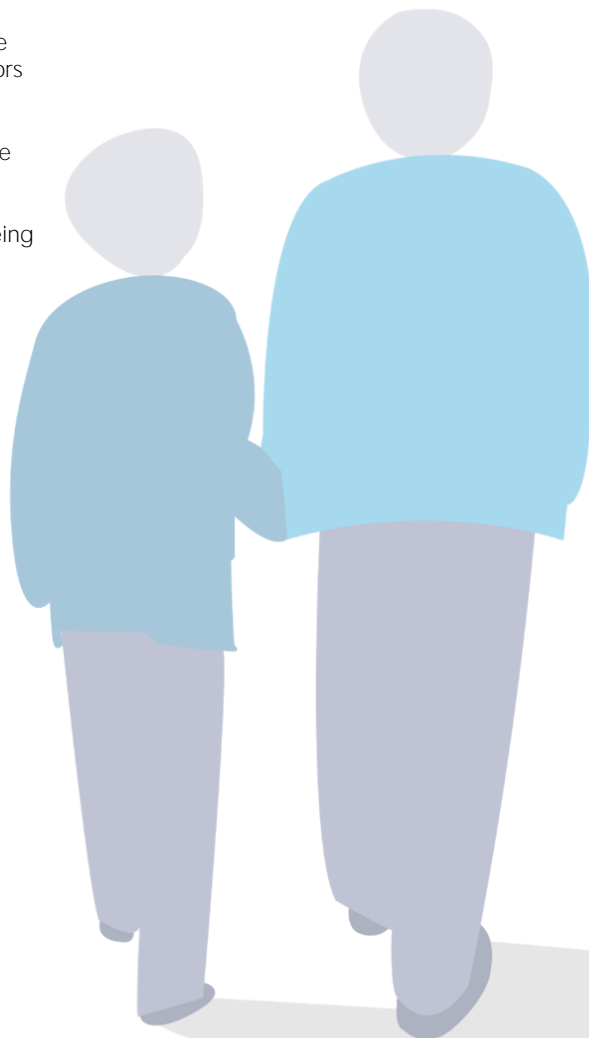
Digital technologies play a catalytic role in creating opportunities for people in almost every aspect of their lives. As everyday services move online and societies become networked by means of ICT, the ageing population risks being excluded in the digital era which embraces fast-growing innovation in digital technology.

Around the world birth rates are declining and the ageing population is predicted to reach 2 billion by the year 2050. According to the reports of the Asian Development Bank, Sri Lanka will also go through an unprecedented demographic transition into an ageing population at a lower level of per capita income than other ageing economies.

The theme of the World Telecommunication and International Society Day (WTISD) 2022 "Digital technologies for Older Persons and Healthy Ageing" focuses on how technology can have a major part to play in ensuring that the ageing population will not be underserved.

Everyone can benefit from ICTS and services, regardless of age, gender, income or any other factor. Furthermore, ICTs can be utilized to achieve healthier ageing, support caregivers, build age-friendly smart cities, eliminate age-based discrimination at the workplace and ensure sustainable financial inclusion of older persons.

Therefore, it is of timely importance to raise awareness on the issues of the ageing population so that the technology creators and policymakers can take prompt actions on this global demographic trend. As the national regulator for telecommunications, TRCSL invites responsible parties to take national initiatives on the significance of bridging the digital divide for elderly people and creating an age-friendly environment by embracing ICTs for the well-being of the ageing population.



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LIST OF ACRONYMS

AG	Attorney General's Department
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
CERT	Computer Emergency Readiness Team
CID	Crime Investigation Department
CIM	Chartered Institute of Marketing
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
EBC	Extra Budgetary Contribution
EGO	External Gateway Operator
EPF	Employees' Provident Fund
ESCAP	Economic and Social Commission for Asia and the Pacific
ETF	Employees' Trust Fund
FM	Frequency Modulation
FR	Financial Regulation
GPRS	General Packet Radio Services
GS	Gamata Sannivedanaya
GSM	Global System for Mobiles
GSMA	Group Special Mobile Association
HLMC	High Level Management Committee
HRM	Human Resources Management
ICSA	Institute of Chartered Secretaries and Administrators
ICT	Information and Communications Technology
ICTA	Information and Communication Technology Agency
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
ISOC	Internet Society
ISP	Internet Service Provider
IT	Information Technology
ITN	Independent Television Network
ITU	International Telecommunication Union
IVR	Interactive Voice Response
JICA	Japan International Cooperation Agency
KIV	Korea International Volunteer
KPI	Key Performance Indicator
LTE	Long Term Evolution
MOD	Ministry of Defence

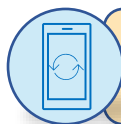
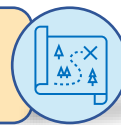
MOU	Memorandum of Understanding
NAITA	National Apprentice and Industrial Training Authority
NAO	National Audit Office
NCS	National Competency Standard
NIA	National Information Agency
NVQ	National Vocational Qualification
OID	Object Identifier
OLP	Optical Line Protection
PABX	Private Automatic Branch Exchange
PCU	Project Consultancy Unit
PED	Department of Public Enterprises
PLC	Public Limited Company
PSTN	Public Switched Telephone Network
QOS	Quality of Service
RF	Radio Frequency
RFSL	Radio Frequency Spectrum Licence
RMC	Regional Monitoring Center
RTI	Right to Information
SAFIR	South Asia Forum for Infrastructure Regulation
SATRC	South Asian Telecommunication Regulators Council
SDG	Sustainable Development Goals
SIM	Subscriber Identity Module
SLASSCOM	Sri Lanka Association for Software Services Companies
SLIATE	Sri Lanka Institute of Advanced Technological Education
SLINTEC	Sri Lanka Institute of Nanotechnology
SMS	Short Message Service
SOR	Scheme of Recruitment
TDC	Telecommunications Development Fund
TL	Telecommunications Levy
TRCSL	Telecommunications Regulatory Commission of Sri Lanka
TVEC	Tertiary and Vocational Education Commission
UMTS	Universal Mobile Telecommunication System
UN	United Nations
VAS	Value Added Services
VLR	Visitor Location Register
WTISD	World Telecommunication and Information Society Day

HIGHLIGHTS OF THE YEAR



Continuing "Gamata Sannivedanaya" Connect Sri Lanka National Project & Initiating of School Fiber/Broadband Development

Completion of Expert Assistance for Preparation of the Road Map for the Transition of IPV6



Continuing Initiatives of Number Portability

Processing 5G initiatives



Compliance & Quality of Service

Reconciliation of On Air Towers and Identification of Unauthorized Towers



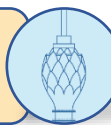
Introduced appropriate steps regarding subscription payments of International Organizations

Development of NVQ Certification for Telecommunications Tower Technicians



Initiate APT-NIA World Friends Korea ICT e-Volunteer Program & APT-EBC-K Project

Completion of Physical Activities of Colombo Lotus Tower and Handing Over to Management Company



Contribution to the Consolidated Fund for Strengthening the Government Revenue

CHAIRMAN'S MESSAGE



I am pleased to issue a message for the TRCSL Annual Report 2022. The year under reference was one of the most challenging years because of the critical economic situation in the country. As the Chairman of TRCSL, I have the pleasure of mentioning that the telecommunications industry has shown positive results in the midst of these tough conditions.

We wish to extend our sincere gratitude for the resilience and dedication of our stakeholders in the industry. Resilient telecommunications and IT environments are imperative for the development of many other sectors and for restoring the economic condition. Telecommunications Regulatory Commission plays a vital role in maintaining a robust telecommunication industry.

Our country has a very vibrant telecommunication sector with around 29.8 Mn mobile subscribers, 3.7 Mn fixed subscribers, and 21.5 Mn broadband subscribers. By the end of 2022, the mobile and fixed telephone penetration stood at 130% and 12%, respectively. The telecommunications industry has been a fast-growing sector of Sri Lanka's economy, and it is spearheaded by the mobile telephony segment. Along with the developments in the telecommunications sector, the Information and Communications Technology (ICT) sector has grown significantly in the past year.

During the year 2022, the institution has taken measures to complete a number of key tasks such as the renewal of four System Licences, conducting 5G Trials by the Mobile Operators, initiating implementation of a Toll-Free numbering system, development of Curriculum and National Competency Standards required for Vocational Qualification certification of Telecom Tower Technician, CLT commercialization activities initiated under the Colombo Lotus Tower Management Company, for the growth of the industry.

The institution has been successful in many aspects of its functions in the year and provided priority attention in continuing the national initiatives for rural and remote infrastructure deployment under "Gamata Sannivedanaya". This initiative is in line with the context of the United Nations' Sustainable Development Goals (SDGs). In terms of the financial progress of the corresponding year, the income of the Telecommunication Regulatory Commission of Sri Lanka is Rs. 38,414 Mn, and at the same time, the commission has contributed a sum of Rs. 29,308 Mn to the consolidated fund.

While adhering to government regulations, TRCSL carried out functions without interruption in providing services to the public. During this period, we were able to identify the strengths and opportunities of the staff in working together to achieve the objectives of the organization as a responsible government entity to serve the country in a complicated situation.

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. I would like to thank the Members of the Commission and all employees of the TRCSL for their continued loyalty, diligence, professionalism, and commitment to delivering valuable services to the telecommunications sector.

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

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



Vision

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



Mission

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



Our Values

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

THE COMMISSION

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

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

OBJECTIVES

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

- ❖ To ensure the provision of a reliable and efficient national and international telecommunication service in Sri Lanka (save as far as the provision thereof is impracticable) such as will satisfy all reasonable demands for such service including emergency services, public call box services, directory information services, maritime services, and rural services as may be considered essential for the national wellbeing.
- ❖ To secure that every operator shall have and employ the necessary technical, financial and managerial resources to ensure the provisions of the services specified in the license.
- ❖ To protect and promote the interest of consumers, other users and the public interest with respect of the charges for the quality and variety of telecommunication services provided and telecommunication apparatus supplied.

- ❖ To maintain and promote effective competition among persons engaged in commercial activities connected with telecommunication and promote efficiency and economy on the part of such persons.
- ❖ To promote the rapid and sustained development of telecommunication facilities both domestic and international.
- ❖ To ensure that the operators are able to carry out their obligations for providing a reliable and efficient service free of undue delay, hindrance or impediment.
- ❖ To promote research into the development and use of new techniques in telecommunications and related fields.
- ❖ To encourage the major users of telecommunication services whose business are outside Sri Lanka to establish business within Sri Lanka and to promote the use of Sri Lanka's international transit services.

RESPONSIBILITIES OF TRCSL

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

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

Its major responsibilities are as follows:

- ❖ Enforcement of the provisions in the act and conditions in the licenses issued to operators.
- ❖ Foster free and fair competition among the licensed operators.
 - Monitoring competition to ascertain whether the operators are meeting public interests and objectives.
 - To ensure seamless interconnection between networks and services.
 - To establish a general framework of rules that would enable open entry, non-burdensome and transparent licensing.
- ❖ Pricing
Ensure the telecommunication services are reasonably priced, taking into consideration affordability etc.
- ❖ Consumer Protection.
To have the consumer safeguard in place, to encourage citizen participation and open dialogue by conducting inquiries into complaints made by the consumers and members of the public.
- ❖ Social Regulation.
 - Universal Access/ Services
 - Ensure universal access/provision of services to the rural communities, elderly and people who are differently abled.
 - Emergency preparedness.
 - To make available telecommunication services, to people with 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 the Section 22(1) of the Telecommunication Act, no person shall use any radio frequency or any radio frequency emitting apparatus in Sri Lanka or any part of the territorial waters of Sri Lanka or any ship or aircraft registered in Sri Lanka, except under the authority of a license issued by the Commission for that purpose.
 - Vendor license under Section 21 of the Act.
According to the Section 21(1) of the Act no person shall by way of trade, manufacture, import, sell, offer for sale, deal in, transfer, hire, lease, demonstrate, maintain and repair any telecommunication apparatus, except under the authority of a license issued by the TRCSL.

- ❖ **Tariff Regulation**
 - Determine tariff in consultation with the Minister as specified under the Section 5(k) of the Act, according to which the Commission has power to determine in consultation with the Minister, the tariff or methods for determining such tariff, taking into account Government policy and the requirements of the operators in respect of the telecommunication services provided by the operator.
 - Approval/Determination of interconnection charges in term of 5(1) of the Act.
- ❖ Monitoring and ensuring compliance with the Act, (including rules and regulations made there –under) and licenses by the licensed operators.
- ❖ Monitoring and ensuring proper utilization of the radio frequency spectrum and management of radio frequency spectrum in Sri Lanka.
- ❖ Responding to consumer complaints and holding inquiries/ conducting investigations.
According to the Section 9(1) of the Act, when a subscriber or a member of public makes a complaint to the Commission in relation to the telecommunication service provided by an operator, the Commission may make such investigations as it may deem necessary and shall cause such remedial measure to be taken as the circumstances of the case may require. Section 9(2) of the Act states that in the course of any investigation under Section 9(1) the Commission may direct such operator to take such steps as appears to be necessary for the rectification of any cause or matter which gave rise to the complaint, and direct that financial redress to be provided where deemed appropriate.
- ❖ Setting up quality of service standards to ensure quality and variety of telecommunication services.
- ❖ Represent the Government in International Conferences and Foreign bodies who are concern with telecommunication operations.
- ❖ Issuance of Orders 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 2022 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.

OVERVIEW AND FUNCTIONS OF THE DIVISIONS

Licence Management Division

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

The licenced operator ensures that services are delivered as per the provisions in Section 17 of the Telecommunication Act No. 25 of 1991 as amended by Act 27 of 1996. As per the section mentioned above of the Act, no person shall operate a public telecommunication system in Sri Lanka except under the authority of a system licence. The Minister formally granted the system licenses, subject to public consultation and recommendation of the Commission.

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

Radio Frequency Spectrum is a natural and limited resource that must be appropriately managed to maximize the benefits accrued using the same to enrich society's quality of life and the economy's growth. The Commission has empowered the Spectrum Management Division to fulfil its obligations mandated by the Sri Lanka Telecommunications Act in respect of all spectrum-related matters and to efficiently manage the radio frequency spectrum as a scarce national resource. Under Section 10(a) of the Sri Lanka Telecommunications Act, the Telecommunications Regulatory Commission of Sri Lanka (TRCSL) is the sole lawful authority in Sri Lanka to manage and control the use of the radio frequency spectrum and matters relating to the stationary satellite orbit and exercise power when it deems necessary to withdraw or suspend its use or prohibit any such use of frequencies. The Commission is also vested with authority under Section 22 of the Act to issue licenses for the users of radio communication services, conserve the radio spectrum and enforce compliance with rules to minimize electromagnetic disturbances produced by radio communication installations.

Competition Division

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

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 result in customer satisfaction and enhancement of the profile. These responsibilities were handled by the Compliance & Investigation Division of TRCSL.

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 the development and use of new techniques in telecommunications and related fields. The Policy and International Relations division is empowered by the Commission to assist the local universities/research institutions to conduct research studies. The division is also entrusted to involve in implementing international and local programmes/projects relating to the promotion of international best practices for the development of telecom sector.

Policy and International Relations Division act as the focal point for international bodies responsible for telecommunications regulatory activities such as International Telecommunication Union (ITU), Asia Pacific Telecommunity (APT) and 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 plays a pivotal role for the Commission in rendering advice to the Commission on all legal & regulatory issues. The division manages all litigation matters in which TRCSL is a party.

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

Special Projects Division

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

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

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 to implement 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 strategic use of information technology by the IT Division 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 aimed at adding value to the organization and its stakeholders when it considers strategies, objectives, and risk; strives to offer ways to enhance governance, risk management, and control process, and objectively provides relevant assurance.

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

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

FUTURE DIRECTION OF TRCSL

- Finalizing the amendment of Section 17 licence guidelines, issuance of network approvals for operators, and preparation of templates for the unified licence.
 - Implementation of a comprehensive tower reconciliation process to address current anomalies, reviewing the existing numbering plan and introducing toll-free number services, implementation of Number Portability, and Measurement of Radiation Level of the tower site under the Network Affairs.
 - Completion of the Spectrum Roadmap and Spectrum Assignment for 5G, introducing a radio spectrum licensing rule framework & revision of spectrum fees, and preparation of a regionally harmonized National Table of Frequency Allocation are considered vital initiatives under the Spectrum Management.
 - Continuation of the "Gamata Sannivedanaya" project for the development of infrastructure facilities in rural areas & providing high-speed internet connection to all schools in Sri Lanka with Fiber technology to reduce the digital divide, Collection of Industry Statistics, Analyzing the industry performance, processing new tariff proposals, Calculate the benchmarks of Tariff related ICT indicators and
- International Telecom tariffs are directed under Competition areas.
 - In terms of Compliance, significant areas of focus include managing cyberbully, handling consumer complaints, taking necessary regulatory measures on unapproved tariffs and non-approved equipment, conducting network audits, monitoring the adherence to the requirements of the licences & stipulated Quality-of-Service parameters, and organizing awareness campaigns for the general public.
 - Conducting telecommunication research studies with the support of local universities, Organizing Local ICT volunteer programs and World Telecommunication and Information Society Day awareness programs, Arranging collaborative activities with international organizations & regulatory bodies, Compiling data gathered from relevant parties & responding to surveys/questionnaires received from international organizations, coordinating with international organizations for obtaining expert assistance and training opportunities.

- Formulation of amendments to the Act/New Act to meet the rapid development of the industry is carried out under legal affairs, and streamlining of the Scheme of Recruitment under administrative matters to ensure that core competency is acquired to drive the regulatory commission.
- Under the Special Projects, Colombo Lotus Tower Lift & Escalator Investigation, Kadirana Renovation & Rehabilitation works, TRCSL new head office building works, and Solar Project are planned to be completed. Furthermore, the TRCSL website redesign, New PABX system integration, and Information and Cyber Security Policy implementation will be done under Information Technology.

COMMISSION AND EXECUTIVE MANAGEMENT



Professor Niranjan D. Gunawardena
Chairman

Senior Prof. Niranjan Gunawardena is a professor attached to 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 Degree and a 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, which is a higher education institution in Colombo affiliated with the University of the West of England, Bristol, UK.



Mr. Helasiri Ranatunga
Director General (Actg.)
Director - Networks

Mr. Helasiri Ranatunga joined TRCSL in 1998. He holds a B.Sc. (Eng.) Honors Degree in Electronics and Telecommunication Engineering from the University of Moratuwa and an MBA in Information Technology from the University of Moratuwa. He is a Chartered Engineer of the Institution of Engineers, Sri Lanka (IESL). After graduation in 1986, he joined the Independent Television Network and held several key engineering positions. During 12 years of his career at ITN, he took the leadership in several transmission expansion and studio & control room upgrade projects in the Broadcasting Institute. In his 24 years of carrier at TRCSL, he held several senior positions in the Regulatory Commission. He played a very active role as the Project Manager on the implementation of the Radio Frequency Management and Monitoring System of TRCSL. He led the Spectrum Management Division of TRCSL for several years. Prior to assuming duties in his current position as the Director Networks he performed duties as the Director Licence Management for few years. Additionally, at present he is performing duties as Acting Director General of TRCSL.

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



Mr. Anil Meegahage
Member of the Commission

Mr. Anil Meegahage is the Director of Sri Lanka Insurance, Further, he was appointed as a Commission Member for TRCSL in December 2019.

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

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

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

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

Professionally holds MBA and reading for a Ph.D. in Colombo University, also has a Professional Post Graduate Diploma in Marketing (DipM MCIM),

The Chartered Institute of Marketing, UK. Have more than 12 years of lecturing experience for CIM and ICSA Students.



Mr. Ruwantha Cooray
Member of the Commission

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

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

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



Mr. Chaaminda Kumarasiri
Member of the Commission

(Appointed on 18.12.2019 and served up to 07.06.2022)

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

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

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

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



Mr. H.P. Karunaratna
Director - Spectrum Management

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

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

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

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

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

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



Mr. A. Uthayarajan
Director - Finance

Mr. Uthayarajan has joined TRCSL in November 2022. He is a grade-I Officer from Sri Lanka Accountants Services. He has completed Higher National Diploma in Accountancy at SLIATE and holds Master of Business Administration from Eastern University Sri Lanka.

Before he joins TRCSL, Mr. Uthaya has served 15 years in similar positions, such as Accountant in the Department of Health Services, Trincomalee, Chief Accountant in the Department of Local Government, Eastern Provincial Council, Project Accountant in World Bank funded two projects (Puraneguma - NELSIP & LDSP) in EPC and Chief Internal Auditor in the Ministry of Technology.



Mrs. Tharalika Livera
Director - Compliance & Investigation (Actg.)
Director - Information Technology (Covering up)

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 28 years of multidisciplinary experience in the telecommunication regulation and currently holds the position of Director – Compliance & Investigation (Actg.) at Telecommunications Regulatory Commission of Sri Lanka.

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

Mrs. Livera is a Chartered Engineer (CEng) by profession and registered at the Engineering Council, United Kingdom. She is a Member of the Institution of Engineering and Technology, United Kingdom and Associate Member of the Institution of Engineers Sri Lanka. She holds the Vice Chairmanship of the Policy and Regulatory Forum of Asia Pacific Telecommunity for South Asia and served as Vice Rapporteur for Broadband Studies in the International Telecommunication Union Study Group - 1 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.



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

With a career spanning over 28 years as a professional Engineer in the Regulatory Sector of Telecommunication Industry in Sri Lanka, Mr. Nihal Ratnapala has gained extensive exposure in the field of Radio Frequency Spectrum Management and had been instrumental in major developments in radio communication industry including Sound and Television broadcasting Sector.

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

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



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

Ms. K.S.M. Vishakha joined TRCSL (then Office of the Director General of Telecommunications) as an Engineer in 1994. She has over 28 years of experience in the field of telecommunications and regulations of TRCSL. She is currently holding the position of Director (Actg.) - Policy & International Relations of TRCSL. She has served in Spectrum Management for 17 years in Assistant Director and Deputy Director positions. She is also working as a Deputy Director in Network Division of the TRCSL since 2013. She has earned a wealth of experience in radio communications while serving in the Spectrum Management Division and contributing to many key projects handled by the Division during this period. She represented the country at several World Radio Conferences (WRC) of the International Telecommunications Union (ITU).

She has also gained extensive knowledge in numbering and networking by serving in the Network Division. She contributes to the Numbering Portability project as a member of the internal committee in the capacity of Deputy Director /Numbering. She has represented the country on many occasions at international meetings of ITU, Asia Pacific Telecommunity (APT) and other international organizations.

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



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

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

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

He has dedicated his services to Mother Sri Lanka during the last 27 years in which, he has served as an Engineer in General Sales Company where greater Colombo hospitals were empowered with top-level electronic medical equipment and as a Project Engineer of Island wide Telecommunication improvement Project implemented under supplier credit program for Telecommunications Services Ltd, a subsidiary company of Sri Lanka Telecom. His distinctive services to the development of the telecommunication industry in Sri Lanka as the Assistant Director/ Interoperability include the formation of regulations, guidelines and processes to develop telecommunication sector and network rollout safeguarding the environmental, regulatory and social norms and rules, conducting awareness programs getting assistance from other related organizations such as Meteorological Department, Ministry of Health and Department of Sociology, the University of Kelaniya throughout the country to public and Government authorities on Telecommunication Network Development aspects. Eng. Gunanandana authored few books and

printed materials on telecommunication related matters in simple layman language.

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

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



Mr. Indrajith Handapangoda
Director - Competition (Actg.)

Mr. Indrajith Handapangoda commenced his career as an Executive at one of Blue-Chip Companies in Sri Lanka in 1994 and joined to the middle management of TRCSL in 1998. Within his tenure of 24 years in the Economic Affairs Division and Competition Division of TRCSL, he handled key regulatory functions such as Interconnection, Tariff, licensing, Surveillance. In 2002, He coordinated the consultation process for formulating strategies to liberalize the international telecommunication

segment of Sri Lanka and contributed for the implementation of formulated strategies. Mr. Indrajith handled the process of rebalancing the tariff of Sri Lanka Telecom in 2000, 2001 and 2002. He played a key role in introducing interconnection Rules to the industry in 2003 and issuing interconnection determinations in 1999, 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 is currently holding the position of Acting Director/Legal Affairs. She serves in the Legal Division as its Deputy Director which handles a variety of legal matters for the Commission. Besides, she provides very vital legal input for the formalization of organizational legal issues.

Her experience in the field of law counts over 27 years with 23 years of experience in the Telecommunications Regulatory Commission of the Sri Lanka Legal Division. She worked as Acting Secretary to the Commission since 2011. She is a member of the Consumer Complaints advisory committee of the Commission.



Mr. Saliya Gunarathna
Director - Administration & Corporate Affairs (Cover up)

Mr. Saliya Gunarathna was appointed to cover the duties of the Director / Administration and Corporate Affairs of the TRCSL from August 2022. He also functions as the Assistant Director of Human Resource Management since December 2020. He is responsible for the roles in Administration, Corporate Affairs, and Human Resource Development of the organization. He is a Class II officer of Sri Lanka Administrative Services with a wealth of experience. He was a member of the team at the organization that introduced the e-HRM and IT-related Human Resources Management systems to staff. He holds a Bachelor of Laws Degree from the Open University of Sri Lanka. He is a passed finalist of the Association of Accounting Technicians of Sri Lanka.

Mr. Gunarathna started his profession as a Public Management Assistant. As a professional administrator, he has held the post of Administrative Officer at the National Intellectual Property Office and Assistant Secretary of the Public Service Commission. He was serving as the Assistant Controller in the Department of Immigration and Emigration before joining the Commission.



Mr. Jagath Ratnayake
Deputy Director/Policy &
International Relations, Actg. Deputy
Director/Corporate Affairs

Mr. Jagath Ratnayake joined TRCSL on 22nd May 1998 as an Assistant Director in Policy. He holds a B. A. Honors Degree in Sociology & Master of Sociology from the University of Peradeniya. He studied Policy & Regulations at the Japan International Cooperation Agency, Telecoms Market policies & Liberalized Telecom Markets at the Blekinge Institute of Technology, Sweden, and ICT Development and Management at the Telecommunications Management Institute of Canada.

After graduating in 1991, he worked as a Junior Sociologist at DANIDA. In 1993 he served as Senior Community Relations Officer at the Ministry of Housing CWSSP Program Unit. He took leadership in several community developments, mobilization, participatory assessments, and partner organization development initiatives and attended as a trainer resource person. He also worked as a Research Associate at the IFS & Smithsonian projects.

He counts over 24 years of work experience in TRCSL and currently holds the positions of Deputy Director/Policy and Deputy Director/Corporate Affairs (Actg.). He assists in developing policy activities, projects, research & development with the assistance of universities & research institutions, the introduction of international best practices, emergency communication, ICT volunteer programs, and attended institution studies. Further, his commitment led the TRCSL to a prominent stage in the Annual Report Awards Competition and won the award in the statutory organizations' segment and across the public sector organizations. He was also selected as an ITU local expert for the ITU Connect a School Connect a Community Project. He coordinated the conferences and participated as a resource person for the training, awareness, and exhibition programs.

He contributed his expertise to the development of international as well as local ICT volunteer programs, ICTs for persons with special needs (e-NABLE project), and WTISD initiatives. Also, he represented the organization at several conferences and other telecom regulatory meetings organized by international organizations.

He contributed to Telecommunications Regulatory Commission-initiated research studies on Basic Telecommunications Facilities and to Identify Unserved and Underserved Areas of the Central Province in Sri Lanka, a Pilot Study on the Use of Telecommunications in Disaster and Emergency Situations in Sri Lanka in association with the ITU, United Nations Office for the Coordination of Humanitarian Affairs, Working Group on Emergency Telecommunications and ICO Global Communications, and Study on the Feasibility of Establishing a Public Access Emergency System in Sri Lanka.



Mrs. H.P.H.M Pathirana
Deputy Director/Consumer Affairs

Mrs. Menaka Pathirana commenced her career as an Accounts Executive of John Keels Group and Group Internal Auditor in Cinemas Group of Companies in 1994. She joined the TRCSL in 1998 as an Assistant Director/Operator Analysis in the Economic Affairs Division. She holds a bachelor's degree in economics (Honors) from the University of Sri Jayewardenepura. She holds a master's degree from the University of Madurai Kamaraj, India in the field of Business Administration. With the direction of the Commission, she was appointed to the Compliance division to handle the consumer relations key regulatory functions.

She currently holds the position of Deputy Director of the Compliance division. Her main role is handling consumer affairs in the Telecommunication Industry, dealing with consumer issues, and making

awareness of ethical usage of communication and media. Also, she served as a guest lecturer in all Divisional Secretariats, government schools, all police stations, and other social groups on consumer awareness programs. Further, she coordinates the Internal Committee of Resolution of Consumer Complaints (ICRCC). She is a Member of the Institute of Management of Sri Lanka (IMSL).

She has experience in the fields of finance and regulatory affairs for over 29 years. Mrs. Pathirana represented the TRCSL in ITU and APT meetings and participated in ITU Study Group Meetings on different subject matters relating to the industry. During her career, she gained extensive industry-related knowledge and training from local and international institutes.



Mr. L. Ganeshamoorthy
Deputy Director/Spectrum
Management

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. 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 promoted to the post of Engineering Manager. He joined at Telecommunications Regulatory Commission of Sri Lanka as an Engineer on contract basis in 1997 in the Network Division and then he got a permanent post as an Assistant Director. 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 table of frequency allocations

based on the provision of ITU conventions & Radio Regulations. He is in charge of conducting Global Maritime Distress Safety System 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.



Mr. C.N. Palihawadana
Deputy Director/Tariff

Mr. Nishantha Palihawadana joined TRCSL in 2003 and hold a BSc degree specializing Statistics from the university of Colombo. In addition, he holds two master's degrees obtained from the University of Colombo in the field of Economics (Mecon) and Business Administration. He is a Fellow member of Chartered Professional managers of Sri Lanka and hold the membership of the Chartered Accountants of Sri Lanka as a Certified Business Accountant. He is currently holding the position of Deputy Director of the Competition division. His main role is processing Tariff approvals of the Telecommunication Industry and dealing with the tariff related issues. Further, he serve as is a working committee member of the National Financial Inclusion strategies conducted by Central Bank of Sri Lanka and Digital Transformation of Agriculture Project conducted by ICTA. He is actively engaged in the activities of ITU and he was the former Vice Chairman of the ITU Study Group 3 Asian region.



Mrs. S.A.R. Kamalanayana
Deputy Director/Networks

Mrs. Ramani Kamalanayana joined TRCSL in 2001 and holds a BSc Engineering Degree in Electronics and Telecommunications from the University of Moratuwa, Sri Lanka. She is Chartered Engineer and Corporate Member of the Institute of Engineers, Sri Lanka. She has served in the capacities of Assistant Director and Deputy Director in the Spectrum Management Division and she was in charge for Aeronautical, Maritime, PMR and Mobile Service. Currently she is holding the position of Deputy Director/ Infrastructure Development at Networks Division. With 22 years of work experience in various capacities at different divisions of TRCSL, she has strong managerial and technical skills to provide the leadership to the Infrastructure Development of the Telecommunication Networks. As a professional in the regulator, she has participated in many overseas meetings, workshops, forums and training programmes organized by the International Institutes including International Telecommunication Union, Asia-Pacific Telecommunity, United State Telecommunications Training Institute, JICA.



Mr. S.E. Wakista
Deputy Director/Spectrum Management

Mr. S.E. Wakista joined TRCSL in 2001 as an Engineer. He holds a B. Sc. (Eng.) Degree in Electronics and Telecommunications Engineering from University of Moratuwa, Katubedda, Sri Lanka, and a M.Sc. in Information Management from Sri Lanka Institute of Information Technology. He is a

Chartered Engineer from 2001 and member of The Institution of Engineering Sri Lanka. He has more than 27 years of vast experience as a professional in telecommunication industry. He started his career in 1995, as an Engineer and employed in private and state organizations before joining to Telecommunications Regulatory Commission of Sri Lanka (TRCSL). He joined the Spectrum Management Division of TRCSL. From 2011, he transferred to the Network Division and was promoted as Deputy Director. He has wide experience in areas such as processing & issuing telecom operator licenses, Frequency Spectrum Monitoring and investigation based on the provision of International Telecommunication Union (ITU) Radio Regulations. He represented several International and regional forums specially organized by the ITU and Asia Pacific Telecommunity (APT) on behalf of Sri Lanka.



Mr. M.P. Gunasinghe
Deputy Director/Spectrum Management

Mr. Muditha Gunasinghe has been working in the Telecommunications Regulatory Commission of Sri Lanka as Deputy Director – Broadcasting and Spectrum Planning, attached to the Spectrum Management Division. He is having more than 25 years of experience in telecommunication field including more than 20 years of experience in telecommunication regulation. Mr. Gunasinghe obtained his degree in B.Sc. (Engineering) in Electrical and Electronic Engineering from the University of Peradeniya and master's degree in M.Sc. (Engineering) in Electrical and Electronics Engineering from the same university. He is a chartered engineer and a member of the Engineering Council Sri Lanka and the Institute of Engineers Sri Lanka. Mr. Gunasinghe is also a member of the Institute of Engineering Technology, UK and the Institute of Electrical and Electronics Engineers, USA.



Mrs. G.C.P. Moragoda
Deputy Director/Legal

Mrs. Gauri Moragoda joined Telecommunications Regulatory Commission of Sri Lanka in 1997. She is an Attorney-at-Law, holds a LLB degree from the University of Colombo and a LL.M in Information Technology and Telecommunications Law, University of Strathclyde, UK. She is an Associate Member of the Chartered Governance Institute of UK & Ireland and holds a certificate course in Crime and Justice from Australia. Her experience at the Commission counts for more than 22 years and currently holding the position of Deputy Director (Legal). As her core work she advises the Commission in various legal matters and has been involved in many major cases of the Commission where the decisions of the Commission have been challenged. She has also drafted many regulations, rules and guidelines of the Commission and has participated in drafting committees of Telecommunications and Broadcasting Laws. She has also participated and had been a resource person in many international and local conferences, meetings, workshops, forums and trainings. She has represented Sri Lanka in World Telecommunications Development Conference, World Congress on International Telecommunications of ITU.

Mrs Moragoda has over 30 years of experience. Before joining the Commission, she worked in private sector and also practiced in the private bar, which has provided her with the steppingstone for the successful performance at the Commission.

She has always been an active participant in many welfare activities of the Commission and provided leadership in organizing the welfare activities.



Ms. L.S.P. Rodrigo
Deputy Director/Legal

Ms. Sujeewa Rodrigo has over 17 years of experience in Telecommunications Regulatory Affairs and works as Deputy Director in the Legal division. She is also the Information Officer appointed in terms of the Right to Information Act for TRCSL.

She has served in her legal capacity on several telecommunication related issues and legal issues.

By profession Ms. Sujeewa Rodrigo is an Attorney-at-Law, Notary Public, and a Registered Company Secretary, who holds a Bachelor of Laws Degree. Her experience in the field of Law counts over 23 years. She has represented TRCSL in courts on diverse legal matters.



Mr. R.R. Saman Kithsiri
Internal Auditor

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

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



Mr. I.M. Jawsri
Assistant Director/Networks

Mr. I M Jawsri completed his first degree specializing in Electrical & Electronics Engineering from the University of Peradeniya in March 1991. He worked as an Instructor in the Departments of Electrical Engineering and Engineering Mathematics, Faculty of Engineering, University of Peradeniya until March 1993. He was an Associate Member of the Institution of Engineers, Sri Lanka.

Mr. Jawsri joined the Office of the Director General of Telecommunications (Regulatory Body) as Telecommunication Engineer in June 1993 and worked as an Engineer/Technical Standards until February 1998.

He was assigned to the Ministry of Telecommunication as an Engineer/Maintenance in February 1998 and reinstated to the Telecommunications Regulatory Commission of Sri Lanka (TRCSL) in June 2000. He worked as an Assistant Director/ International Relations until March 2013. Currently, he is attending duty as an Assistant Director/ Vendor License & Type Approvals.

He represented in several International and regional forums specially organized by the ITU and Asia Pacific Telecommunity (APT) on behalf of Sri Lanka. He covered 30 years of experience in telecommunication, including in telecommunication regulation.



Mr. I.N. Mathew
Assistant Director/Legal

Mr. Indika Nalindra Mathew is an Attorney at Law and a Notary Public by profession. He holds his higher education at the Sri Lanka Law College in 2002. He worked as a Legal Assistant at the D.N. Thurairajah & Co-Attorneys from 2002 to 2011.

Mr. Mathew joined the Telecommunications Regulatory Commission of Sri Lanka in 2012 and worked as an Assistant Director of Legal Affairs. He handles a variety of legal matters regarding the telecom regulation of the institute.

He represented TRCSL's contributory factor at the courts for handling sector legal works. He covered 10 years of experience in telecommunication regulation in Legal Affairs.



Ms. L.D. Jayawickrama
Assistant Director/Finance

Ms. Deepika Jayawickrama has joined TRCSL in 2019. She is an Associate member of the Institute of Chartered Accountants of Sri Lanka and she has obtained a B.Sc Management Public Administration (Special) Degree from the University of Sri Jayewardhanapura with a second-class upper division.

Prior to joining TRCSL, Ms. Jayawickrama counts over 10 years of Accounting, Finance and Auditing experience in reputed private and public sector organizations in Sri Lanka, holding senior managerial positions.



Mr. W.A.D.T. Madushanka
Assistant Director/Spectrum Management

Mr. W.A.D.T. Madusanka joined Telecommunications Regulatory Commission of Sri Lanka in 2018 and holds a BSc (Eng.) in Electronics and Telecommunications from the University of Moratuwa, Sri Lanka. He is an Associate Member of the Institution of Engineers, Sri Lanka, a Member of the Institute of Electrical and Electronic Engineers and a Member of Institute of Engineering and Technology. With 11 years of work experience in telecommunications engineering, electrical engineering and project management sector, he has gained strong managerial and technical skills required to attain organisational objectives effectively.

In 2011, he joined Lanka Bell Ltd as a Trainee Engineer – Switching. Then, he joined Mobitel (Pvt) Ltd. After 4 year and 3 month tenure at Mobitel (Pvt) Ltd, as a Supervisory Engineer – Radio Network Planning and Optimization, he joined with Rishthaa Company (Pvt) Ltd, Male, Maldives as an Electrical Engineer and involved in providing required technical consultation for the telecom & electrical related projects & managing multiple projects based on effective cost/quality analysis. After 1 year tenure with Rishthaa company, he joined with Zhongtian Construction Group Co. Ltd as a Construction Project Manager and involved in managing electrical / civil construction-related works. After completing 1 year and 6 month tenure with Zhongtian Group, he joined with Qess Corp Lanka (Pvt) Ltd, man power company of Huawei Technologies Lanka Company (Pvt) Ltd, as a Senior Engineer- RF. Currently, he is working as an Assistant Director – Spectrum Management at TRCSL and has represented TRCSL for major technical forums in Sri Lanka, Thailand, Malaysia and South Korea.



Mrs. G.H.P. Imali Prasanthika
Assistant Director/Spectrum Management

Mrs. Imali Prasanthika has over 15 years of experience in Telecommunications industry, and presently works as Assistant Director in Spectrum Management (Spectrum Pricing & Other Services). She has served in the capacity of Manager Technology development, Network Quality Assurance & Audit Senior Engineer where she was with Telecom Operator. Ms Imali Prasanthika is a Chartered Engineer of the Institute of Engineers Sri Lanka. She holds a BSc Engineering Degree in Electronics & Electrical Engineering from University of Peradeniya.



Mr. D.N. Wijesinghe
Assistant Director/Compliance

Mr. D.N. Wijesinghe joined the Telecommunications Regulatory Commission of Sri Lanka in 2019 and holds a BSc (Eng.) in Electronics and Telecommunications from the University of Moratuwa, Sri Lanka. He is an Associate Member of the Institution of Engineers, Sri Lanka. He is a qualified UMTS/LTE/4.5G Radio Network Planning and Optimization Senior Engineer, successful in identifying organizational needs and leading the implementation of emerging technologies. With extensive 12 years of experience in Huawei Technologies Lanka Co. (Pvt) Ltd, he has been highly successful in the conceptualization of UMTS/LTE/4.5G RF Optimization, KPI/QOS improvements, Parameter optimization, Network problems identification and providing state of the art solutions.

Currently, he is working as an Assistant Director – Compliance at TRCSL and has represented TRCSL at major technical forums in Sri Lanka, Thailand and India.



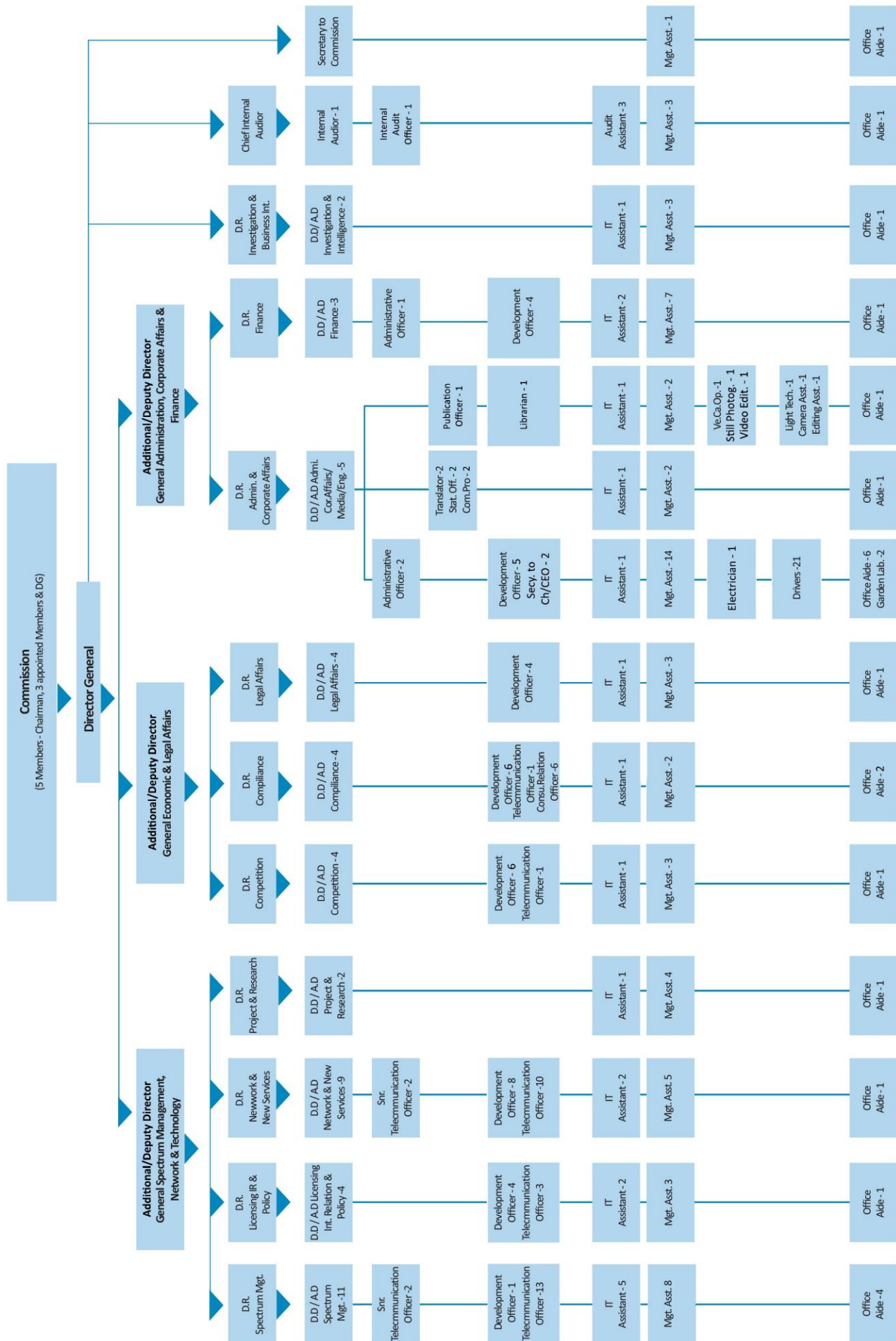
Mr. K.S.N. Wijerathna
Assistant Director/Administration

Mr. K.S.N. Wijerathna was appointed to the Telecommunication Regulatory Commission of Sri Lanka as the Assistant Director (Administration) on a secondment basis from the public service with effect from 19th January 2022.

Mr. Wijerathna is a Sri Lanka Administrative Service officer with over six years of public sector experience. He held the position of Assistant Director (Development) in the Ministry of Ports and Shipping before joining TRCSL. He is a BSc Hon's (Physical Science) graduate of the University of Kelaniya and holds a Master's in Information Technology from the University of Colombo, School of Computing. He also has a Postgraduate Diploma in Public Administration from the Sri Lanka Institute of Development Administration.

Executive Officers

<p>Licence Management</p> <p>Mr. E N P K Ratnapala Director (Actg.)</p> <p>Compliance & Investigation</p> <p>Mrs. Tharalika Livera Director (Actg.)</p> <p>Mrs. Menaka Pathirana Deputy Director</p> <p>Mr. D N Wijesinghe Assistant Director</p>	<p>Spectrum Management</p> <p>Mr. H P Karunarathna Director</p> <p>Mr. L Ganeshamoorthy Deputy Director</p> <p>Mr. M P Gunasinghe Deputy Director</p> <p>Mr. Shantha Gunanandana Deputy Director</p> <p>Mr. S E Wakista Deputy Director</p> <p>Mr. W A D T Madushanka Assistant Director</p> <p>Mrs. G H P Imali Prasanthika Assistant Director</p>	<p>Networks</p> <p>Mr. R G H K Ranatunga Director</p> <p>Ms. K S M Vishakha Deputy Director</p> <p>Mrs. S A R Kamalanayana Deputy Director</p> <p>Mr. I M Jawsri Assistant Director</p> <p>Mr. S W M R L B Senadheera Assistant Director (up to 21.12.2022)</p>
<p>Policy & International Relations</p> <p>Ms. K S M Vishakha Director (Actg.)</p> <p>Mr. J K B Ratnayake Deputy Director</p>	<p>Competition Division</p> <p>Mr. H W K Indrajith Director (Actg.)</p> <p>Mrs. Sriyani Mawellage Deputy Director (up to 27.08.2022, Abroad)</p> <p>Mr. Nishantha Palihawadana Deputy Director</p>	<p>Legal</p> <p>Mrs. Ruwani Gooneratne Director (Actg.)</p> <p>Mrs. G Moragoda Deputy Director</p> <p>Ms. S Rodrigo Deputy Director (Actg.)</p> <p>Mr. I N Mathew Assistant Director</p>
<p>Special Projects</p> <p>Mr. Shantha Gunanandana Director (Actg.)</p>	<p>Internal Audit</p> <p>Mr. Saman Kithsiri Internal Auditor</p>	<p>Information Technology</p> <p>Mrs. Tharalika Livera Director (Covering up)</p> <p>Mr. M C M Farook Director (Actg.) (up to 05.05.2022)</p>
<p>Finance</p> <p>Mr. M.K Jayantha Director (up to 29.05.2022, Abroad)</p> <p>Mr. Arumugam Uthayarajan Director</p> <p>Ms. L D Jayawickrama Assistant Director</p> <p>Mrs. Asanka Liyanage Assistant Director (up to 24.11.2022)</p>	<p>Administration & Corporate Affairs</p> <p>Mr. Y S P Gunarathne Director (Covering up) Assistant Director</p> <p>Mr. J K B Ratnayake Deputy Director (Actg.)</p> <p>Mr. Sameera Wijerathna Assistant Director</p>	



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

DIRECTOR GENERAL'S REVIEW

The Telecommunications Regulatory Commission of Sri Lanka (TRCSL) is a Government Statutory Body established under the Sri Lanka Telecommunications Act No. 25 of 1991 (the Act), as amended by the Sri Lanka Telecommunications Act No. 27 of 1996 (Amendment).

As a leading Government institution, TRCSL is the national regulatory agency for telecommunication services in Sri Lanka. It promotes the development of the telecommunications industry by shaping the regulatory process, protecting the public interest, and being responsive to challenges in an increasingly competitive market.

Telecommunication and ICT are rapidly developing sectors that are critically important to achieving the expected development goals of the country. Having fully understood the gravity of the effect of ICT-based development on the country, TRCSL assists in achieving the Sustainable Development Goals in the field of telecommunications.

The financial crisis has affected several economic challenges in telecommunications regulation, ongoing development process, volatility, and inflationary pressures related to the telecommunications market, operators, and consumers. The Commission made necessary plans in advance to work on the smooth functioning of the telecommunication regulatory services despite these situations in the country. In this context, TRCSL staff continued to work from home using online platforms for the continuous provision of services for telecom service providers and customers. The Commission held eleven Commission meetings, one Audit Committee meeting, and four review meetings to make necessary regulatory decisions.

REVIEW OF THE REGULATORY AFFAIRS

Licence Management

TRCSL commenced a public consultation in collaboration with International Telecommunication Union (ITU) on preparing a new licensing framework targeting service and technology convergence while shifting the framework towards unified licensing. A road map was prepared for this migration. However, vital prerequisites to be implemented before introducing the new framework were identified during the consultation and are currently being addressed.

Network approval is an essential requirement of the Section 17 licence. Therefore, an initiative has been taken to implement the network approval process based on inspecting the operating system/service. Under this initiative, the complete network of each cable operator has been prepared, including a vector map for the OLP network. Furthermore, network diagrams of the Trunking operator have also been prepared.

The current Section 17 Licence guideline covers the procedures for issuing, renewing, and modifying licenses. The current renewal procedure for a new licence causes an undue delay in the renewal of licences. Therefore, a new guideline was prepared to enhance the licensing process, including new aspects such as transfer of ownership, revocation, etc. Legal clearance from the Attorney General's department was obtained and submitted for Commission directions.

Following Section 17 Licences are being renewed and forwarded for the Minister's approval: Sri Lanka Telecom PLC (System Fixed Service licence), Hutchison Telecommunications Lanka (Pvt) Limited (System Mobile Licence), Lanka Education & Research Networks (System ISP Licence), and Dialog Television (Pvt) Limited (DTH system Licence).

Networks

The Commission is responsible for resolving issues related to telecommunication networks operating in Sri Lanka. In addition, TRCSL is also responsible for managing the national

numbering plan in the telecommunication industry in Sri Lanka. Reviewing the existing numbering plan and introducing a toll-free number range with relevant guidelines is in progress. The Asia Pacific Telecommunity (APT) has provided expert assistance to prepare the IPv6 roadmap considering international best practices for IPv6 implementation. This activity has been completed, and the APT has submitted the final report.

The Commission has made a policy decision to implement Number Portability within mobile-to-mobile and fixed-to-fixed telecom networks of Sri Lanka. Subsequently, an internal Committee was formed, and a public consultation was carried out to obtain views from the industry and other interested parties. Based on the responses and the discussions had with the industry, a suitable operational and technical model was decided. A draft number portability operator licence has been prepared to facilitate the introduction of number portability. TRCSL and telco operators are taking further steps to implement number portability.

TRCSL collects the information pertaining to the licenced Cable TV Network Operation quarterly and physically inspects their cable networks and control rooms. In addition, a Type Approval procedure for terminal network equipment was carried out, and authorization letters were issued to Customs, BOI, and Import Controller for importing all network-related equipment.

The cumulative number of telecommunication towers constructed increased to 8077, which includes 412 new towers constructed with 198 Multi-Purpose Lamp Poles. Four mobile operators have completed the tower reconciliation process and were requested to submit fresh applications for regularizing unapproved towers. Approvals have been granted for several already constructed unapproved towers based on the recommendations of relevant government organizations. The tower reconciliation process of other operators is in progress.

Spectrum Management

The National Table of Frequency Allocation was prepared and posted on the website for the information of the public on Frequency Assignments and Re-Use of Frequencies in FM Broadcasting as at 21.12.2022. The Commission is responsible for issuing certificates of competency in amateur radio operations and conducts examinations with the assistance of the Department of Examinations. The TRCSL called applications for the Examination for Amateur Radio Operators. The Examinations Department has scheduled a date for the examination in February 2023 according to the gazette notification No. 2296 dated 02.09.2022.

TRCSL plans to introduce 5G Mobile Technology next year to enhance the broadband capacity and expansion of the network coverage. These initiatives could not be implemented due to the economic downturn and the COVID-19 pandemic. TRCSL continued testing basic 5G with the telecom operators as the first step. The 3.5GHz band is expected to deploy 5G technology, and spectrum assignment will take place through a competitive bidding process. The 3.5GHz spectrum auction is scheduled for the year 2023. In the National Budget 2022, it is proposed to introduce 5G Technology in Sri Lanka.

Competition

Considering subscribers' growth in the industry, Sri Lanka has a rapidly growing telecommunication sector with approx. 29.8 Mn mobile subscriptions (including 0.9 Mn Data Only Subscriptions), 3.7 Mn fixed subscriptions (including 1.1 Mn Data Only Subscriptions), and 21.6 Mn broadband subscriptions. The total number of System Licenses in the Telecommunication sector is 26 and the mobile voice telephone density (penetration) and fixed voice telephony stood at 130% and 12%, respectively. The telecommunications broadband industry needs further rapid growth in terms of improving geographic coverage across the country, which is imperative to make the digital transformation roadmap of Sri Lanka a success and bolster the economy with technology diffusion. The Telecommunication Levies and Cess collected by TRCSL was Rs. 25,028 Mn (Telecommunication Levy – Rs. 12,906 Mn, Cess - Rs. 5,514 Mn, Tower Levy –

Rs. 1,565 Mn, SMS Levy – Rs. 231 Mn & TDC – Rs. 4,810 Mn)

The Commission initiated a process to review the existing interconnection rates and obtained the relevant cost and traffic information required to determine the interconnection charges. After analyzing the submitted information, the interconnection charges determined by the TRCSL in May 2010 were revised and are being implemented until 2025 in four phases.

During the year, the TRCSL made required tariff decisions to match the country's needs and digitalization requirements. Accordingly, the licensed operators have submitted 99 tariff proposals. Under three categories, the Commission approval was granted for 28 seasonal tariffs, 52 promotional tariffs, and 19 permanent tariffs allowing operators to offer the benefit of product diversification to their customers. In line with satisfying the consumer perception, a further step was taken to make available unlimited voice tariff plans to any network without limiting them to specific operators. As a result, unlimited voice and data tariff plans are available for consumers where they can access hassle-free telecommunications services.

The depreciation of the Sri Lankan Rupee against the US Dollar and the increase in fuel and electricity prices, including all other commodities, adversely impacted the telecom sector. The cost of producing a voice minute and data increased, threatening the sustainability of the industry. Accordingly, the Commission has granted approval for a price increase for package rentals. The voice and data rentals increased by around 20%, while Pay TV package rentals also increased by 25%. However, the Commission has not granted approval to increase default rates for voice and data. There has been no tariff increase recorded for the last twenty years.

The International Telecommunication Union (ITU) gathers tariff-related data annually from their member states and calculates tariff-related statical indicators. There are five types of indicators capturing the price of voice, data, and SMS and comparing by analyzing the monthly usage of mobile and fixed tariff plans. According to the ICT Price Trend Analysis 2021, Sri Lanka holds a commendable position on voice and data rates. Based on the

latest report, Sri Lanka was ranked 23rd for cheapest voice and data low usage, 48th for voice and data high usage, 23rd for data only mobile broadband, 12th for mobile cellular, and 18th for fixed broadband baskets. The ranks were obtained as a percentage of per capita income, and it measures the level of affordability.

Due to the COVID-19 pandemic & prevailing economic situation in the country, most businesses moved online, and some functions in private and public sectors had to be undertaken online. Therefore, the telecom operators had to increase their network capacity to cater to this higher data demand.

Gamata Sannivedanaya and School Fiber Projects (National Budget 2021 & 2022): With utmost focus provided on Digital Transformation and the embracement of technology in driving the country towards a digitally enabled government and a digital economy, the underlying infrastructure for the digitalization of the country is the mandatory requirement of connectivity. Broadband internet coverage across the country, with a focus on affordability, will be a key success factor in ensuring that citizens are provided universal access to e-government services, online education, and many other services. Accordingly, Gamata Sannivedanaya Project was implemented to promote operators to expand their networks to provide all island coverage with 4G technology, in line with the Government's National Budget proposal - 2021. The Commission has selected ten districts for the first phase of the project and identified the tower locations which are required to provide 4G coverage. Identified tower locations were allocated among operators, and instructions were given to operators to erect towers and commission the equipment to cover the relevant areas. Operators have already completed 28 towers in Rathnapura and ten towers in Kurunegala District for the provision of services through 4G technology.

The cost of tower construction has increased significantly due to the major depreciation of the Sri Lanka Rupee and rapidly increasing inflation. Difficulty in obtaining fuel and non-availability of materials caused delays in construction. Therefore, the Gamata Sannivedanaya project has become very challenging to progress.

Considering the existing economic situation of the country, it was decided to amend the Guidelines of the Telecommunication Development Charge (TDC) and disburse funds for already commissioned towers by operators, with the intention of encouraging operators to accelerate the tower construction.

The Government National Budget 2022 directed to provide a high-speed internet connection to all schools in Sri Lanka through Fiber connectivity. A high-level meeting has been conducted at the Ministry of Defence to discuss the prevailing issues and future plans for this project. It was decided to draft an amended cabinet paper, and the Education Ministry agreed to initiate the process.

Compliance

TRCSL received 84 monthly reports from seven licensed operators regarding the adherence to the Quality-of-Service (QoS) parameters. A relevant analysis of the QoS parameters relating to these reports was carried out, and discussions were held with operators to improve adherence to parameters. Twenty-four comparative reports of seven operators were compiled and distributed among them to improve the accuracy of the information and performance measurements.

PSTN operators obtained performance measurement data from the Network Counters, computed according to the equation given by TRCSL, and reported 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. TRCSL conducted 21 Network Audits on Customer Service and Network Parameters of Voice and Broadband Services of seven PSTN operators. Furthermore, 21 audits on the adherence to Value Added Services guidelines by PSTN operators.

Under the surveillance activities, TRCSL conducted 20 investigations into the sale of non-type approved telecommunication apparatus by licensed vendors and 43 inspections to monitor the adherence to the terms and conditions of the license issued by the TRCSL under Section 17. Appropriate measures have been taken if the findings reveal infringement of the terms and conditions of the license.

Furthermore, three awareness programs were organized on the need for a license to provide telecommunication services. According to the Gazette Notification relating to SIM registration, TRCSL completed 24 audits to verify whether operators have taken measures to re-register the subscribers. Sixteen audits were conducted on the charging mechanisms of tariff packages offered to subscribers.

TRCSL provided necessary assistance for law enforcement agencies to analyze call records and ownership details submitted by operators for criminal and civil investigations. In addition, six investigations on illegal cable television services and technical investigations on illegal operations of telecommunications services were conducted under the scope of Investigation & Intelligence in collaboration with the Criminal Investigation Department and Police. The SIM Device/Vendor Registration Processes and IMEI verification solutions have been streamlined. Further, issues related to illegal Direct to Home/Cable TV service were mitigated, and 1,232 cyber harassment/social media complaints were resolved. Public awareness programs were conducted through electronic media and social media on the requirement needed for purchasing TRCSL-approved devices and services provided by approved vendors.

Awareness programs have been conducted for school children on ethical and rightful usage of telecommunication and social media, highlighting the complaints of cyberbullying and harassment reported. Also, the TRCSL took action to conduct these awareness programs through radio, television & social media with course content explicitly tailored for key target audiences of parents and students.

Continuous meetings and discussions were held with telecommunication operators and other relevant parties to resolve consumer complaints and disputes relating to billing, nuisance/harassment calls, Quality of Service, Cable TV, internet/data, social media, cyber harassment, and other telecommunication services.

TRCSL handled a total number of 1500 customer complaints. The TRCSL acted as a mediator in tracking lost mobile phones. Complaints received daily were forwarded to the mobile phone

operators, and the responses received were forwarded to the relevant police stations for the necessary action. Furthermore, arrangements were made to respond to 21,471 complaints on misplaced mobile phones received online. The process for checking such IMEI data was further streamlined by ensuring a continuous reciprocal check. The operators checked IMEI numbers of lost phones as opposed to the previous one-time check, which was ineffective and now enables the opportunity to locate a phone that was stolen even after long periods of inactivity.

With the participation of telecom operators and other related parties, TRCSL resolved 1362 consumer complaints received. It also addressed issues related to the telecommunications environment and ensuring consumer safety. It includes 172 telecommunication bills, 182 telecommunication faults, 170 connection issues, 40 Value Added Service issues, 195 signal & coverage issues, 195 Internet Data issues, and 408 losses of mobile emails/posts. Under the scope of Consumer Relations, TRCSL contacted the Cyber Crime Unit of the Criminal Investigation Department, Sri Lanka Police, to manage public complaints regarding harassment/nuisance calls, social media, and cyberbullying.

TRCSL issued guidelines to curb malpractices in value-added services offered by licensed mobile operators. This framework envisages a practical mechanism for unsubscribing from value-added services. It also introduces a billing and dispute management process for consumer complaints. Operators are required to submit a monthly report on consumer complaints resolution.

Information Technology

For the digitalization initiatives of the organization, the IT division has started a few system and process developments. Upon those projects, redesigning the TRCSL website is a major activity initiated this year. The Human Resource Management system was launched, and several modules were implemented to streamline administrative tasks as functional transformation and introduced the digital signature to the Senior Management to improve the integrity of the digital records.

IT Division is drafting the guidelines to implement the "Information Technology Security Governance Framework," which was introduced by Sri Lanka CERT. Also, awareness programs were conducted to make TRCSL officials aware of the newest IT-related technologies and cybersecurity best practices.

Legal

Necessary legal actions were taken on telecom regulatory issues, and legal advice was provided to the Commission on the management of all corporate litigation. In addition, legal counsel was offered on matters pertaining to Section 17 system licenses, vendor licenses, radio frequency spectrum, networks, and telecom operators. Additionally, the legal division assisted with compliance concerns involving SIM registration, website-related problems, and other compliance-related initiatives, as well as consumer complaints. Furthermore, legal recommendations were also given for the IMEI registration system, the internal committee for resolving consumer complaints, mobile number portability, and administrative concerns. Four hundred fifty-six court orders of criminal investigations were handled to help the law enforcement authorities in the investigation of offenses.

TRCSL handled the key legal issues relating to the Colombo Lotus Tower, and necessary steps were taken to acquire land for the Colombo Lotus Tower. Furthermore, necessary legal advice was given on issues relating to the construction, takeover of the tower, loan agreement, commercialization, formation of the Management Company, signing of Management Agreement, and preparation of Lease Agreement for Colombo Lotus Tower. Also, arbitration proceedings before the Arbitration Tribunal were concluded, and steps were taken to comply with the decision.

Steps were taken toward the process of amending the Sri Lanka Telecommunications Act No. 25 of 1991. The Cabinet of Ministers granted approval to appoint a committee comprising intellectuals and experts, including a representative from the Attorney Generals Department. The Commission is to revisit the appointed members of the committee and reconstitute the committee.

Policy & International Relations

Development of a national vocational qualification certificate for telecommunications tower technicians: Developing an NVQ (National Vocational Qualification) certification for Telecommunications Tower Technicians was considered a timely and essential program for creating a high-quality local technical workforce for the telecom industry in Sri Lanka.

Subsequently, the developed National Competency Standard and Curriculum were endorsed by the TVEC under the Competency Standard Code I64S003. Furthermore, an online awareness program was conducted by TVEC on 25.11.2022 to introduce the program to approved training centers and to discuss the way forward of this initiative, including the commencement of the NVQ course at training centers.

TRCSL continued conducting the telecommunication-related research and development program that was started last year with the support of state universities and research institutions in Sri Lanka. The second and third progress reports on the research project on "Blockchain and AI-empowered Cryptographic Dynamic Spectrum Access for 6G and Beyond" were submitted by a research team of the Department of Electrical & Information Engineering, University of Ruhuna, after the completion of the progress presentations. This research project is currently being processed at the final stage, and the financial grants were provided on an installment basis upon submitting relevant progress reports and presentations. Preliminary work relating to the research & development program 2022 is being completed. Five research proposals were received from state universities in this regard.

TRCSL made necessary arrangements to obtain relevant data in coordination with telecom operators/other government organizations and completed the following surveys and questionnaires of ITU/APT after compilation of the collected information; ITU World Telecommunication /ICT Indicators Short Questionnaire 2022, ITU Telecommunication/ICT Regulatory Survey 2022, ITU ICT Price Basket Questionnaire 2022, ITU World Telecommunication /ICT Indicators Long Questionnaire 2022.

TRCSL coordinated with international organizations associated with telecom regulations (ITU, APT, SATRC, SAFIR) to receive technical and expert assistance, collaborative projects/programs, and fellowship opportunities for capacity building in the field of telecommunication/ICTs. TRCSL arranged the delegation and credentials for representing Sri Lanka at the ITU Plenipotentiary Conference (PP-22). Necessary coordination was made with APT Secretariat regarding submitting project proposals for the EBC-C and EBC-K projects funded by the Extra-Budgetary Contribution from the People's Republic of China and the Government of the Republic of Korea. APT Secretariat has selected a research proposal submitted by the Sabaragamuwa University of Sri Lanka for funding under the EBC-K project. The International ICT Volunteer program was organized with APT and National Information Society Agency, South Korea (NIA) as an online training program at Wattegama, Seeduwa & Katawala Vocational Training Centres for uplifting ICT literacy among the students with Special Education Needs in Sri Lanka.

"Girls in ICT Day" is a global effort of the International Telecommunications Union (ITU) that aims at increasing the representation of girls and women in the field of ICT. As a member state of the ITU, TRCSL celebrated this day by creating awareness on empowering and encouraging girls/young women to pursue education and careers in ICT with joint collaboration of the Ministry of Education, Sri Lanka CERT, and Stakeholders. An online awareness program was organized for the female students and teachers in line with this year's theme, "Access and Safety," in schools from Kurunegala, Kegalle, Matara, Hambanthota & Monaragala districts. Furthermore, this awareness program was shared among other schools and the general public through social media and the TRCSL website.

Necessary arrangements have been made for relevant TRCSL officers to participate in thirty-two training programs/workshops/virtual meetings organized by the international regulatory organizations involved in telecommunications. The capacity-building programs offered by the international organizations enabled TRCSL to strengthen the human and institutional capacity of the country, adopting best practices and adapting to an evolving telecommunication

sector. Furthermore, knowledge-sharing sessions were organized by conducting post-training presentations to ensure that participants of the foreign training programs shared the knowledge gained from the training among staff members.

APT Local Training programs were organized in coordination with GSMA and ISOC. APT has offered 03 programs (GSMA- 02, ISOC- 01), and 02 GSMA programs were completed, and ISOC training is currently being conducted. Twelve officials from TRCSL participated in the GSMA training on "Big Data and Artificial Intelligence for Impact," and 17 officials participated in "Radio Signals and Health."

Furthermore, nine officers attended the APT/ISOC training course on the Internet Way of Networking. TRCSL made necessary arrangements to issue particular messages from the Secretary-General of the ITU, Chairman, and Director General to commemorate World Telecommunication and Information Society Day (WTISD) and publish them on the TRCSL website. An event was successfully conducted with the participation of TRCSL staff, highlighting the theme of the program. 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, "Digital Technologies for Older Persons and Healthy Ageing."

Special Projects

Colombo Lotus Tower: The main focus of the Colombo Lotus Tower (CLT) project for this year was getting defect rectifications, taking over the project, and commencing commercial operations. However, the progress of the project was affected due to the COVID-19 pandemic as well as the economic crisis in the country. TRCSL took over the CLT on 28th February 2022 with conditions to be executed by the contractor, China National Electronics Import & Export Corporation (CEIEC). Subsequently, the CLT was handed over to Colombo Lotus Tower Management Company (Private) Ltd (CLTMC), a company wholly owned by the Ministry of Finance (Treasury), with effect from 01st March 2022. Arrangements were made to settle the Exim Bank loan installments and draft a Lease Indenture with the assistance of the Attorney General's Department, and a high-level committee was appointed to

recommend lease rental. In addition, arrangements were made to sign a Memorandum of Understanding (MoU) with the Media Ministry for broadcasting facilities, obtain Cabinet approval regarding the acquisition of Lotus Tower Land, and establish a management agreement. The physical verification of the assets of CLT and handing them over to CLTMC has commenced.

New Head Office Building: Physical works of the building were completed other than testing and commission. A cabinet paper on this project has been submitted through the line ministry to inform the Cabinet of Ministers about the new building construction instead of the development of the existing building approved by the Cabinet.

Other projects: The award has been received from the Arbitration Tribunal regarding the IT Park Hambanthota, and necessary steps have been taken according to the decision.

The project concept and technical specifications have been drafted for establishing the Solar Power Project for the TRCSL main building. TRCSL has requested a feasibility report from Sri Lanka Sustainable Energy Authority.

Financial Affairs

The Commission approval for the Annual Budget 2022 and the Statement of Delegation of Financial Authority 2022 have been obtained. Annual Financial Statements for 2021 were prepared and submitted to relevant organizations with the approval of the Commission. Final income tax calculation and preparation of income tax annual returns for the assessment year 2021/2022 are in progress. A draft semi-annual Financial Statement was prepared, and the second quarter Income Tax payment was made in August 2022. Preparation of Financial Statements for the year 2022 is in progress. All taxes under the Finance Act and the Telecommunication Levy Act were collected on time and remitted to the Consolidated Fund within the stipulated time. TRCSL collected the relevant taxes under the Inland Revenue Act (Valued Added Tax, Advance Personal Income Tax, Stamp Duty, With Holding Tax), and contributions to employee benefits (EPF & ETF) were made on time.

Internal Audit

During this year, TRCSL engaged in continuous internal auditing, making recommendations to improve the organization's objectives, governance, risk management, control processes, operating practices, and adherence to the rules and regulations. Furthermore, internal audit investigations were conducted, and relevant audit reviews and evaluations were provided to protect against losses and fraud. Reports on special internal audits were also prepared at the request of the Commission.

Administration and Corporate Affairs

The Commission approved the Annual Procurement Plan for the year 2022. During this period, 11 Senior Procurement Committee meetings and 01 Minor Procurement Committee were held. 91% progress has been made on the 2022 procurement plan. The Annual Board of Survey for 2021 was held with a five-member panel. Action Plan 2023 and Corporate Plan 2023-2025 were prepared in collaboration with all Heads of Divisions. These reports were submitted to the relevant ministries and institutions as per the guidelines. TRCSL conducted quarterly progress review meetings to ensure that the annual action plan 2022 objectives were on track. Monthly and quarterly progress reports were submitted within the stipulated time frame. Progress report to be presented to the Parliament, National Budget Proposal 2023, and the Sustainable Development Goals progress report for the year 2022 were submitted to the Line Ministry. The Annual Report 2020 with the Financial Statement was submitted to the Parliament after obtaining Cabinet approval and the concurrence of the President through the Ministry of Defence. The draft Annual Report 2021 was submitted to the relevant institutions on 28th February 2022. After receiving the Auditor General's report, finalized Annual Report 2021 was submitted to the Ministry of Defence on 15.09.2022 to obtain the concurrence of the Cabinet of Ministers. Besides, the COPE reports were submitted to the relevant institutions on time through the line Ministry.

The number of officers in the approved cadre of the organization was 298. TRCSL continued the work of the

proposed Scheme of Recruitment (SOR) during the year. The consultant involved in this task submitted the final report and forwarded it to the Commission for review. This report was completed as a result of discussions held with heads of divisions to verify the proposed organigrams for the respective divisions. As of 31st December 2022, the total staff was 215. Out of the total staff, 03 were in Senior Managerial posts, 29 were in Middle Managerial posts, 145 were in subordinate ranks, and 38 were in minor grades. Filling of vacancies for the executive staff as per the approved Scheme of Recruitment is pending. The delay in this recruitment process had a negative impact on the administration and efficient functioning of the organization. TRCSL has informed with necessary justifications to the Ministry of Finance with regard to obtaining their directions and approval to process this activity.

During this year, necessary steps were taken to prepare employee performance appraisals and increments. Thirty employees were confirmed in their posts upon the completion of a 3-year probationary period. Upon consideration of successful performance and fulfillment of entry requirements, 07 contract employees were offered permanent employment. Under the internal promotion scheme, 01 Management Assistant, 01 Development Officer, and 01 Assistant Director were promoted from Grade II to Grade I. The TRCSL

successfully conducted an Efficiency Bar examination for 16 officers.

Necessary arrangements were made for the TRCSL staff to attend 04 local and 17 foreign training programs to enhance their knowledge, skills, and performance. 07 students from Government universities and vocational training institutes were recruited as trainees for a 06-month training period allowing them to gain industry experience.

A web-based HR leave application system was introduced for the staff, and the system is successfully being utilized by the staff. Mobile App has also been introduced for this purpose, and its upgrades are in progress. The vehicle allocating system in the MS Teams platform was used by the staff to get the office vehicles allocated for official duties. The vehicles were allocated in a limited manner for inspection visits and transportation of officials for essential office duties due to the fuel shortage.

The total number of Distress Loans and Motor Vehicle Loans processed were 62 and 02, respectively. In addition, 2/3 of the interest will be reimbursed monthly from no 248 home loan borrowers. Also, gratuities were given to two retired employees. Most of the media activities were covered through social media and the website. Library facilities were provided to all staff. News articles related to the organization and the telecom industry were distributed and updated through

the Teams channel for information of staff.

Steps were taken to establish a High-Level Management Committee of the institution with the direction of the PED 04/2022 circular. Two meetings were conducted and identified the high and low-priority areas to control financial expenditure in the Master Procurement Plan (Capital) and Action Plan (Regulatory) 2022. It was decided to halt several activities/projects for the year 2022 according to the guidance of the circular. Finalized list of capital assets acquisitions and projects was prepared. The details of the regulatory and project activities of the “Gamata Sannivedanaya” National Project, Research and Development program, TRCSL ICT Volunteer Program, Upgrading International Mobile Equipment Identity (IMEI) Verification System/Type Approval System, Re-designing & Maintenance of the TRCSL Website and other essential procurements which are required to be undertaken in the year 2022 have been forwarded to the Ministry of Finance/Department of Public Enterprises through the Line Ministry to obtain the necessary approval.

In line with the TRCSL Action Plan 2022, about 78% of the activities of the organization were carried out as expected, and around 55% of the activities have achieved the targeted progress even with the influence of the severe economic constraints currently prevailing in the country.

INITIATIVES FOR ACHIEVING SUSTAINABLE DEVELOPMENT GOALS 2022

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

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

We incorporated SDG initiatives in our action plans for 2022 to accelerate the achievement of the SDGs in the telecommunication/ICTs sector.



SDG 4 - Quality education:

Ensure inclusive and quality education for all and promote lifelong learning.

4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

Action Item	Targets	Progress/Achievements
Local ICT Volunteers Program	Uplifting ICT literacy among students in rural areas in collaboration with Ministry of Education, VTA, ICTA, other Government organizations and Telecom operators. Enabling Vocational students to find better employment opportunities and to become entrepreneurs	<ul style="list-style-type: none"> Volunteers were trained through an online boot camp for one month. This includes 15 training sessions conducted by government organizations, universities, and operators. ICT volunteers were dispatched to 17 schools in Monaragala, Hambantota, Matara, Kurunegala, and Kegalle districts with the coordination of the Ministry of Education for two months. The program was completed after making arrangements to deliver the certificates to volunteers via registered post. An online closing ceremony was conducted on 30.05.2022.

Development of NVQ certification for Telecommunication Tower Technicians with the support of NAITA	Development of National Competency Standard and Curriculum for Telecom Tower Technician in NVQ level 3/4.	<ul style="list-style-type: none"> TVEC endorsed NCS and Curriculum for Telecommunication Tower Technician for NVQ Level 4. TRCSL conducted several online meetings regarding the Assessment Development & Validation during Q2. Assessment Resource Development and Assessment Resource Validation were completed. TVEC conducted an online awareness program to discuss this initiative's way forward, including the commencement of the NVQ course at approved training centers. The online awareness program was conducted by TVEC on 25.11.2022 with officials from TRCSL, TVEC, NAITA, telecom operators, and training institutes.
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4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.

Action Item	Targets	Progress/Achievements
WTISD / Girls in ICT Day programs 2022	Awareness programs conducted in TRCSL/ social media/ Website/ Electronic media/ newspapers etc.	<ul style="list-style-type: none"> WTISD 2022 Program: An awareness program was conducted on 17th May 2022 under the theme of WTISD 2022 with the participation of HoDs and staff of TRCSL. Arrangements were made to create public awareness of WTISD 2022 through the TRCSL website and electronic media. An awareness video clip was developed by the Media unit for this purpose in coordination with the division. Girls in ICT Day 2022 Program: Commission approval was obtained to conduct an online awareness program to celebrate the ITU's "Girls in ICT Day 2022 Program" with the assistance of the Ministry of Education. A two-hour online awareness program was conducted on 14th December 2022 in collaboration with the resource persons of Min. Of Education, SLCERT, Dialog & Mobitel for female students in line with this year's Girls in ICT Day theme. Female students and ICT teachers attended this online program representing ten schools involved in the "TRCSL ICT Volunteer Programme 2021" from Kurunegala, Kegalle, Matara, Hambantota & Monaragala districts.



SDG 9: Industry, innovation and infrastructure

Build resilient infrastructure, promote sustainable industrialization and foster innovation.

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.

Action Item Implementation of Number Portability

Targets

- Subscribers can retain the number while changing the service provider

Progress/Achievements

- A Guarantee Company named "Lanka Number Portability Services Ltd." which consists of members from all licensed fixed and mobile Operators, was formed for the operations of number portability.
- Draft Rules & Guidelines are being amended as per Operator comments.
- TRCSL and telco operators are taking further steps to successfully implement number portability.

9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

Action Item Tower reconciliation process

Targets

- Finalized the list of unapproved towers and inform operators to submit fresh applications.

Progress/Achievements

- Airtel & Hutch are submitting fresh applications for unapproved sites.
- Lanka Bell and SLT have been informed to submit fresh applications for their unapproved towers.

Action Item Ensure the Operators adherence to the Quality-of-Service (QoS) Parameters set by TRCSL for voice and data/broadband services

Targets

- No of QoS Parameters to adhere:
 - For Fixed Operators 16 parameters
 - For Mobile Operators 14 parameters

Progress/Achievements

- All operators have submitted relevant QoS reports on time.
- Analyzed eighty-four monthly QoS reports of seven PSTN Operators and discussed improvements with them on the QoS parameters where necessary.

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.

Action Item Conduct telecommunication related research studies with the support of Universities & Research Institutes in Sri Lanka

Targets

- Research study with the support of universities and research Institutes

Progress/Achievements

- Completed the research study on "Blockchain and AI-empowered Cryptographic Dynamic Spectrum Access for 6G and Beyond" in December.
- Payments were made in installments after the completion of the following progress presentations and reports:
 - Initial presentation
 - 1st progress presentation and report
 - 2nd progress presentation and report
 - Final presentation and report



SDG 16: Peace, justice and strong institutions

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

16.6 Develop effective, accountable and transparent institutions at all levels.

Action Item	Targets	Progress/Achievements
Process for formulating amendments /new act to meet the rapid developments of the telecom industry	<ul style="list-style-type: none"> Percentage of process completion regarding the act amendment activities 	<ul style="list-style-type: none"> The cabinet of Ministers has granted approval authorizing the Telecommunications Regulatory Commission of Sri Lanka to appoint a committee comprising intellectuals and experts, including a representative from the Attorney Generals Department, to prepare a concept paper. The commission is to revisit the appointments to the committee and, nominate a chairman to this committee & reconstitute the committee after consulting afresh with suitable nominees.

16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels.

Action Item	Targets	Progress/Achievements
Ensure fair Regulatory environment through Awareness	<ul style="list-style-type: none"> No. of awareness programs conducted with collaboration of relevant stakeholders 	<ul style="list-style-type: none"> Physical Awareness Programs <ul style="list-style-type: none"> Kandakadu - 01 Pitipana - 01 School - 01 Online awareness programs <ul style="list-style-type: none"> School - 02 Divisional Secretariat - 16 Army / Police - 11 Other programs <ul style="list-style-type: none"> TV Program - 10 Paper Articles - 8
Ensure Customer protection regard to telecommunication environment	<ul style="list-style-type: none"> No. of consumer complaints handled. No of addressed customer protection issues. Evaluation operator's performance and publish performance report. 	<ul style="list-style-type: none"> 1500 consumer complaints were handled. 752 discussions were conducted with operators regarding the consumer complaints. 44,013 new complaints regarding lost mobile phones were received and 21,471 founded results were informed to the relevant Police Stations. 1,232 Social Media complaints were lodged, necessary advice was given for 878 and 354 complaints were reported to the social media platforms. Conducted Value Added Services audit of all four mobile operators.



SDG 17: Partnerships for the goals
Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

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.

Action Item	Targets	Progress/Achievements
Amendment of Section 17 Licensing Guideline	Implement amended Licensing Guideline (Section 17)	<ul style="list-style-type: none"> A new draft licensing guideline was prepared and reviewed by an internal committee. ITU expert has given recommendations. The draft guideline was referred to Attorney General's Department, and Legal Clearance has been issued. Awaiting the Commission's decision for further actions.
Coordinating with International Organization for Advance Training Activities	<ul style="list-style-type: none"> No. of training programs received & participated. Skill assessment program for foreign training. No. of knowledge sharing sessions. No. of APT Local Training Programs conducted. 	<ul style="list-style-type: none"> 11 Advance Training Committee (ATC) meetings held for the selection of participants. No. of foreign trainings received and participated in 2022: <ul style="list-style-type: none"> ITU - 10 APT - 21 Other - 02 No. of TRCSL officers attended under the fellowship programs: <ul style="list-style-type: none"> APT - 28 ITU - 14 07 post-training presentations conducted in 2022. 03 APT Local Training programs were organized in coordination with GSMA and ISOC. Altogether 21 officials participated for the said local training.
Preparing of IPv6 roadmap considering international best practices of IPv6 implementation	Road map for the transition to IPv6	<ul style="list-style-type: none"> A draft roadmap and the strategy necessary for the smooth transition to IPV6 were completed by the expert of APT.

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.

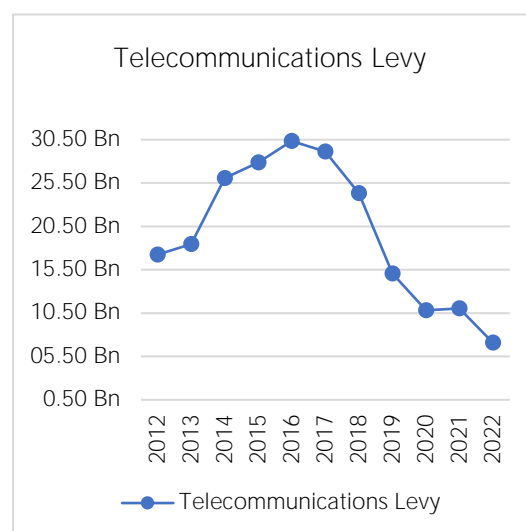
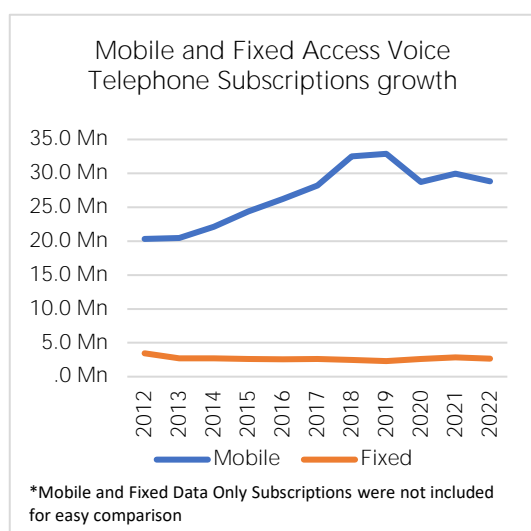
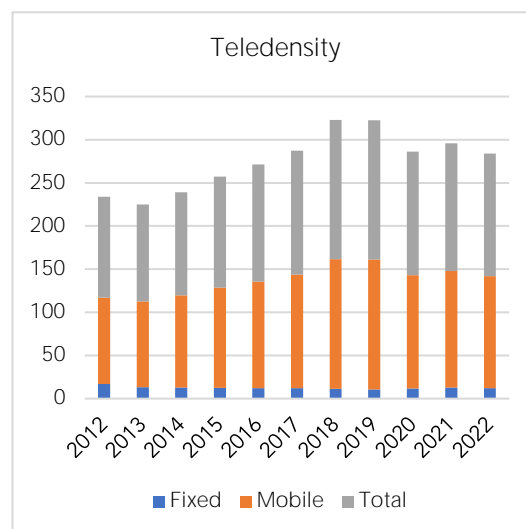
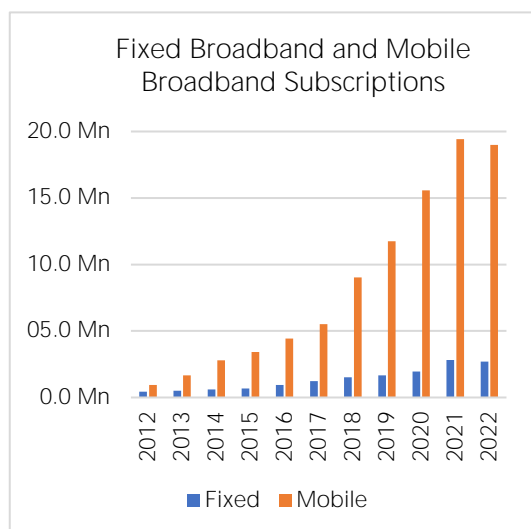
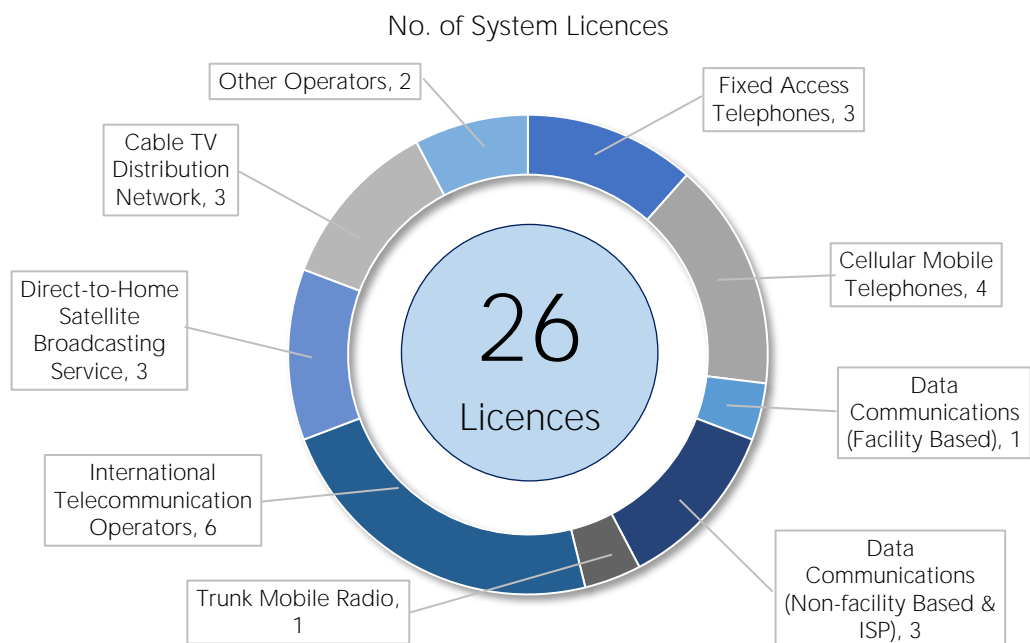
Action Item	Targets	Progress/Achievements
Preparation of Spectrum Road Map for next 5 Years and Spectrum Assignment for 5G	Complete the Spectrum Road Map with ITU assistance for the next 5 years.	<ul style="list-style-type: none"> Road Map will be published as soon as Radio Frequency Spectrum Licence (RFSL) rules are promulgated.
"Gamata Sannivedanaya" National Project	<ul style="list-style-type: none"> No. of completed sites of Gamata Sannivedanaya project. Commissioning Base Stations in selected 10 Districts. Initiate Gamata Sannivedanaya Project in Galle, Puttalam, Nuwara Eliya, Polonnaruwa and Mannar. 	<ul style="list-style-type: none"> The telecommunication industry has been impacted by the effects of the major depreciation of the Sri Lanka Rupee and rapidly increasing inflation. Accordingly, the cost of the tower construction has gone up significantly. Difficulty in obtaining the fuel and non-availability of the materials cause construction delays. As a result, the GS project has become very challenging to progress. Operators have been informed of the lack of funds for new construction. Due to the reasons highlighted, the project was rescheduled, and extend the project period up to 2026.
Provide high speed internet connection to all schools in Sri Lanka with Fiber technology under the Gamata Sannivedanaya project	<ul style="list-style-type: none"> Formation of Committees (Steering Committee and Technical Committee) Reviewing Cabinet decision Discussion with Stakeholders Signing MOU Allocation of Schools Implementation and review progress 	<ul style="list-style-type: none"> Prepared Joint Cabinet Memorandum submitted to the Ministry of Technology. Budget 2023 has been identified to provide 1000 Senior and Junior Secondary Schools located in remote areas.

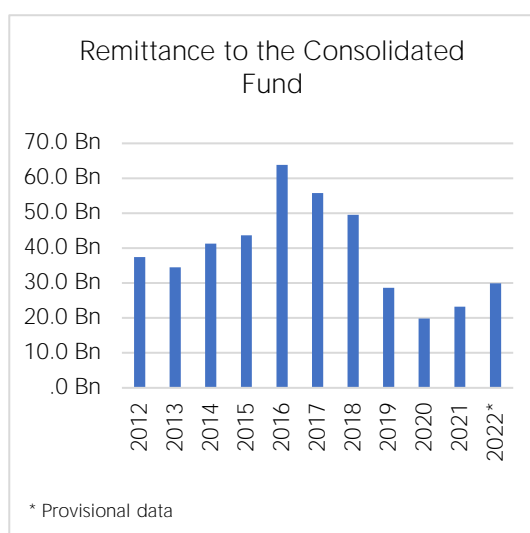
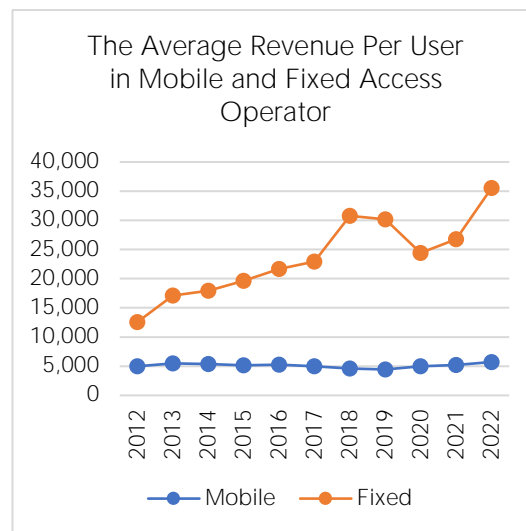
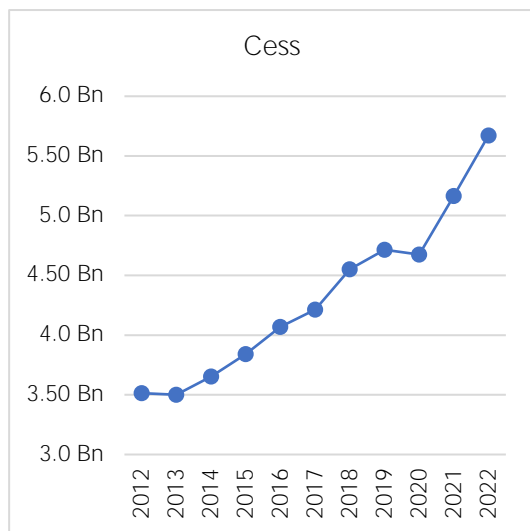
TELECOMMUNICATIONS SECTOR DEMOGRAPHICS



Number of System Licenses	26
Fixed Access Telephone Subscriptions (Voice Only)	1,114,573
Fixed Access Telephone Subscriptions (Voice & Data)	1,536,714
Fixed Access Telephone Subscriptions (Data Only)	1,101,723
Total Fixed Access Telephone Subscriptions	3,753,010
Fixed Access Telephone Density (per 100 inhabitants)	12
Cellular Mobile Telephone Subscriptions (Voice only)	8,085,744
Cellular Mobile Telephone Subscriptions (Voice & Data)	20,752,294
Cellular Mobile Telephone Subscriptions (Data Only)	986,895
Total Cellular Mobile Telephone Subscriptions	29,824,933
Cellular Mobile Density (per 100 inhabitants)	130
Fixed Broadband Subscriptions	2,686,955*
Mobile Broadband Subscriptions (3G, 4G)	18,980,661

*Provisional data





REPORT OF THE DIRECTORS

LICENCE MANAGEMENT

Type of Licences Issued

The current Licensing regime in Sri Lanka are as follows,

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

All are system operators as per Section 17 of the Act, and no service-only permits are issued as per Section 18 A. Most of the Licences are of the category (a) above. Three Licences are 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 26 licences is currently in force under a variety of different network categories under multiple service authorization regime:

- Fixed Telecommunication System Operators - 03 Licences
- Mobile Telecommunication System Operators - 04 Licences
- External Gateway Operators - 06 Licences
- Cable Distribution Network Operators - 03 Licences
- Data Communications system Operators - 01 Licence
- Non-facility-based Internet Service Providers - 03 Licences
- Direct-to-Home Satellite Broadcasting Service Providers - 03 Licences
- Trunk Mobile Communication Service Providers - 01 Licence
- Infrastructure Service Providers - 01 Licence
- Satellite Service Providers - 01 Licence

Full details of all the licences are available on the TRCSL website (<http://www.trc.gov.lk/2014-05-12-12-36-13/system-licence/licenced-operator-list.html>).

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 enables 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 required to manage the required transition slowly to achieve the available economic and societal gains without creating substantial industry impact.

Licensing framework will be adopted, considering especially 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 consistently consolidate the current individual operator licences in terms of service and network categories. The second step is the introduction of converged or unified licences.

Before introducing the unified licence regime, special regulatory safeguards had 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 guidelines as vital prerequisites. These have to be implemented by the relevant division, and spectrum assignment rules were prepared in 2022.

The current Licence guideline covers Licence issuance, renewal, and modifications. However, no separate and dedicated chapter is available for renewal. The current renewal procedure for a new Licence causes an undue delay in the renewal of licences and collects Licence Fees timely. Therefore, a new guideline was prepared and under the approval process.

Similarly, network approval is an extreme requirement of the Section 17 licence, and it has yet to be properly annexed to the licence in the past. Therefore, an initiative has been taken to implement this based on surveys of the operator system/service.

As per the Act, Recommendation for issuance (renew) of following Licences, have been given to H.E. the President.

- Sri Lanka Telecom Licence (Wired + Wireless + EGO)
- Hutchinson Telecommunications Lanka (Pvt) Limited- Mobile Service
- Dialog Television (Pvt) Ltd - Direct to Home Satellite Broadcasting
- Lanka Education and Research Network
- Dish TV Lanka (Pvt) Ltd.

NETWORKS

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 request clearance for expansions of existing networks or to introduce new services using the physical infrastructure facilities mentioned above. 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.

Construction of Telecommunication Towers

The cumulative number of telecommunication towers constructed increased to 8077, which includes 412 new towers constructed in 2022 with 198 Multi-Purpose Lamp Poles.

Handling of Infrastructure Deployment Complaints

The Networks Division carried out 12 investigations in 2022 for the complaints made by the general public against tower construction. One hundred twenty-five tower-related public complaints were received in 2022, out of which 117 issues were attended to during the same year.

Reconciliation of unapproved towers

This year Network Division has continued the reconciliation of the Operators On-Air site list with the data available at ASMS. This reconciliation process has been completed for four mobile operators and they were requested to submit fresh applications for regularizing unapproved towers. Accordingly, Approvals have been granted for several already constructed unapproved towers based on the recommendations of relevant government organizations.

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

Numbering

Numbering resources 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 telecommunications industry of Sri Lanka. The Numbering Plan sets out the framework and guidelines for using numbering resources available for telecommunications networks in the country. Numbering is a scarce resource; hence it should be managed efficiently. The Numbering plan is revised from time to time according to the demand of the industry, which depends on new developments and current trends in the telecommunications sector. Given below is a summary of the activities related to this function.

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

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. 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 for assigning Four Digit Short Codes for Private Sector organizations.

Short Codes Assigned to Government Organizations

In 2022, four (4) short codes in the 19xx range were assigned to Government organizations. Organizations and their respective short codes are listed in the table given below.

Government Organization	Short Code
Employee Provident Fund - Department of Labour	1958
Industrial Development Board of Ceylon	1995
Welfare Benefit Board - Ministry of Finance	1924
Ministry of Health - Mobile Survey on NCD	1993

Short Codes Assigned to Private Sector Organizations

In 2022, four (04) short codes in the 13xx range were assigned to Private sector organizations. Organizations and their respective short codes are listed in the table given below.

Private Organization	Short Code
Hands Global Holdings (Pvt) Ltd.	1315
HNB Assurance PLC	1301
BIMA Lanka Insurance Brokers (Pvt) Ltd.	1343
People's Church Assembly of God	1375

Implementation of Number portability

The Commission has taken 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 Networks Division's leadership, is preparing the Rules and Guidelines required for porting administration. A Technical Committee consisting of representatives from all PSTN operators and TRCSL officers was formed to discuss activities related to the number portability for the smooth implementation of number portability. A suitable operational and technical model has been decided based on the discussions with the industry. A Guarantee Company named 'Lanka Number Portability Services Ltd.', which consists of members from all licensed fixed and mobile Operators, was formed for the operations of number portability. TRCSL and telco operators are taking further steps to successfully implement number portability.

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. In line with international practices, an 800 number level was identified for this service. A Toll-Free number will be a 10-digit number in the 800 level, such as 800 XXX XXXX. Number blocks for PSTN operators have been identified, considering their existing prefixes. The internal committee was appointed to decide suitable charges for Toll-Free Number blocks.

Preparation of IPv6 Roadmap

Considering the international best practices, it was decided to prepare a roadmap for the transition to IPv6. TRCSL conducted a status check on IPv6 readiness and transition progress of licensed ISPs in the country. The expert of APT recruited under the APT Expert Assistance Program prepared a draft roadmap and the strategy necessary for the smooth transition to IPV6. This document was based on the responses given by ISPs for the questionnaire to check the status of IPV6 readiness of their networks.

Vendor Licensing

Under 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.

Seven hundred fifty-six vendor licenses were issued to different types of telecommunications equipment vendors in the year 2022.

Monitoring the operation of Cable TV Service Providers

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

The Networks Division collects the above information on the Cable TV Networks licensed under Section 17 of the Telecommunications Act quarterly. Random physical inspections of the control rooms are carried out to ensure that the networks are in operation as

per the information provided to the Commission.

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 duties entrusted in section 5(q), TRCSL 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, issuing type approvals for wired terminal network equipment, and issuing authorization letters to the Customs/BOI/Import controller for importing all network-related equipment.

Type Approval & Equipment Clearance	
Description	No. of clearances issued
Equipment clearances	2286
Type Approvals	-

SPECTRUM MANAGEMENT

No person shall use any radio frequency or radio frequency emitting apparatus in Sri Lanka or any part of the territorial waters of Sri Lanka or in any ship or aircraft registered in Sri Lanka except under the authority of a license issued by the Commission for that purpose.

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

interference occurring to licensed spectrum users.

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

Introducing Radio Spectrum Licensing Rules Including Revision of Spectrum Fees

As spectrum licence fees have remained relatively the same in recent history, action has been initiated to revise the spectrum licence fees in all categories of licences. Further, new radio frequency licensing rules have been prepared and forwarded for the signature of the Minister. It is expected to publish an Extraordinary Gazette notification in this regard.

Upgrading of IMEI Verification System

The IMEI Verification System enables the average citizen to verify the genuineness of an IMEI-enabled device on the market. The current system known as 'TRIVES' is outdated compared to current market requirements. TRCSL has initiated a tender process to implement a comprehensive and collaborative web based IMEI Verification System/Type Approval System to expand its service delivery in a fully automated manner to the vendor & public, instead of the TRIVES system (existing IMEI verification system). The proposed system shall be designed in a cloud platform and intends to be developed with Open-Source technologies.

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

A draft report has been prepared under ITU expert assistance regarding strategic spectrum policies, products, and service innovation, including the National 5G Spectrum Policy and strategy in moving towards implementing commercial 5G services in Sri Lanka. This report has to be finalized to lay the groundwork for Sri Lanka to innovate new 5G-related products and services, paving the way to access the global 5G marketplace and facilitating industries to leverage the benefits of 5G.

Frequency Monitoring and Investigation

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

Number of Licenses issued for Spectrum Users		
Category of Service	Year	
	2021	2022
Fixed service	43	45
Broadcasting service (Television and Radio)	36	44
Data / Radio Telemetry Service	23/19	24/33
Cellular Service (Mobile Operators)	05	05
Aeronautical and Maritime Services		
(i) Aircraft stations	67	71
(ii) Ship stations	106	71
(iii) Maritime mobile	450	834
(iv) Aeronautical mobile	06	08
Private mobile radio service	142	143
Amateur Radio	71	66
*Only Main Licence count		

Number of Clearance letters issued		
Category of Service	Year	
	2021	2022
Fixed service including CDMA	781+	650
Broadcasting service (TV and Radio)	60	50
Cellular Mobile Services		
(i) Dealer Licence	6756	5340
(ii) Mobile Operators	2082	1695
(iii) Private Mobile Radio	144	69
Data Service/ Radio Telemetry	15/4	12/1
Satellite Service	278	86
Amateur Radio	30	15
Low Power Devices	1902	1840
(i) Vendor licence holders	1114	887
(ii) Individual customers	788	953
Maritime Communication	119	87
Ship stations	09	

The Amateur Radio Operator's Licence exam

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

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

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

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

be obtained by paying the Telecommunication Regulatory Commission of Sri Lanka.

Examination fees		
Category of Examination	Fee for Part 01 (Rs.)	Fee for Part 02 (Rs.)
Advance Class	250.00	125.00
General Class	125.00	-
Novice Class	125.00	-
Note: Excluding Government Taxes and Levy		

COMPETITION

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

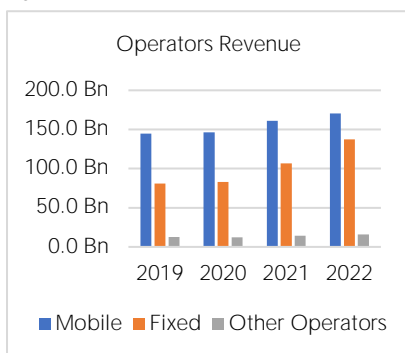
Subscriber base

The Mobile and Fixed Access Subscriber base as of 31st December 2022 was 33,685,905. In 2022, Cellular Mobile Operators demonstrated a decrease in subscriber base by 3.2% compared to 2021, and Fixed Access Operators demonstrated an increase of 0.6% in subscriber base compared to 2021.

Subscriber bases	2021 (Mn.)	2022 (Mn.)	% Change
Mobile	30.8	29.8	-3.2%
Fixed Access	3.8	3.8	0.6%
Total	34.6	33.6	-2.8%

Operators Revenue

Revenue from Mobile, Fixed and other operators demonstrated a considerable increase in 2022 compared to the previous year. Though the total customer base has marginally decreased, the industry revenue has increased by 15% as the industry tariffs have been increased by about 20% with effect from the 1st of September 2022.



Profitability of Operators

The table below indicates that the profitability of fixed operators has increased, while there is a decrease in mobile operators' profitability during the year. It is highlighted that; other operators' profitability illustrates a negative figure in 2022 compared to the previous year. One of the main reasons for the huge loss of the mobile industry was the foreign exchange lost due to the devaluation of the Rupee against the United States dollar.

Profitability	2020 (Mn)	2021 (Mn)	2022* (Mn)
Mobile	6,805	5,146	(54,803)
Fixed	1,910	3,146	11,492
Other	(546)	543	(3,700)
Total	8,169	8,835	(47,011)

*Unaudited

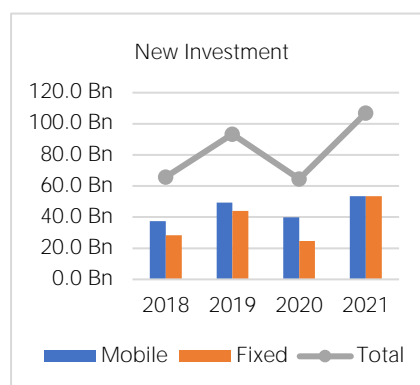
Average Revenue Per User (ARPU)

The ARPU (per annum) for the year 2022 for the Mobile Operator category was Rs 5,717, demonstrating a 9.4% increase compared to the ARPU of 2021. The Fixed Access Operator category also demonstrated a 32.8% increase against to the last year.

ARPU	2021	2022	% Change
Mobile	5,227	5,717	9.4%
Fixed Access	26,759	35,524	32.8%

Investments in Telecommunications Industry

The following chart depicts the new investments made by the Mobile and Fixed service providers from 2011 to 2021. [Investments include adding property plant, equipment, intangible assets, and work in progress]. Compared to 2020, mobile and fixed services industry investments have decreased.



Mobile Handsets/End Equipment

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

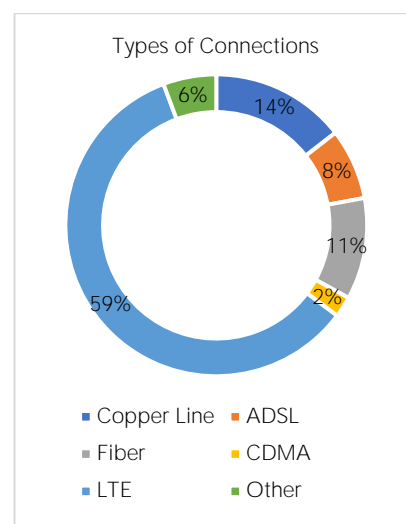
such as smartphones, tabs, dongles, etc.

The following table shows the end equipment connected to the mobile networks as of 31st December 2022. It is highlighted that smartphones and tabs cover 62% share of the total number of end equipment.

Type	No. of Equipment	%
Basic/Feature Phones	8.5 Mn	33.2
Smart Phones/Tab	15.9 Mn	62.0
Dongles/Routers	0.3 Mn	1.0
Others	0.9 Mn	3.8
Total	25.6 Mn	100

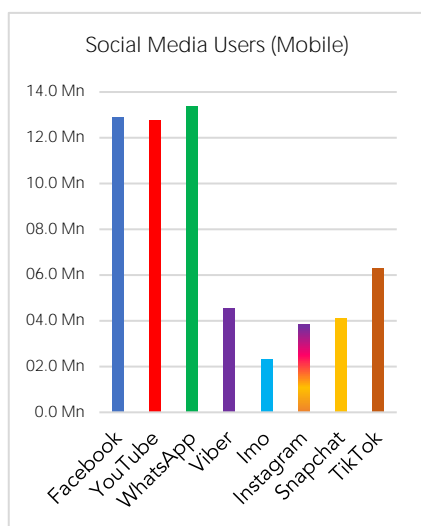
Fixed Access Telephony

Currently, three operators have been licensed to provide fixed access telephone services to the citizens of Sri Lanka, and 16.7% of the total customer base of the fixed telephone indicates voice telephony service 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.



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 the most popular social media apps among Sri Lankans. Total subscriptions for the three apps were about 39 million as of 31st December 2022. It represents 65% of the total social media users.



Direct Employments

The fixed and mobile telecommunication industry has generated over Rs. 323 billion within 2022 and created 11,812 direct employment opportunities. However, indirect job opportunities have also been created more than direct ones. The following table depicts the distribution of direct employment between two industry segments.

Type	No of Direct Employments
Mobile	4,235
Fixed	7,577
Total	11,812

Provincial Distribution of Mobile Subscribers

As mobility is an inbuilt feature of mobile technology, customers can commute worldwide with 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 takes a lot of work. The below table illustrates the number of mobile subscribers that existed in each province at the end of December 2022, as per the Visitor Location Register

(VLR) of mobile operators. Though 34% of mobile subscribers were reported within the Western Province, the North Central Province shows the highest Mobile Tele-density.

Province	No. of Subscribers and %		Mobile Tele-Density %
Western	7.2 Mn	34	115.1
Southern	2.1 Mn	10	78.1
Central	2.4 Mn	11	85.0
Uva	1.1 Mn	5	77.0
Eastern	1.4 Mn	7	80.8
North Central	1.6 Mn	8	115.9
Northwestern	2.3 Mn	11	89.8
Northern	1.1 Mn	5	93.7
Sabarasgamuwa	1.7 Mn	8	82.1
Total	20.9 Mn	100	94.3

Note: 2022 midyear (estimated) population information published by the Department of Census and Statistics has been considered to calculate mobile Tele-density.

Provincial Distribution of Fixed Subscribers

As per the following table, 50% of fixed Access telephone connections have been provided to customers of the Western province. The Fixed Access Tele-density of the Western province was 29.6%. Uva, Eastern, Northern, and North Central provinces have the lowest Tele-density.

Province	No. of Subscribers and %		Fixed Tele-Density %
Western	1.8 Mn	49.3	29.6
Southern	0.4 Mn	9.5	13.0
Central	0.4 Mn	10.2	13.4
Uva	0.1 Mn	3.8	10.3
Eastern	0.1 Mn	4.0	4.0
North Central	0.1 Mn	3.4	3.4
Northwestern	0.4 Mn	9.7	9.7
Northern	0.1 Mn	3.6	3.6
Sabarasgamuwa	0.2 Mn	6.5	11.8
Total	3.7 Mn	100	16.8

Telecommunications Levy

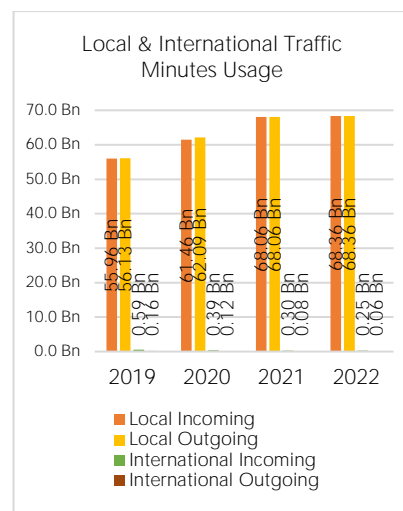
Telecommunications Levy was introduced by the Government of Sri Lanka as a "single rate tax" for the telecommunications industry in 2011. Initially, the levy rate was 20% on the value of supply. A concessionary TL rate of 10% was imposed on Internet Services at the beginning of 2013 to promote broadband services. The TL rate on other Telecommunications services remained unchanged. In January 2014, the TL rate of 20% was increased to 25%, and the TL rate on internet services remained unchanged at 10%. Subsequently, with effect from September 2017, the Levy on internet

services was abolished, resulting in a decline in TL collected for 2017 compared to 2016. In November 2018, the TL rate on Telecommunication services was changed from 25% to 15%. In December 2019, this rate was further reduced to 11.25%. Again, the TL rate was increased to 15% in June 2022.

Year	2021	2022
Telecom Levy (Rs. Mn)	11,046	12,905

Local & International Traffic Minutes Usage

The following chart shows the Local & International call traffic minutes during the last few years.



Cess

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



Cellular Tower Levy (CTL)

Cellular Tower Levy was imposed under Part XII of the Finance Act No. 35 of 2018, effective 1st January 2019. As per the Finance Act, each Mobile Operator must annually pay Rs. 200,000 per tower. Further, Mobile Telephone operators must pay the cellular tower levy for the towers that are being used but do not belong to the operators. A Levy of Rs. 200,000 must be equally shared by the operators who share such towers. The Levy should be paid to the Telecommunication Regulatory Commission quarterly. The collection of CTL for 2022 demonstrated a 6.6% increase against 2021.

Year	2021	2022	% of Change
Total (Mn)	1,466	1,565	6.6%

Mobile Short Message Services Levy (SMS Levy)

Levy on Bulk SMS was imposed by Part XIII of the Finance Act No 35 of 2018, and regulations for implementing this levy have been permitted under Gazette Notification No. 2014/16. Accordingly, Mobile Operators must pay Rs. 0.25 per SMS sent through mobile phones to a group of recipients for commercial purposes. This levy has been collected by the Telecommunications Regulatory Commission monthly since 1st January 2019. The collection of SMS Levy of 2022 demonstrated a 42.2% decrease against 2021.

Year	2021	2022	% of Change
Total (Mn)	400	231.4	-42.2%

Telecommunication Development Charge (TDC)

The Telecommunications Development Charge (TDC) collection was 3,991 million (provisional).

Year	2020	2021	2022
Total (Mn)	4,293	3,621	4,750

Recommendation of Visa Applications

As the technology of the Telecommunications sector is rapidly changing, the operators continuously strive to upgrade their networks with emerging technologies. The operators hire overseas industry professionals to work on their projects to obtain expertise. On behalf of the Operators, the Commission recommends visas for such professionals to the line ministry. During the year 2022, a total no. of 55 visa applications from professionals were processed by the Division.

Handling Industry Information

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

Handling Interconnection

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 telecommunication industry is becoming more and more competitive. Prices of telecommunication services, such as call charges and data charges, are declining due to the effective competition prevailing in the market. Approval has been granted for tariff plans with Unlimited Any Net Minutes. This breaks the barrier of communicating with customers of other networks. This is a milestone in traditional voice communication.

The Commission approved Tariff plans combining voice, social media, data and SMS. The specialty is unlimited voice, and social media apps are

included in this combo package. Such packages allow customers to utilize mobile communication services at an affordable price and without any hassle.

However, the telecommunication industry faces difficulties due to the devaluation of the Sri Lankan Rupee against the USD, which impacted the escalation of the cost structure. To compensate the part of the impact, the Commission allowed a 20% price increase for the voice and data packages and a 25% to 40% price increase for the pay TV packages.

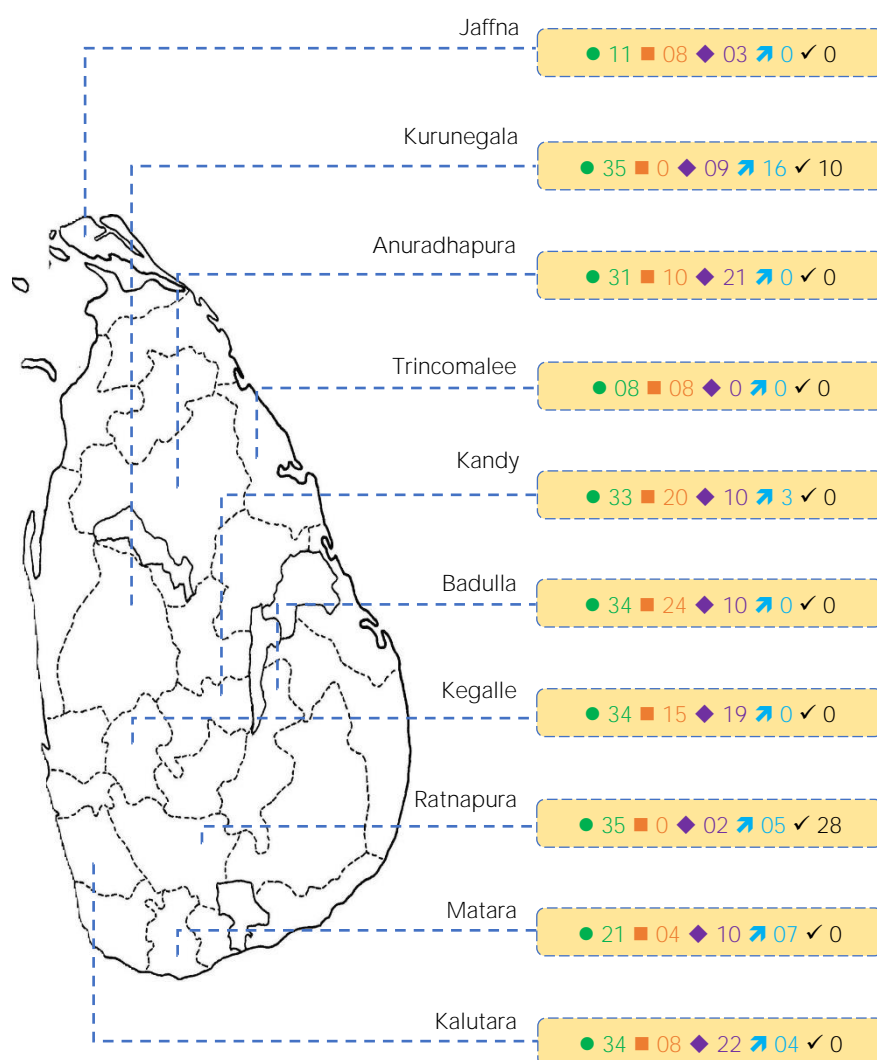
The Commission has approved 101 tariff packages within 2022 under three tariff categories as 28 seasonal tariff approvals, 53 promotional tariff approvals and 20 permanent tariff approvals.

"GAMATA SANNIVEDANAYA" (CONNECT SRI LANKA) PROJECT

The TRCSL initiated a project called "Gamata Sannivedanaya" to identify unserved and underserved areas of the country to achieve countrywide 4G/Fiber Broadband coverage.

Under this project, 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 has 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 for these ten districts under the "Gamata Sannivedanaya" project. Accordingly, 35 tower sites have already been commissioned by the operators in Rathnapura and Kurunegala districts. Further operators have started construction on 35 tower sites, and the rest of the sites are acquiring land and obtaining approvals from relevant Government authorities (206 site locations).



As the figure shows, tower construction has not started in most locations. This is mainly due to the unfavorable economic situation experienced by the country and the severe economic downside that impacted the "Gamata Sannivedanaya" project.

Telecommunications equipment and construction costs have been increased by 70% or more due to the depreciation of the Sri Lankan Rupee by over 50% against the USD since February 2022. It impacted all operators' investments and reduced their Capex budgets, thus making further and continued investment in the GS project challenging. The cost escalation due to currency depreciation has resulted in Operators increasing the cash outlay towards capital expenditure, posing a significant challenge to Operators' capacity to invest.

The Operators also face difficulties in ensuring the timely completion of site commissioning under the Gamata Sannivedanaya project due to the delays in obtaining electricity supply from the Ceylon Electricity Board and the presence of only limited local tower suppliers facing several resource limitations, which are exacerbated by both the COVID-19 pandemic and the negative economic environment in the

country. These barriers have led to significant delays in supplying telecommunications towers to complete coverage of the districts identified under the GS project. Considering the above, TRCSL plans to reschedule the completion of the Gamata Sannivedanaya project up to the end of 2026, which was scheduled to be completed in 2024.

School Fiberization Project

It is indispensable to provide internet facilities to schools to advance the education system with the latest technology. Therefore, as the first step, free internet facilities to 1000 senior and junior secondary schools located in remote areas will be facilitated. The Ministry of Education prepared the Cabinet Memorandum with the collaboration of the Telecommunications Regulatory Commission of Sri Lanka to implement the Project in 2023.

COMPLIANCE & INVESTIGATION

Quality Of Service (QoS)

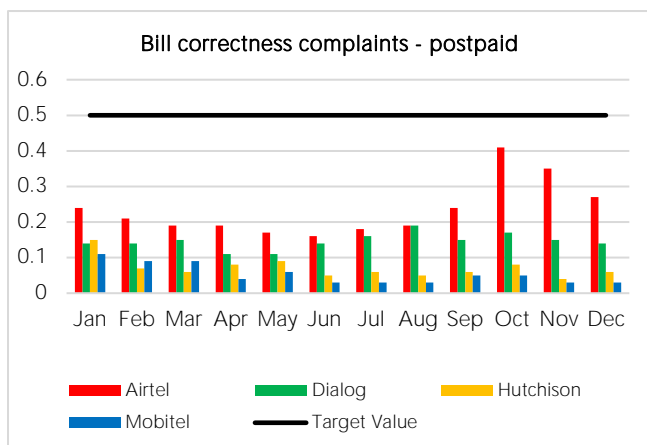
- Analyzed eighty-four monthly QoS reports of seven PSTN Operators and discussed improvements with them on the QoS parameters where necessary.
- Prepared twenty-four comparison reports of seven PSTN Operators and circulated amongst them for information and improvement of the accuracy of performance measurements.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

Highlights of Customer Service Key Performance Indicators of Mobile Operators

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

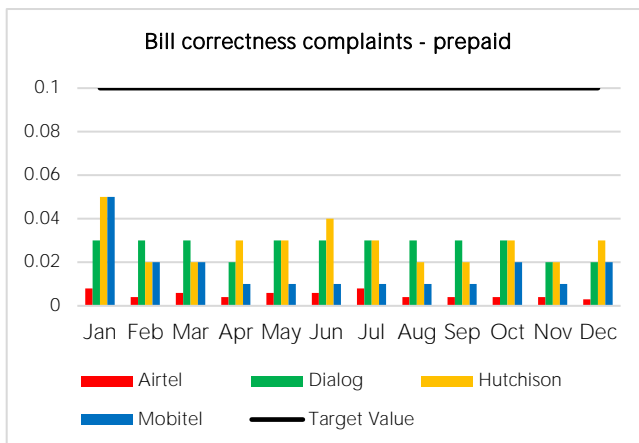
Bill correctness complaints - postpaid

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



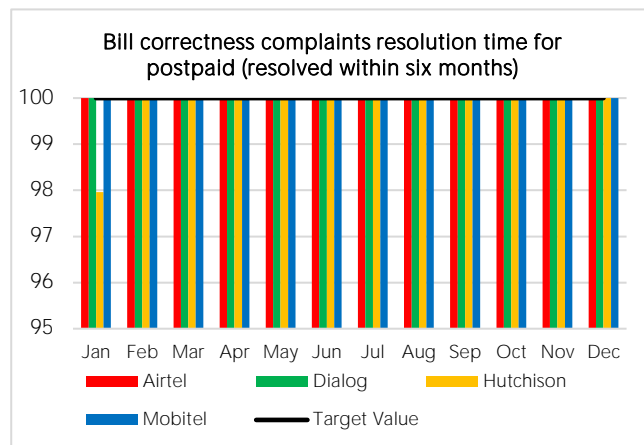
Bill correctness complaints - prepaid

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



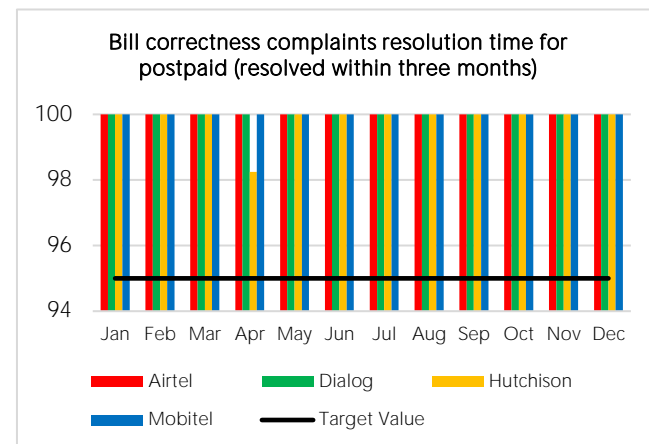
Bill correctness complaints resolution time for postpaid (resolved within six months)

- 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.



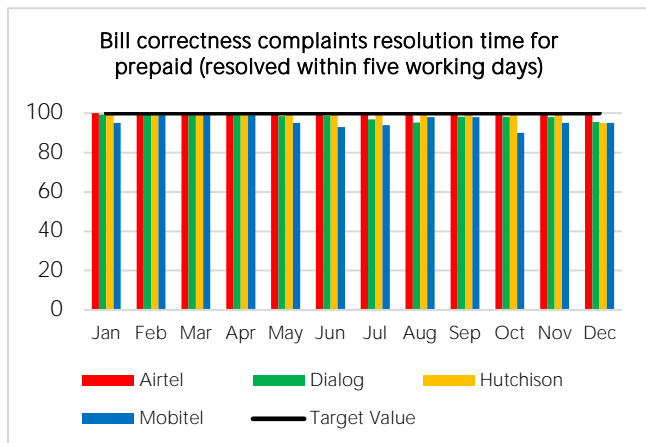
Bill correctness complaints resolution time for postpaid (resolved within three months)

- 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.



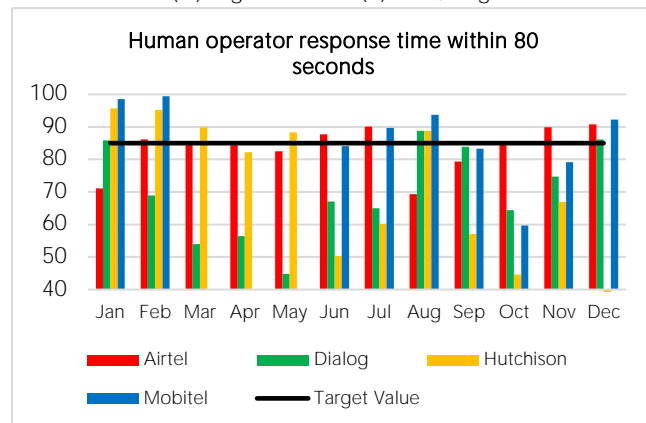
Bill correctness complaints resolution time for prepaid (resolved within five working days)

- 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.



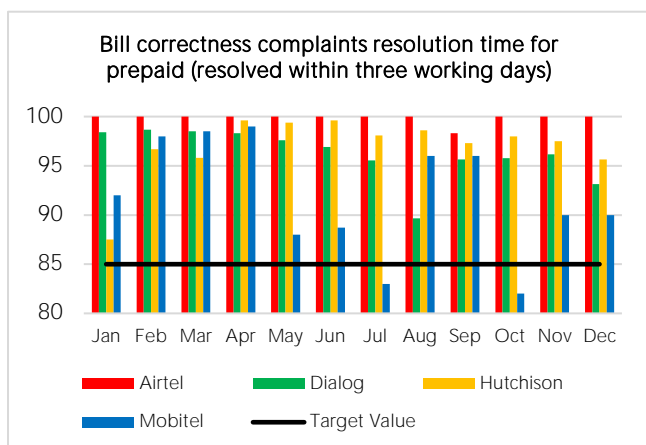
Human operator response time within 80 seconds

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



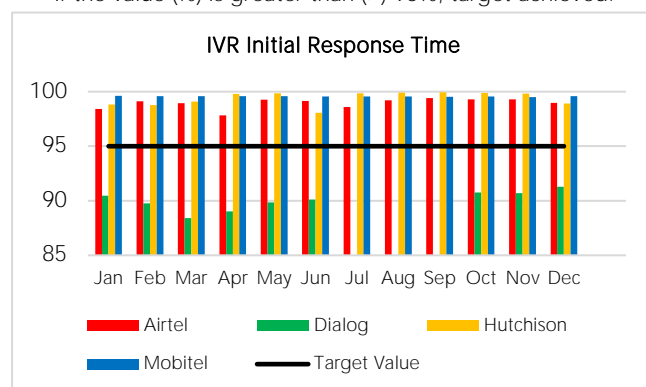
Bill correctness complaints resolution time for prepaid (resolved within three working days)

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



IVR Initial Response Time

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



Surveillance

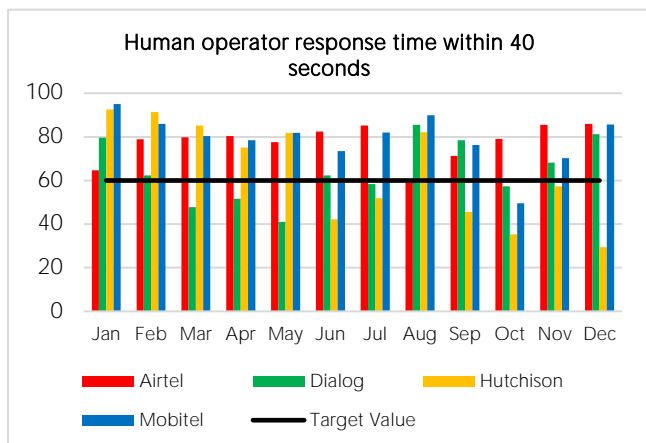
- Twenty instances were investigated on vendors' sale of non-type approved telecommunication equipment.
- 442 vendors in 10 districts were inspected to check whether they possess valid vendor licenses issued by TRCSL.
- Forty-three inspections had been carried out to monitor operators' adherence to Section 17 license conditions.
- Twenty-Four audits were conducted to verify whether operators have taken measures to re-register subscribers according to SIM Gazette Notification.
- Sixteen audits were completed on charging mechanisms of tariff packages offered to subscribers.

Investigation & Intelligence

- Investigated six instances of provisioning of illegal cable tv services.
- Provided required assistance to Police/CID for their investigations upon their requests.
- Carried out technical investigations on illegal operations of telecommunication services.
- Streamlined SIM Device/Vendor Registration Processes, which includes an IMEI verification solution.
- Mitigation of illegal DTH/Cable TV service providers.
- Management of Cyber harassment complaints.
- Assisted in resolving 1348 social media complaints.

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.



CONSUMER COMPLAINTS & PUBLIC AWARENESS

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

Handling requests on misplaced mobile phones

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

As part of social obligation, TRCSL acts as a mediator in 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 2022. The results were submitted to Police stations for further action.

New Complaints	Found results submitted to police stations
44,013	21,471

Lost your phone?



Awareness Programme

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

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

Physical Programs	Online Programs	Other Programs
Kandakadu - 01 Pitipana - 01 School - 01	School - 02 DS Offices - 16 Army / Police - 11	TV Program - 10 Paper Articles - 8

TV/Radio programs and social media awareness programs have been conducted to educate the general public on basic information within the legal framework of TRCSL.

Consumer Complaints

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

91% of all consumer complaints have been resolved.

Type of Customer Complaint	No. of complaints received	No. of complaints resolved	% of the resolved complaints
Signals /Coverage	254	195	77%
Billing	198	172	87%
Tele Fault	182	182	100%
Connection	170	170	100%
VAS	55	40	73%
Data	165	152	92%
Internet	68	43	63%
Loss Mobile email / Post	408	408	100%
Total	1500	1362	91%

Social Media Complaints	
Type	No.
Facebook	1127
WhatsApp	37
YouTube	23
Web Content	24
Email	16
Other	5
Total	1,232
Reported to Social Media Platforms - 354	
Advised - 878	

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. Seven hundred fifty-two discussions were conducted to reach an amicable settlement with both parties.



POLICY & INTERNATIONAL RELATIONS

Research & Development in the field of Telecommunications

P & IR division continued conducting the telecommunication related research and development program that was started last year with the support of state universities and research institutions in Sri Lanka. A research project on “Blockchain and AI-empowered Cryptographic Dynamic Spectrum Access for 6G and Beyond” was selected by the Research Committee of TRCSL, which consists of representatives from all related divisions for granting financial assistance. This project was conducted by the research team of the Department of Electrical & Information Engineering, University of Ruhuna. The research team made 1st and 2nd progress presentations in March and July this year and submitted reports on the project’s progress.

They submitted the final report of the research project on “Blockchain and AI-empowered Cryptographic Dynamic Spectrum Access for 6G and Beyond” after completing the final presentation in December. All presentations, including the final presentation of the research project, were organized as online programmes with the participation of the members of the TRCSL research committee, research team members, including their international collaborators, industry experts and TRCSL staff. Financial grants for the project were provided on an instalment basis upon completion of presentations and submission of relevant progress reports.

The progress of the Research & Development program scheduled for 2022 was affected by the Public Enterprises Circular No 04/2022 on “Expenditure Management and Business Sustainability of Commercial Corporations, Statutory Boards and Government Owned Companies”. Further activities of the Research & Development program for this year were carried out after obtaining the approval of the Ministry of Finance. Five research proposals were received from state universities, and the received proposals are under evaluation by the Research Committee.

The universities highly appreciated this R&D programme as it facilitated the researchers to overcome the financial constraints they faced in obtaining the necessary resources and completing their projects with expected research outcomes. It was reported that the practical exposure gained in this project under the supervision of local and international researchers benefited the undergraduates in advancing their academic objectives and careers.

APT/NIA International ICT Volunteer Program 2022

Every year the Government of South Korea sends teams of Korean volunteers skilled in Information Technology (IT) to developing countries under the International ICT Volunteer Programme. The National Information Society Agency of Korea (NIA) has organized and managed this International ICT Volunteer programme since 2001.

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

APT/NIA International ICT Volunteer Program 2022 was organized to uplift ICT literacy among Students with Special Education Needs in Sri Lanka. As per the guidance provided by APT and NIA, this year’s International ICT Volunteer program was conducted as an online training program with the participation of students from vocational training institutes. Three volunteer teams have been assigned to provide IT training for Seeduwa, Wattegama and Ketawala vocational training centers for Students with Special Education Needs. As the main coordinating point, P & IR division discussed with the NIA officials, Korean volunteer teams, and IT instructors, including officers in charge of respective vocational training centers and organized this volunteer program during the period of July to August 2022. The online training program was conducted by three Korean ICT Volunteer (KIV) teams comprising 12 undergraduates. At the end of the program, the division made arrangements to submit review videos and feedback of each vocational

training center to NIA and distribute certificates sent by NIA among the course participants.

NIA appreciated the cooperation extended by TRCSL in implementing this program for 2022. It is highlighted that our country has been selected as one of the successful countries among 11 countries that implemented the Korean International ICT Volunteer Program in 2022.

APT Collaboration Program under the EBC-K and EBC-C projects

EBC-K project

APT invited the member countries to submit project proposals to Facilitate ICT Applications & Smart Cities in the Asia-Pacific for the projects to be funded by the Extra Budgetary Contribution from the Republic of Korea, which are identified as (EBC-K) projects. The program consists of two programmes such as ICT Applications and Smart City.

The objective of the ICT Applications program was to facilitate the development of ICT applications in APT member countries in order to increase efficiency and productivity or to provide new economic values and benefits in the field of services or industries. The objective of the Smart City programme was to share knowledge/experience and facilitate the public and private sector collaboration in the development and deployment of Smart City service. Both the programs are funded by the Extra Budgetary Contribution from the Republic of Korea (EBC-K), and the selected projects of the APT member countries are implemented in collaboration with Korean experts.

The division made arrangements to disseminate information in this regard among the state universities, research institutions, relevant government organizations, etc., and to submit received research proposals to APT within the given time frame. Under the ICT Applications program, six project proposals were received from the Sabaragamuwa University of Sri Lanka, the University of Moratuwa, the Ocean University of Sri Lanka, the Sri Lanka Association of Software Services Companies (SLASSCOM) and the Institute of Industrial Technology. Furthermore, two proposals were submitted to APT by the Urban Development Authority and

Sabaragamuwa University of Sri Lanka for the Smart City program.

It is emphasized that the research project proposal on “Web-GIS based Informed Decision Making for Strengthened Local Governance” submitted by the Sabaragamuwa University of Sri Lanka was selected by the APT and Government of the Republic of Korea to be funded under the Extra Budgetary Contribution from the Republic of Korea. APT Secretariat granted the final approval for providing the initial installment of the funds to the Sabaragamuwa University of Sri Lanka to implement the joint research project per the revised proposal and implementation plan.

EBC-C project

The objective of the EBC-C program was to promote the use of ICT applications in APT Member countries in addressing socio-economic issues relating to poverty, the digital divide, health, education, clean energy, infrastructure development, sustainable cities, and communities, etc., for achieving Sustainable Development Goals (SDGs). This program is funded by the Extra-Budgetary Contribution from the People's Republic of China.

The division made arrangements to obtain research proposals from the universities, research institutions, and relevant government organizations for the EBC-C project on “Promoting the Use of ICT for Achievement of Sustainable Development Goals” and to forward to APT for further action.

Six project proposals were submitted to the APT with the support of the Department of Agriculture, Institute of Industrial Technology, University of Sri Jayawardenapura, University of Kelaniya, and SLINTEC.

Girls in ICT Day 2022 Program



The “Girls in ICT Day” is a global effort of the International Telecommunications Union (ITU) that aims at increasing the representation of girls and women in the field of Science, Technology, Engineering, and Mathematics (STEM) and ICT. All the member states of ITU celebrate this

day by creating awareness of empowering and encouraging girls/young women to pursue education and careers in STEM and ICT. ITU introduces a theme each year, and awareness programs are conducted in line with the given theme.



A two-hour online awareness program was organized on 14th December 2022 for female students in line with this year's theme, “Access and Safety.” The online awareness program was focused on addressing obstacles that girls may face in the digital environment and possible solutions to these challenges. This program was successfully conducted in collaboration with the Ministry of Education and with the support of the resource persons from ICT Brach-Ministry of Education, telecom operators, and Sri Lanka CERT. Female students and ICT teachers attended this online program representing ten schools from Kurunegala, Kegalle, Matara, Hambanthota & Monaragala districts involved in “TRCSL ICT Volunteer Programme 2021”. Based on the

online presentations of the online event, a video clip was made by the Media Unit of TRCSL in coordination with the division to create more awareness of the Girls in ICT Day initiatives among school children.

Telecommunications Tower Technician Program

Developing an NVQ (National Vocational Qualification) certification for Telecommunications Tower Technicians was considered a timely and important program for creating high-quality local technical manpower for the telecom industry in Sri Lanka. In view of specifying standards for the education and training of technical manpower in telecommunication as per the provisions set out in the Act, necessary steps were taken to develop the National Competency Standard (NCS) and Curriculum for Telecommunications Tower Technicians in collaboration with Tertiary & Vocational Education Commission (TVEC), National Apprentice and Industrial Training Authority (NAITA) and telecom operators in the year 2021.

“The developed NCS and Curriculum were endorsed by the TVEC under the Competency Standard Code I64S003.”

The Assessment Resource Development process was started in the first quarter of 2022 as the final stage of the development of NVQ certification for Telecommunications Tower Technicians. A resource panel consisting of professionals from the telecom industry and TRCSL was appointed to develop the assessment resources in coordination with NAITA. Preparations of assessment resources and validation of the assessment resources were carried out as a series of online workshops, and the development was completed in the Q2 of 2022.

Subsequently, an online awareness program was conducted by TVEC on 25.11.2022 to introduce the program to approved training centers and to discuss the way forward of this initiative, including the commencement of the NVQ course at training centers. The officials of TRCSL, TVEC, NAITA, telecom operators, and other related training centers attended the online awareness program.



Collaboration with International Organizations and Regional Regulators

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

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

information from international organizations to relevant divisions of TRCSL.

Coordinating the ITU/ APT Expert Assistance Programs

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

P & IR Division organized online meetings between TRCSL and APT experts and coordinated online discussions between the experts, TRCSL officials, and telecom operators when necessary. TRCSL received expert assistance under the APT Expert Mission on the "IPv6 Transition Roadmap" in 2021. The final report on the "IPv6 Transition Roadmap" was completed by the APT expert in Q1 of the year 2022.

Coordinating the Country Representations in High-Level Meetings & Conferences

International regulatory bodies in the telecommunication sector encouraged the member countries to continue their active participation and to make their contributions 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.

- ITU Plenipotentiary Conference (PP-22), 26 Sep to 14 Oct 2022, Bucharest, Romania (Online).
 - The Plenipotentiary Conference is the highest policy-making body of the International Telecommunication Union (ITU). Held every four years, it is the key event at which the ITU Member States decide on the organization's future role, thereby determining its ability to influence and affect the development of information and communication technologies (ICTs) worldwide. P & IR arranged credentials in coordination with the Ministry of Foreign Affairs (UN Division) for the Sri Lankan delegation to

attend the ITU Plenipotentiary Conference 2022. A few executive officers of the TRCSL participated in the conference online, along with the in-person participation of a representative from the Embassy of Sri Lanka in Paris.

- The 23rd Meeting of the South Asian Telecommunications Regulators Council (SATRC), Teheran, Iran Republic of Iran, 14-16 November 2022.
 - Actg. Director General of the TRCSL contributed to the meeting in the following sessions.
 - General Statement at the opening session of the meeting.
 - A panelist of Regulators Round Table
 - Moderator of the session "Sharing Best Practices and Regulatory Experiences in South Asia."
- The 46th Session of the Management Committee of the APT, 13-16 December 2022
 - This online meeting was attended by the executive officers of TRCSL.

Coordinating the Capacity Building and Training programmes

The division coordinated with international organizations, including ITU and APT, and arranged capacity-building and training programs for the TRCSL staff. Knowledge-sharing sessions have also been organized subsequently by means of conducting post-training presentations.

Necessary arrangements have been made to nominate the relevant TRCSL officers to participate in the following programs for the year 2022 with the approval of the Advance Training Committee (ATC).

Category	ITU	APT	Other	Total Programs
Trainings	02	09	-	11
Seminars	01	-	-	01
Webinars	01	-	-	01
Conferences	01	01	-	02
Meetings	03	05	-	08
Forums	-	02	01	03
Workshops	01	04	01	06
Total	09	21	02	32

Programs according to funding type	ITU	APT	Other	Total
Fellowship Programs	03	13	02	18
Free of Charge Programs	06	08	-	14
TRCSL Funded Programs	-	-	-	-
TRCSL participants	13	27	02	42

Furthermore, three APT local training programs were organized in coordination with the APT, GSMA and ISOC on undermentioned topics with the total participation of 38 TRCSL officials.

- GSMA online training course on "Big Data and Artificial Intelligence for Impact", 17-18 May 2022
- GSMA online training course on "Radio Signals and Health", 22-23 June 2022
- ISOC online training course on "Internet Way of Networking", 05-30 September 2022

World Telecommunication and Information Society Day 2022

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 157 years since the First International Telegraph Convention was signed on 17 May 1865, which established the International Telecommunication Union (ITU).

In celebration of WTISD 2022, ITU invited all its member states to contribute and create awareness under this year's theme, "**Digital Technologies for older persons and healthy aging.**" This year's WTISD theme emphasizes the role of digital technologies in achieving healthier aging. It addresses the importance of being prepared to respond to the future needs & requirements of the aging population.

The division made necessary arrangements to obtain WTISD special messages from the Secretary-General of the ITU, Chairman, and Director General of TRCSL and publish them on the TRCSL website. An event was successfully conducted at the TRCSL auditorium with the participation of TRCSL staff, highlighting the theme of WTISD 2022. Necessary steps have

also been taken to create public awareness through the TRCSL website, social media & electronic media focusing on this year's WTISD theme. The Media Unit of TRCSL made an awareness video clip for this purpose in coordination with the division.

Annual Subscriptions of International Organizations

As a member of international regulatory organizations in the telecom sector, such as ITU, APT, SATRC & SAFIR, TRCSL receives technical/expert assistance to implement projects to adopt the latest technologies and, develop ICT infrastructure, and promote ICT literacy. Being a member of the above international organizations also enables TRCSL to obtain training and fellowships for strengthening the human and institutional capacity of the country and adapting to an evolving telecommunication sector.

ITU is a specialized agency of the United Nations responsible for all matters related to information and communication technologies. The ITU promotes the shared global use of the radio spectrum, facilitates international cooperation in assigning satellite orbits, assists in developing and coordinating worldwide technical standards, and works to improve telecommunication infrastructure in the developing world. Subscriptions are paid by TRCSL on an annual basis to maintain membership in the ITU.

The Asia-Pacific Telecommunity (APT) is a leading intergovernmental organization for developing telecommunications and ICT in the Asia-Pacific region. APT was established by ESCAP 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 the membership of the APT.

South Asian Telecommunication Regulators' Council (SATRC) was formed in 1997 by an initiative of APT and the 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 the 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, training, and workshops. Subscriptions are paid by TRCSL on a two-yearly basis to maintain membership in the SATRC.

Membership payments made to APT, ITU, and SATRC in 2022 are in the table below.

ITU	APT	SATRC
CHF	USD	USD
159,000	15,420	15,000
Quarter 1 in 2022	Quarter 1 in 2022	Quarter 3 in 2022

It was decided to discontinue the membership of the South Asia Forum for Infrastructure Regulation (SAFIR) in 2022 since the membership benefits received by the TRCSL in the areas of capacity building, expert assistance, or sharing of experience amongst regulators involved in the telecom sector are minimum compared to the annual membership contribution made to SAFIR.

Telecommunications Regulation Related Surveys and Other Questionnaires

- ITU World Telecommunication /ICT Indicators Questionnaire 2022

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, 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. "ITU ICT Indicators Short Questionnaire 2022" was completed in April 2022. The "ITU ICT Indicators

Long Questionnaire 2022," which consists of 70 ICT indicators, was completed during the fourth quarter of the year.

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

■ ITU Regulatory Survey 2022

The annual World Telecommunication/ICT Regulatory Survey of the ITU Telecommunication Development Bureau is a tool for collecting first-hand information from ITU Member State administrations. The survey covers a wide range of ICT policy and regulatory issues and allows for tracking the latest ICT trends and evolutions. The division made arrangements to collect required survey data from other divisions, consolidate their responses and complete the ITU online survey in March 2022. The data collected through annual World Telecommunication/ICT Regulatory Surveys are available on the ITU ICT Eye platform and ITU ICT Regulatory Tracker.

■ ITU/APT Study Group Questionnaires and other surveys

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

- ITU ICT Price Basket Questionnaire 2022
- ITU Questionnaire for the members of ITU-T SG3 Regional Group for Asia and Oceania (SG3RG-AO)
- Survey on the Needs for APT Foreign Training Courses in 2023
- Survey on the Needs for APT Local Training Courses for 2023
- Survey for APT/NIA World Friends Korea ICT Volunteer Program 2022

LEGAL AFFAIRS

- Legal advice was provided for issues relating to Section 17 System Licenses, Vendor licenses, Radio Frequency Spectrum, Network, and telecom operators.
- Advised and supported on compliance matters ranging from customer complaints, SIM registration, website-related issues, and other initiatives for Compliance. The division also advised on Administrative and Human Resources related issues.
- Participated and advised on many initiatives of TRCSL, including the introduction of Mobile Number Portability, IMEI Registration System, and Internal Committee for Resolution of Consumer Complaints.
- Processed 456 Court orders required for Criminal investigations in 2022 to assist Law enforcement authorities in investigating offenses.
- In 2022, the division was actively involved and contributed towards the following regulatory activities of the Commission despite the **Country's economic issues**. The year 2022 in the review was a very productive one.

Legal corporations on Special Projects

Colombo Lotus Tower project

- Assistance was given to the Special Project Division on matters pertaining to the Contract Agreement for Colombo Lotus Tower (CLT) Construction project.
- Cabinet approval was also received for the CLT Company formation and assisted Special Project Division in finalizing the Management Agreement with the Colombo Lotus Tower Management Company.
- Steps were taken to acquire land for the CLT, and further land acquisition was required to expand the CLT's commercial operations.
- Arrangements were also made to obtain necessary advice on key issues relating to the construction, takeover of the tower, loan agreement and commercialization of the CLT, and the formation of the Management company. The signing of the Management Agreement and preparation of the Lease Agreement for CLT.

Action item	Progress and Performances	
Filing defending of court actions and obtaining legal opinions/advice	No. of new court cases	08
	Pending cases	16
	Legal opinions obtained	08
Handling of court cases	Observations	09
	Co-ordinating with counsels, consultations	22
	Proceedings obtained	06
Providing inhouse legal advice to the Commission and other divisions (102 legal advices were provided)	Spectrum Management	04
	Licence Management	07
	Networks	05
	Admin & Human Resources	16
	Competition	05
	Compliance	51
	Director General Office	01
	Special Projects	10
Drafting of rules, regulations and guidelines	Information Technology	01
	Other	02
Processing of rules for Value Added Services		
Review of agreements	Service agreements	15
Proceeding of court orders	Criminal investigations	456
	Letters issued to operators	1873
	Letters issued to police stations and courts	516
	Website blocking	06
Administration & Human Resource	Loans	45
Proceedings of RTI requests	Processed RTI requests	69

IT Park Hambantota Project

- Arbitration Proceedings before the Arbitration Tribunal were concluded. The award of the Arbitration Tribunal was received, and steps were taken to comply.

Amendment of the Telecommunications Act

- The cabinet of Ministers has granted approval, authorizing the TRCSL to appoint a committee comprising 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.
- Initial steps were taken this year towards progress, though with the prevailing situation in the country, there was difficulty to progress with the matter. The Commission is to revisit the appointed committee and reconstitute the committee after consulting with suitable nominations.

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 the year 2022. The legal division took all steps to ensure these cases were defended in court.

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 excellent reception of broadcasting signals, with the use of a single antenna, from one direction. The lower capital and 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. 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.

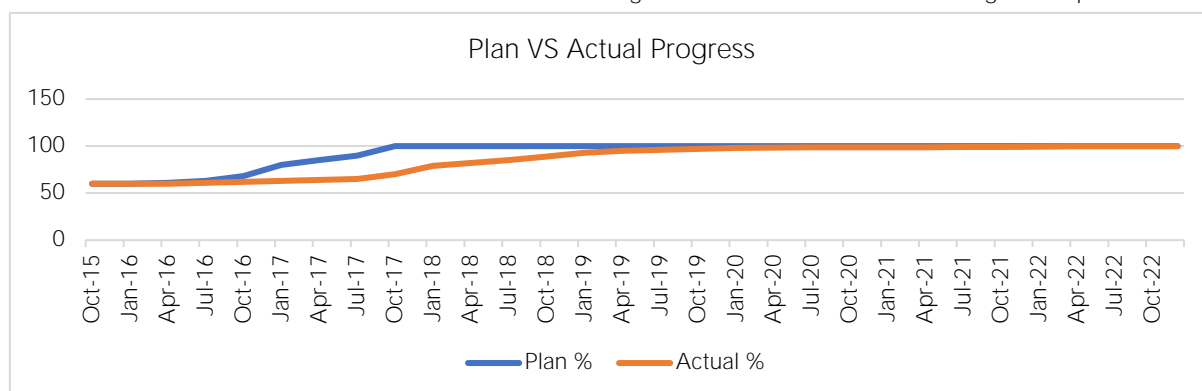
Summary of the Project Contract

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

Progress as of 31st December 2022

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

Planned Vs Actual Progress and Continue Without a Target Completion Date



Summary of the Projects

Colombo Lotus Tower		
Action Item	Outcome	Performance
Colombo Lotus Tower Construction	<ul style="list-style-type: none"> Percentage of construction. Value of Project Delivery. Percentage of testing and commissioning/coordinate investigation and clear/ handover. Exim Bank loan repayment Percentage of defect rectifications. Delivery of contractual documents Percentage of completion of training. 	<ul style="list-style-type: none"> Appointment of the CANC/PC. Minor Defect rectification and inspection. Major defect rectifications and inspection. Testing of MBS, Fire Alarm, Fire Protection Systems, etc. Force majeure was reported due to the outbreak of COVID-19. Scrutinization of training documents and commencing training Extension for PCU consultancy Services, The Cabinet paper is under review. Continuation of PCU consultancy services. Compilation of Asset Register.
Commercialization of the Colombo Lotus Tower Complex	<ul style="list-style-type: none"> Progress of setting up of Government own company under the treasury and finalize the business model. Establish tower operation team. Obtaining insurance cover Enter into maintenance agreements with local agents/suppliers by the management company. Procurement of assets for the smooth functioning of the CLT. Marketing campaign/ Company formation. Monetization from broadcasting infrastructure. 	<ul style="list-style-type: none"> Obtained approval from the Cabinet of Ministers for the proposed commercialization of CLT. Initiated discussions with Mass Media for the use of the CLT infrastructure for Digital Broadcasting. A treasury-owned company was formed. Required insurance covers were obtained. Management Agreement was signed with CLTMC. The lease indenture is in progress. Completion of Asset valuation.
Taking over the CLT	<ul style="list-style-type: none"> Taking over CLT in accordance with the Cabinet Approval. 	<ul style="list-style-type: none"> The approval was obtained from the Cabinet of Ministers to take over the CLT with conditions. Accordingly, the CLT was taken over with Conditions on 28.02.2022.
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. Drafting an MOU to be signed with the Ministry of Mass Media Internal Committee was appointed.
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"> Weekly Progress review Meetings of CLTP were conducted. The final report from CECB was reviewed. Processing Exim Bank loan re-payment (Principle & Interest) in 2022 and processing the due payment on 21st January 2023. But the payment is considered in line with government policy.

Other Development Projects		
Project	Outcome	Performance
TRCSL New Building Construction	Percentage of completion. Values of the delivery of the project components.	<ul style="list-style-type: none"> Physical works were completed other than testing and commission. Informing the Cabinet of Ministers on the new building construction instead of the development of the building approved by the Cabinet of ministers.
IT Park – Hambanthota	Closing of Arbitration with the Contractor.	<ul style="list-style-type: none"> The arbitration was concluded.
Kadirana Rehabilitation, Renovation & Refurbishment Project	Percentage of completion. Values of the delivery of the project components.	<ul style="list-style-type: none"> TRCSL approved the variations and requested the Engineer to complete the project with approved variations.

OUR EMPLOYEE PROFILE



Director General & Chairman Office



Licence Management Division

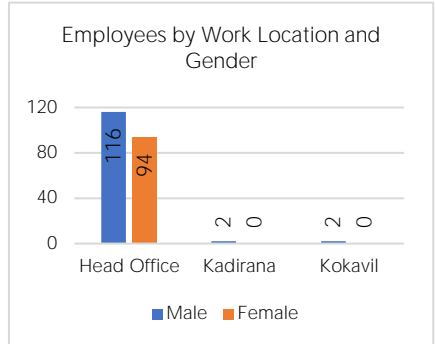
At TRCSL, we employ a skilled and motivated workforce of over 200 people. Our team is the most important source of regulatory strengthening, driving the organization toward success. Having understood the role played by our employees, we offer an attractive value proposition to them which enables an engaged and committed workforce. During the year, the commitment of our employees ensured our ability to provide uninterrupted service and helped to expand telecommunications regulations.



Special Projects Division



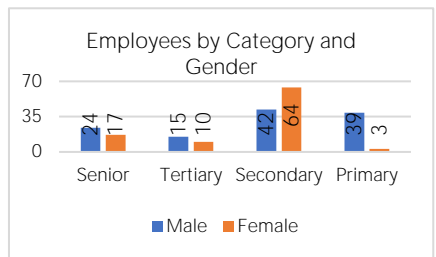
Policy & International Relations Division



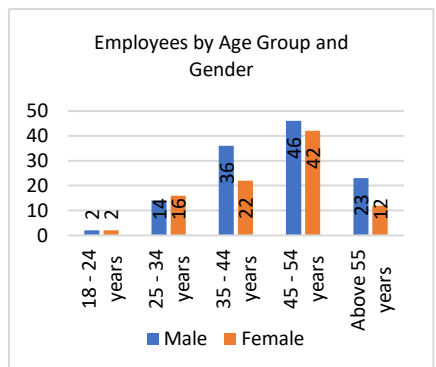
Internal Audit Division



Information Technology Division

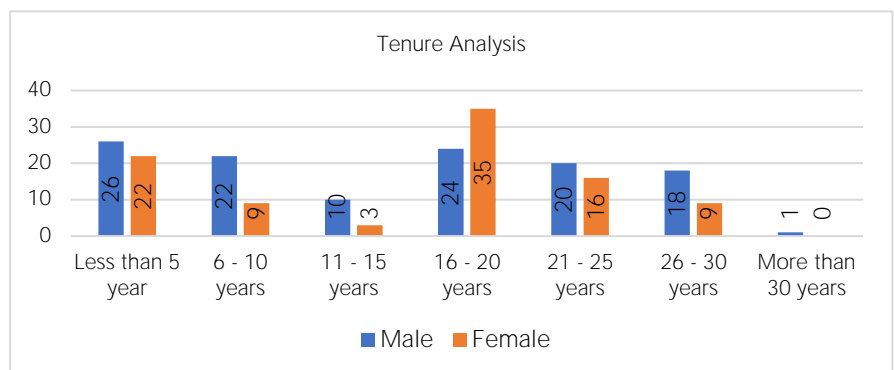


Network Division



Employees Benefit Scheme

- Incentive
- Uniform and Tailoring
- Retirement Special Bonus
- Tea and Other Staff Welfare
- Encashment of Leave
- Annual Bonus
- Reimbursement of Medical Expense
- Housing 2/3 Interest Reimbursement
- Vehicle Loan
- EPF
- ETF
- Membership reimbursement





Compliance and Intelligence Division



Competition Division



Finance Division



Legal Division & Commission Secretariat

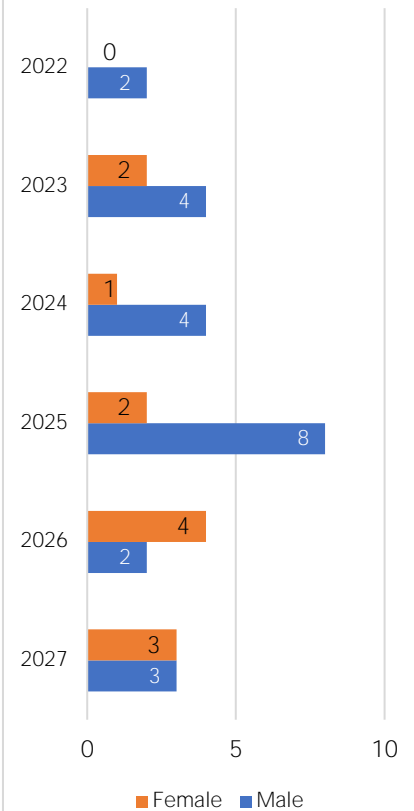


Spectrum Management Division

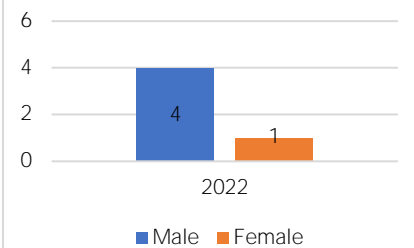


Administration & Corporate Affairs Division

Employees Retirement Analysis



Employees on Foreign Leave



Key Focus areas

- Establishment Work
- Management of the Cadre
- Training
- Procurement Activities
- Maintenance of Fleet of Vehicles
- Productivity improvements
- Introduce office circulars
- Corporate Affairs Correspondence
- Annual Board of Survey
- Library services
- Media Related Activities

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.

In 2022, necessary actions were taken by the division to prepare the performance evaluation for employees and to provide salary increments for 214 permanent staff officers. 30 employees were confirmed in their posts upon the completion of a 3-year probationary period. Besides, the division was engaged in preparing employees' progress review reports, preparation of salary conversions regarding the confirmation and promotion of officers, and registration of officers in the Employees Provident Fund. 03 preliminary

investigations/inquiries were also conducted during the year. Under the internal promotion scheme, 01 Management Assistant, 01 Development Officer, and 01 Assistant Director were promoted from Grade II to Grade I. The recruitment activities for the recruitment of 01 Director (F) & 01 Assistant Director have been recruited on a secondment basis.

Category	No. of provisions
New 2/3rd reimbursements	248
Distress loans	62
Vehicle loans	02
Gratuity payments	02

The division continued its work on the proposed Scheme of Recruitment (SOR) during the year. Accordingly, discussions with heads of divisions were carried out to verify the proposed organigrams for the respective divisions while arranging discussions on the other provisions of the proposals. The final report was submitted by the consultant. This activity is being carried

out under the direction and guidance of the Commission of TRCSL.

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

Despite mobility restrictions imposed throughout the year, the division successfully conducted the Efficiency Bar Examination for Assistant Directors, Management Assistants (Non-Technical) Grade I & II, Driver Grade I & II, Office Aide Grade I & II, and Consumer Relations Officer categories of the staff.

Upon consideration of successful performance and fulfillment of entry requirements, 07 contract employees were offered permanent employment.

Training and Development

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.

Participation of TRCSL Staff in Foreign Training programs (Physical) in 2022

No	Foreign Programme	Funding Type	Period		Number of Officials Participated
			From	To	
01	The Meeting of the SATRC Working Group on policy, Regulation and Services Dhaka, Bangladesh	Fellowship	25.05.2022	26.05.2022	02
02	The meeting of the SATRC Working Group on Spectrum, New Delhi, India	Fellowship	21.06.2022	23.06.2022	02
03	APT policy and regulatory forum fellowship, Bangkok, Thailand	Fellowship	19.07.2022	21.07.2022	01
04	The 4th Meeting of the APT Preparatory Group for PP-22, Bangkok, Thailand	Fellowship	01.08.2022	05.08.2022	01
05	Training workshop on Policy Development for High level official Tokyo Japan	Fellowship	26.07.2022	29.07.2022	01
06	4th Meeting of the APT Conference Preparatory Group for WRC-23 (APG23-4), Bangkok, Thailand	Fellowship	15.08.2022	20.08.2022	01
07	APT Training Course on Preparation for International Conference (TCPIC-2022), 12-13 August 2022, and "The 4th Meeting of the APT Conference Preparatory Group for WRC-23 (APG23-4), 15 - 20 August 2022, Bangkok, Thailand	Fellowship	12.08.2022 15.08.2022	13.08.2022 20.08.2022	01
08	The 30th Meeting of the APT Wireless Group (AWG-30) Bangkok, Thailand	Fellowship	05.09.2022	09.09.2022	01
09	APT Training Course on ICT policy for good governance and business friendly environment (Face to face training), NTIPRIT (DOT), Ghaziabad, India	Fellowship	21.09.2022	27.09.2022	01
10	SATRC Workshop on Recent Trends and Technologies (SAPVIII-WSRTT)	Fellowship	20.09.2022	22.09.2022	02
11	APT Training Course on Next Generation OTN and Application to 5G Transport, Jabalpur, India	Fellowship	12.10.2022	18.10.2022	01
12	The 23rd Meeting of the South Asian Telecommunication Regulators' Council, Tehran, Islamic Republic of Iran	Fellowship	14.11.2022	16.11.2022	01

13	APT Training Courses on 5G and IoT Network Infrastructures and their Industry Verticals, Phase II Face-to-Face, NT Academy, Thailand	Fellowship	21.11.2022	25.11.2022	02
14	ITU Accessible Asia and Pacific- ICT for All: Regional workshop on ICT Accessibility, Bangkok, Thailand	Fellowship	01.11.2022	03.11.2022	01
15	First Meeting - ITU-D Study Group 2 - Geneva, Switzerland -	Fellowship	05.12.2022	09.12.2022	01
16	United Nations Internet Governance Forum (IGF) Ethiopia	Fellowship	28.11.2022	02.12.2022	01
17	APT Regional Workshop on Smart City Platform, Putrajaya, Malaysia	Fellowship	30.11.2022	02.12.2022	01

Participation of TRCSL Staff in Local Training programs (Physical) in 2022

No	Local Programme	Organization	Duration	Number of officials Participated
01	Certificate in Computer Science	National Institute of Business Management	4 months	01
02	Office Communication	Skills Development Fund Limited	2 days	01
03	43rd National Conference-ICASL	The Institute of Chartered Accountants of Sri Lanka	3 days	03
04	Essentials in systems & Network Administration	Distance Learning Centre	5 days	04

Procurement Activities

Procurements can be mentioned as a key task handled by the Admin Division. The division coordinated activities to supply different types of goods, works, and services to the Commission. These activities include preparing bidding documents, publication of notices, 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. Thus, all procurement activities were carried out by the Senior Procurement Committee and the Minor Procurement Committee of TRCSL.

11 meetings of the Senior Procurement Committee and 01 meetings of the Minor Procurement Committee were held in this year.

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

These activities were carried out in time to supply the required services and materials in a transparent, cost-effective, and fair manner for the smooth functioning of the organization.

These include renewal of the Office 365 licenses, procurement of laptop computers, automation HR system, arranging uniforms for minor staff, and provision of services (insurance, security, maintenance, cleaning, canteen services, and water).

PED circular 04/2022 has instructed to appoint a High-Level Management Committee (HLMC) to introduce effective controls over expenditure. Accordingly, Director General (Acting) appointed the committee, and various decisions were taken for the administration of the expenditure of the institution. With regard to the above committee decisions, 43 of the 89 procurement activities were dropped in this year's budget allocations, and 28 were completed.

60.87% was completed from the procurement plan.

Maintenance of Fleet of Vehicles

In 2022, the fleet of vehicles of TRCSL consisted of eleven cars, two double cabs, four jeeps, six vans, one bus, three lorries, and two motorbikes. The vehicles were allocated for inspection visits, transport facilities for the staff for official duties and welfare activities, etc. Revenue licenses of 25 vehicles were duly renewed, while regular servicing and repairs of the vehicles were also carried out.

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

Action Plan 2023

Action Plan 2023 was prepared with the consultation of all heads of the divisions. The Proposed Action Plan was forwarded to the Finance Division and incorporated with the Annual Budget 2023 during the Q4 of the year.

Commission approval was granted to implement the TRCSL Action Plan on 06th December 2022 at the Commission meeting, and it was submitted to relevant Ministries and Authorities on 15th December 2022. According to the financial guidelines, TRCSL submitted this information onset time target.

Corporate Plan 2023-2025

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 & 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. TRCSL Corporate Plan updated for a rolling period of three years from 2023 to 2025.

There are several divisions to carry out the functions of TRCSL activities. This report was updated in consultation with the Director General and Senior Management of all divisions. Also, it incorporated the Commission-approved Action Plan 2023. Commission approval was obtained on 06th December 2022 for its implementation, and it was submitted to the relevant institution's onset time on financial guideline targets.

TRCSL Performance Report 2022

In order to submit the 2023 Ministry Budget to the committee, the progress report of our institution for the year 2022 had been prepared as of 30th September 2022 and referred to the Secretary of the Line Ministry by the Director General.

TRCSL Budget Proposal 2023

Institution's Annual National Budget 2023 proposals were prepared with consultation of all the heads of the divisions and forwarded to the line Ministry on the stipulated time limit. Director/Spectrum Management attended and presented the institution budget proposal to the Line Ministry and the Ministry of Finance. Furthermore, Director General represented the institution on the day of the Parliament National Budget meeting relating to the Line Ministry.

Quarterly Review of the Action Plan 2022 and submitting reports

TRCSL conducts quarterly progress review meetings to review the Action Plan for the particular year. Due to the COVID-19 situation and the country's prevailing situation in Q1 & Q2, progress review meetings were held online via MS Teams with the participation of all Heads of the divisions and submitted to the Line Ministry. During the 3rd quarter & beginning of 4th quarter, the Line Ministry to which the institution belongs was changed several times, and it was very challenging to coordinate the institution's work between the Ministries.

Quarterly progress review meetings were completed each quarter with the participation of all Heads of the Divisions. Relevant information was submitted to the institutions according to the guidelines. The progress of the Action Plan was reported as information to the Commission in each quarter.

Submitting Project progress reports

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

Line Ministry meeting - Projects 2023

TRCSL submitted the intuitions projects that are planned to conduct in the next year and attended the review meeting conducted at the line Ministry for this purpose. Director General presented the TRCSL projects planned to initiate in the next year.

Annual Report Submission

An annual report is a publication that public enterprises must provide annually to Parliament describing their operational performance and financial status along with the observations of the General Audit. It reflects the performance of the institution for 12 months. The concurrences of the Cabinet of Ministers of the Government required to submit the report to the Parliament. The COVID-19 situation, lockdowns, and Work from Home environment influenced the completion of the Annual Reports' preparatory works. TRCSL accomplished these tasks with the assistance of the Director-General, Heads of the Divisions, and subject officials.

1. Annual Report 2020

TRCSL submitted the Annual Report 2020 to the line Ministry of Technology for Cabinet approval on 06.12.2021. The Cabinet was granted approval for the Report dated 30.03.2022. The Ministry of Technology directed this cabinet decision to the Secretary to the Prime Minister's Office 04.05.2022 to table in the Parliament through the Honorable Prime Minister. Due to the Ministry change, TRCSL coordinated the Ministry of Defence Planning Division, processed the pending activities of the Annual Report 2020, and submitted reports to the Parliament per the guideline on 25.08.2022. TRCSL attended the Parliamentary Committee meeting regarding annual reports on 22.09.2022 & provided related information. The institution submitted the specimen proposal regarding the TRCSL Annual Report 2020 furnished according to the format sent in "Submission of annual reports and accounts tabled in Parliament for approval." This Report has been uploaded to the TRCSL website for

public information. All correspondence related to this task has been completed.

2. Annual Report 2021

The draft Annual Report 2021 with Financial Statement was submitted to the Auditor General Office and other relevant institutions as per the guideline on 28.02.2022. It was submitted to the Commission for approval after receiving the draft Auditor General's report.

The Commission-approved Annual Report 2021 was forwarded to table in the Parliament upon obtaining the concurrence of the Cabinet of Ministers through Line Ministry.

Performance of the TRCSL Annual Report 2021 activities.

Progress of the Annual Report 2021 Activities	Date of Completion
Submission of Draft Annual Report to relevant institutions	28.02.2022
Received Auditor General's Draft Report and Auditor General's Final Report	19.07.2022 31.08.2022
Submitted Annual Report Commission paper	04.08.2022
Obtained Commission approval	19.08.2022
Submitted the Draft Cabinet Paper along with the Annual Report 2021	15.09.2022
Re-submitted the Cabinet paper with the amendments given by the Ministry of Defence.	12.10.2022
Completion of the Annexures and Sinhala Translations	31.10.2022
Completion of the Annexures and Tamil Translations	03.11.2022
Finalization of Sinhala Annual Report	04.11.2022
Finalization of Tamil Annual Report	17.11.2022
Printing of Annual Report 2021 (Sinhala)	09.11.2022
Printing of Annexures	11.11.2022
Printing of Annual Report 2021 (English)	30.11.2022
Printing of Annual Report 2021 (Tamil)	30.11.2022
Submission of Annual Report to Ministry of Defence for obtaining Cabinet approval	06.12.2022
Submission from Ministry of Defence to Cabinet Office	15.12.2022
Submission of Annual Report copies to NAO, PED	22.12.2022

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 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 Finance Ministry, 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, 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.

Productivity improvements

The following tasks were completed under productivity improvement during the year.

➤ To improve the conditions and standards of driver's room space

A discussion was made with the drivers to identify the standards and improvements to the driver's room. A technical report was prepared with the recommendations and the implementation plan in September 2022. It was commenced under the maintenance budget and was able to improve the standards of the driver's room of the institution.

➤ Gate Pass project

The vehicle request has been automated, yet the drivers have to carry out duties by handing over the written gate passes. Therefore, discussions were held to provide a computer for the security area. Although the security does not have the facility to view the CCTV footage, access must also be granted. It was decided to study these issues and prepare a report with an implementation plan for the next year.

➤ Gardening project

It was discussed to arrange office gardening with TRCSL drivers. Drivers provided the necessary seeds and plants. TRCSL supplied some materials for these initiatives, such as bags and compost. This program has been completed.



➤ Improving PABX system

Continued the reception work of assisting officials and the outside community. The call delivery system should be improved and wait for the completion of the new building construction to set up the new PABX system.

➤ Microsoft Teams Enhancement

TRCSL conducted an awareness program through MS Teams for staff to enhance and improve the productivity of their working methods. It helped to increase the working capacity of the staff during the Work from Home periods. Most of the officials improved their ICT skills and adapted to the new environment and changed the office working culture. This achievement influenced the TRCSL performance. Most of the divisions utilized social media web platforms to raise awareness of the public and solve the problems of the public. The division utilized online progress reviewing mechanism in the division to track the progress of the division works while updating the progress of their subject works. Further, vehicle request and travel pass permission systems improved the efficiency of those subjects.

➤ Providing Information to Other Institution

TRCSL provided the service information to the Industrial Development Board under the "Getup Startup for a Wealthy Nation Program" on Oct 2022, which was organized for Entrepreneurship Development and Advisory Services.

Circulars

During this year the following activities were completed

- Arranged data sheet to complete the Circular information in MS Teams.
- Updated information on the Teams channel.
- Shared information among the Head of the divisions at the institution and awareness the circular details.
- TRCSL issued two circulars during the year regarding management of public expenditure / efficient use of resources and security arrangement of the office.

A High-Level Management Committee was appointed as per the circular 04/2022 and the decisions taken at the meetings have to be informed to the Commission for their information. According to the aforesaid circular, High Level Management Committee identified high priority items in the Action Plan and submitted it to the approval of the Ministry of Finance. A meeting was conducted in this regard and relevant recommendations of Ministry of Finance were received for the implementation.

Adopted Leave related Circulars –2022

Circular No	Date of Circular	Step taken
05/2002	28.03.2022	Implemented
07/2022	07.04.2022	Implemented
08/2022	29.04.2022	Implemented
09/2022	19.05.2022	Implemented
10/2022	25.05.2022	Implemented
13/2022	10.06.2022	Implemented
16/2022	17.06.2022	Implemented
16/2022(I)	26.06.2022	
16/2022(II)	24.07.2022	
DG TRCSL	24.08.2022	Implemented (Staff report duty regularly)
Pub/ADM/Sec/07	12.09.2022	Implemented (Special leave)
TRC/01/2022	04.11.2022	Management of public expenditure and efficient use of resources
TRC/02/2022	21.12.2022	Security precautions of the institution

Official Correspondence of Corporate Affairs Matters

TRCSL coordinated the 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.

Preparatory Activities of the COPE

The following works were done regarding COPE requests this year and submitted relevant information to the relevant institutions.

Activities	Progress of the work
Progress of previous COPE Committee request (2016)	Submitted information to the PED & NAO
Present progress of the Audit queries for 2019 & 2020	Completed the with consultation of Heads of Divisions Final report was prepared and forwarded to relevant HoDs. Obtained Secretary's approval on 08.08.2022 and submitted to relevant institutions
Submission of Report	Submitted a report to PED on 09.09.2022 and to the Parliament on 14.09.2022.
Collection of previous reference	Prepared a document with previous reference
Internal Audit COPE references	Completed Internal Audit COPE reference documents

Annual Board of Survey

The annual survey for the year 2021 was carried out in January 2022. A board comprising five members was appointed to carry out the survey. Items to be disposed of were identified, and necessary actions were taken to dispose of these items according to a standard procedure. The auction of goods for the year 2021 was held at Head office of TRCSL on

10.11.2022. The auction's total income was Rs. 158,400.00 for TRCSL.

Logistics Support

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

Recommendation / Approval of Payments

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

Staff Retreat Programme & Sports Meet (Welfare Activities)

It has been decided not to conduct Staff Retreat Programme & Sports meet during the year due to view of the current pandemic situation and the Cabinet Memorandum on Public Expenditure Review dated 28.08.2021.

Library

The TRCSL library has been established with the purpose of assisting individuals engaged in the telecom industry and other interested parties to update their knowledge. It has a large collection of textbooks and magazines on telecommunications. The library facilities are continuously being improved to fulfill the requirements of the users. The library provides reference facilities not only to TRCSL staff but also to external parties such as researchers, university students, school children, etc. The following activities were carried out in 2022.

Maintenance and Strengthening of the Library

- Renewed periodical subscription for 2022 and paid subscription fees for the new Magazines.
- Categorize the collection of newspaper articles (original) by

special subjects for future reference.

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

Renewal of Membership to obtain Facilities of Other Libraries

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

Collection of important information and preparation of indexes

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

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

Provided information to researchers and persons who required information.

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

Media Related Activities

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

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

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

Besides, the unit prepares edited photos and scripted documentary videos relating to special

projects/programs undertaken by the TRCSL, in line with the National initiatives. It provides them to electronic media, papers, and Government media institutions upon request.

- A Documentary film Created for ICTA Introducing a New ICT system for Mathara Hospital.
- Media coverage for Lotus Tower
- Swara Wasanthaya Musical program – preparation of banner designs, video clips Video Wall & Face Book and Media Coverage
- Designed letter head for Welfare Association, Sports Club and Podu Sewaka Sangamaya
- Designed CD Cover for AR 2021 and AR 2022
- Prepared a video clip, social media posts for World Telecommunication Day
- Designed a banner for National Day
- Provided assistance for the preparation of Library Information Booklet
- Prepared video clips for Consumer Relations Awareness in social media
- Prepared an introductory video of spectrum management.
- Program co-ordination and media coverage of Inhouse TRCSL Official functions

Awards

TRCSL was awarded with a compliance award for the Annual Report 2020 in the Annual Reports & Accounts Awards Ceremony organized by the Institute of Chartered Accountants of Sri Lanka.

INFORMATION TECHNOLOGY

System & Process Development

To improve the digitalized services which offers to the relevant beneficiaries, the IT division started a number of system and process developments. As a result, the IT division began the procedure of upgrading the TRCSL website to use the most recent technology.

The division also established plans for the functional transformation of a few TRCSL divisions and the automation of work processes. Under this initiative, the Human Resource Management system was launched, and number of modules were implemented to streamline administrative tasks. Also, to improve the secrecy and integrity of the digital records, a digital signature was introduced to senior management.

Information Technology Governance

Information Technology security governance framework was initiated by SLCERT in 2022. In order to implement the policy in TRCSL, the IT division is drafting the guidelines to comply with the organization requirements. After implementing the policy, it 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 periodically conducted many IT awareness sessions and training for TRCSL workers with the aim of keeping the staff informed of the newest IT-related technologies and cybersecurity best practices throughout the year.

As per the PED circular no. 04/2022 higher management decided to halt several projects in 2022 due to budgetary issue.

ICT related support for daily activities

Information technology division provides maximum ICT support to the employees when they are faced with ICT related issues.

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 dated on 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."

	2020/21 Rs. Mn	2021/22 Rs. Mn
Assessable Income	11,375	16,449
Less: Qualifying	5,000	8,500
Taxable Income	6,375	7,949
Final Tax Liability	1,530	1,908

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 TRCSL 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.

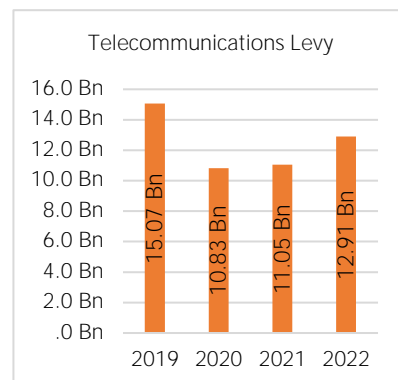
Revenue under Telecommunication Act No. 27 of 1996

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	2022 (Rs. '000)
System Operator License Fees	-
CESS Fees	5,514,299
Radio Frequency License Fees	5,430,252
Frequency Upfront Fees	3,278,900
Vendors License Fees	14,199
Amateur Radio License Fees	71
Ship Station License Fees	-
Aircraft License Fees	-
Cordless Phone Dealer Charges	63,252
Examination Fees	372
Type Approval Fee	23,279
Label fee	2,539
Application Processing Fees	1,400
Short Code Charges	39,750
ISP License Fees	2,252,509
Other Income (Interest income from Fixed Deposits, Staff loans etc.)	2,280,097
Total	18,900,918

Collection of Telecommunication Levy

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



Collections under Finance Act

International Telecommunication Operators' Levy

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

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

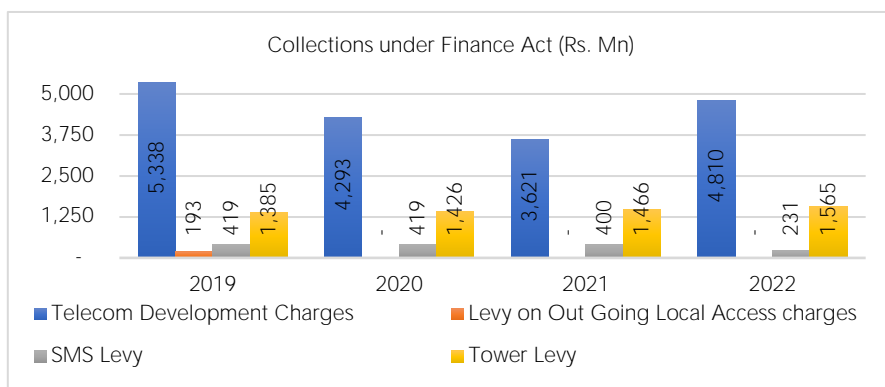
Further, the Commission collected a Levy of Rs. 3.00 per minute from the outgoing international calls as Outgoing Local Access Charges, which was abolished from 01st July 2019.

Cellular Tower Levy

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

SMS Levy

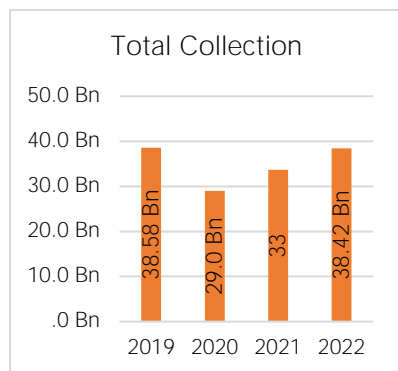
This is charged as bulk SMS and introduced with effect from 01st April 2019 at a rate of Rs. 0.25 per SMS.



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 2022, Rs. 29.30 billion was transferred to the Government Treasury by TRCSL to strengthen the Government Revenue as follows.

Description	2021 Rs. Bn	2022 Rs. Bn
Telecommunication Act / TRCSL Funds	8.5	12.20
Telecommunication Levy	11.05	12.91
Telecom Development Charges 50%	1.81	2.40
Levy on Outgoing Local Access Charges	-	-
SMS Levy	0.40	0.23
Tower Levy	1.47	1.56
Total	22.23	29.30

Property, Plant & Equipment

During the year 2022, Rs. 10.8 Mn was spent to purchase computers, other office equipment, office furniture & technical 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. 493 Mn as interest income through money market transactions during the year under review.

INTERNAL AUDIT

The Internal Audit Division functions under the Internal Auditor of TRCSL who directly reports to the Commission. Administratively, the Internal Auditor reports to the Director General. The division is responsible to ensure that all systems and processes of the Commission are conducted accordingly, and the findings of ongoing audit investigations are reported to the Audit Committee. Also, the decisions of the Audit Committee are circulated to Heads of Divisions to take appropriate action. The Annual Audit Plan is submitted to the Board of Directors and the Audit Committee setting out the areas of prioritization for internal auditing purpose.

Following audit activities were completed and relevant reports were submitted where necessary.

- TRCSL Receipts (Cash, Cheques & Money orders)
- TRCSL Payments (except salaries and related payments, loans, and advances to employees)
- Issue of new Licenses & Renewal of Licenses issued under Section 22 of the TRCSL Act No. 25 of 1991 as amended by Act No 27 of 1996.

- Issue of Vendor Licenses under Section 21 of the TRCSL Act No. 25 of 1991 as amended by Act No 27 of 1996.
- Sundry Income
- Cellular Tower Levy
- Payment of Salaries & Wages
- Process of granting and settlement of advances of TRCSL
- Maintenance of Fixed Asset Inventory
- Procurement of TRCSL
- Verification of Bank Reconciliations
- Annual Board of Survey – 31/12/2021
- Coordinate with Department of Management Audit
- Coordinate on Special Review on the construction of New Building (Extension to Existing Building)

Coordinate with National Audit Office regarding all audit queries & replies. The number of requests made in the year is as follows.

- Audit Reports - 03
- Audit Queries - 16
- Request to Information - 24

AUDIT COMMITTEE UPDATES

During the year 2022, one (01) Audit Committee meeting was held, and following matters were discussed at this meeting.

1. Audit Committee meeting held on 14th March 2022.

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 arrange a meeting to address the document requirements communicated to Special Project for the technical audit.
Checking of Vehicle Loan	To send a letter to RMV by inquiring the possibility to register the vehicles under the name of absolute owner of TRCSL and to submit finalized Vehicle Loan Circular.
Audit Report pertaining to TRCSL as per section 13(7)(a) of Finance Act, No.38 of 1971 on the Financial Statements for the year ended 31 st December 2018	Representative NAO to discuss the draft Revaluation policy with AG and the decision will be informed through a letter to DG.
Several gaps between recent audit reports/ /audit queries and laws, rules/regulations	To identify the differences/gaps between the rules and procedures adopted and implemented by TRCSL's in relation to financial and administrative authority according to the provisions of Sri Lanka Telecommunications Act No. 25 of 1991, as amended and the directives/circulars issued by the state authorities before initiating a dialogue with relevant institutions.
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 with time target. Towers with a time plan. To finalize the reconciliation between the No. of towers approved, frequency licences granted, and Tower Levy charged by the relevant divisions.
Query received from Auditor General Construction of New Building	To follow up the Committee decision.
Receivables and Payments of Telecommunication Levy – 2019/2020	To continue currently operated system and ascertain whether SITA falls within the definition of a telecommunication system, which requires section 17 licence with a time target.
Verification of the observations and progress of implementation of the recommendations of Annual Board of Survey as at 31/12/2019	To expedite the implementation of the computerized system for annual board of survey with a time target.
Internal Audit on the Procurement of TRCSL	To submit Procurement Plan and Cooperate Plan for the year 2022 on time to the Commission for approval.
Report on Actual vs. Budgeted revenue, amount remitted to Treasury for the year 2021.	Director Finance submitted actual vs. budgeted revenue; a detail report of amount remitted to treasury for the year 2021.
Internal Audit on Bank reconciliation	Chairman of Committee instructed to expediate the reconciliation.
Internal Audit on Payment of Salaries	Director Finance forwarded a memo to all staff members informing them to place their signatures in salary sheet as per the requirements of FR.
Internal Audit Plan for the year 2022	To recruit additional staff for the Internal Audit Division.
Internal Audit on Cellular Tower Levy	To finalize the reconciliation between the No. of towers approved and Tower Levy charged.
Payments (except salaries and related payments loans and advances to employees)	To submit a reply to internal audit observation.

COMMISSION SECRETARIAT

The Commission

The Commission consists of the Secretary to the Ministry, who serves as the ex officio Chairman of the Commission, the Director General (CEO), and three Members representing fields of Law, Finance, and Management.

The Commission Secretariat is responsible for convening Meetings of the Commission and undertaking duties relevant to meeting procedures and follow-up actions based on the Commission's decisions. Secretary to the Commission reports to the Director General and carries out the functions of the Commission Secretariat.

Functions of the Commission Secretariat.

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

The TRCSL strives to attain and maintain the highest standards of governance as it believes that effective corporate governance practices are fundamental to enhancing telecommunications regulatory value and safeguarding stakeholders' interests. Accordingly, the commission has adopted sound governance principles that emphasize the quality of work, effective control, transparency, and accountability. In addition, it is committed to continuously improving these practices and including an ethical culture. For the year ended 31 December 2022, the commission complies with all provisions of our governance practices. It also adopted several recommended standards stated by all divisions.

Board Committees

Members of the commission represent the Audit committee, Legal committee, and other specific regulatory committees. Further, the CEO (Director General) is a Commission member, and he plays a pivotal role as a chairman in most of the committees in the organization.

Reporting, Controls & Management

Commission papers are circulated in a timely manner for the effective functioning of the Commission. Decisions on those papers were submitted to the relevant divisions for implementation upon the concurrence of the Commission and approval of the Director General. Furthermore, the implementation progress of decisions is followed up in a divisional reporting format, and these reports are submitted to the next meeting of the Commission.

Responsibility

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.

Performance

The Commission meets every month to discuss the regulatory and operational matters of TRCSL. Due to the ministerial changes, some positions of the Commission were changed several times during the year. Although, 11 commission meetings were held to make necessary decisions regarding the regulatory, administrative, financial, audit, and special project matters.

Drafts and final approval for the decisions of the Commission were prepared and submitted to the relevant divisions for implementation with the concurrence of the Commission and the Director General. The implementation progress of the decisions is obtained from each division to submit to the Commission.

Commission Secretariat provides the previous commission papers and their decisions upon the requests made by Heads of Divisions.

Despite the difficulties of conducting some meetings physically, the Secretariat coordinated with the IT division to conduct the meetings and arranged to distribute the Commission papers among the members through the virtual platform. Furthermore, the Secretariat has recorded the Commission's decisions, filed minutes, and maintained all relevant documents to preserve and secure the records for future usage.

The following table indicates the no. of commission papers submitted for different subject areas in 2022.

Subject	Division	No. of Papers
Regulatory	Spectrum, Networks, Licence Management, Policy & International Relations, Competition, Compliance & Investigation, Legal	81
Administration	Administration & Corporate Affairs, Information Technology	116
Finance	Finance	16
Audit	Internal Audit	06
Projects	Special projects, Competition	16
Follow-up actions of Commission decisions	Commission Secretariat	04
Total		239

REGULATORY COMMITTEE/PROGRESS REVIEW UPDATES

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

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

Telecommunication regulatory-related matters are submitted to the committee's convener and presented to the regulatory committee. Then the committee provides the necessary direction to the respective divisions. Commission decisions on relevant areas will be taken if required.

Regulatory Committee meetings were not held in 2022. However, most regulatory matters were discussed at the HoD meetings, and necessary measures were taken to resolve the issues.

Director General conducts the progress review meetings with the participation of all Heads of the Divisions every quarter. During this year, under many difficulties, TRCSL continued its activities with the support of all heads of the divisions. It was very challenging to initiate and implement some activities, and Division Heads supervised the work carried out by their respective divisions by having regular divisional meetings. Also, special attention was drawn to action items with the support of the committed workforce to mitigate the risk of achieving the scheduled targets of the year. Throughout the year, 03 progress review meetings were conducted in the forms online and physically.

2 nd Quarter Progress Review Meeting - 01.07.2022	
Division	Decisions & Actions Taken
Licence Management	<ul style="list-style-type: none"> Inform the requirement of expert assistance for the "Preparation of a Passive and Active Infrastructure Sharing Guideline" to Ministry of Technology.
Policy & International Relations	<ul style="list-style-type: none"> Continuation of the Telecommunication related Research Studies and Local ICT Volunteers programs after the directions of the Treasury.
Spectrum Management	<ul style="list-style-type: none"> Discuss the requirement of "Establishment of laboratory" with Director General in a separate meeting. Appoint a committee to discuss the Spectrum matters. Submit the concept paper for the ISMMS to DG seeking foreign assistance for the project. Follow up the activities of Spectrum Road Map for next 5 Years and Spectrum Assignment for 5G.
Information Technology	<ul style="list-style-type: none"> Director General agreed to provide IT assistance regarding software implementation & carrying out IT-related activities of the TRCSL through the MOT and requested to coordinate with the MOT.
Competition	<ul style="list-style-type: none"> Requested to participate in the Telecom Operators meeting to look at the Gamata Sannivedanaya and National School Fiber projects realistically due to the current situation in the country and the way forwarding.
Legal Affairs	<ul style="list-style-type: none"> Expedite the clearance process of the Licence Guideline from Attorney General's Department. Follow up the Act amendment process.
Special Project	<ul style="list-style-type: none"> Director General will coordinate the MOT regarding the CLT Lift investigation, and the procurement of the process should be expedited. Follow up the processes of generator capacity testing and electricity load testing with the assistance of the Admin Division.
Finance	<ul style="list-style-type: none"> Submit a report regarding foreign currency commitments made by TRCSL for a year.
Internal Audit	<ul style="list-style-type: none"> Discuss the matter regarding the Audit Committee Chairman and carrying out the Audit Committee meetings by informing the Commission. Request to initiate planned internal audit programs.
Administration, Corporate Affairs & Human Resource	<ul style="list-style-type: none"> Schedule a meeting to discuss the way forward of the TRCSL new building interior procurement and the Kadirana matter with the Director General.

3 rd Quarter Progress Review Meeting - 30.09.2022	
Division	Decisions & Actions Taken
Licence Management	<ul style="list-style-type: none"> Reconsider the "Preparation of a Passive and Active Infrastructure Sharing Guideline" by seeking international expertise in the next year.
Competition	<ul style="list-style-type: none"> Submit Analysis Reports of Operators' Financial Statements to Commission for information. Prepare a clear method to indicate the Gamata Sanniwedanaya progress. Reconsider "Calculate benchmark Tariff related ICT indicators & Conduct International benchmark Studies on telecom tariffs" in the next year with the assistance of international expertise.
Compliance & Investigation	<ul style="list-style-type: none"> Obtain an opinion from the Commission regarding the continuation of the "Streamline the importation of IMEI enabled devices to the country".
Special Project	<ul style="list-style-type: none"> Submit a detailed report of items with cost in the Colombo Lotus Tower to the Finance Division.
Finance	<ul style="list-style-type: none"> Discuss the draft budget 2023 with the High-Level Management Committee prior to obtaining the approval of the Commission. Reconsider the implementation of the automated Finance system in the next year and study such systems used in other Ministries and Departments with the support of the IT Division.
Administration, Corporate Affairs & Human Resource	<ul style="list-style-type: none"> Follow up from the Ministry of Finance/Department of Public Enterprises regarding the TRCSL request made as per the 04/2022 circular. Determine the possibility of adapting the ICTA tender documents regarding ICT software/hardware purchases to TRCSL. Take necessary measures to ensure proper maintenance of the Head Office Building and sanitary facilities. Suggested to use Senior Procurement Committee marking schemes by the Minor Procurement Committee in a possible scenario.

4 th Quarter Progress Review Meeting - 30.12.2022	
Division	Decisions & Actions Taken
Licence	<ul style="list-style-type: none"> Advised newly appointed Director/LM to continue the divisional remaining and future works with the consultation of former Actg. Director/LM. Follow up the issuance of Number Portability licence and Commission directions on amendment of the Section 17 guideline.
Spectrum	<ul style="list-style-type: none"> The World Bank has informed that they cannot assist with the "Establishment Integrated Spectrum Management and Monitoring System" project. Therefore, it was decided to remove this action item from the Action Plan 2023. Revisit the draft spectrum roadmap submitted by the ITU consultant and report to the DG regarding the implementation of recommendations. Expedite the works of spectrum assignment for 5G in the next year. Arrange a meeting with the Director General and Admin Division to discuss staff matters. Submit the amendments if required for the Divisional Action Plan 2023 for Director General's approval.
Networks	<ul style="list-style-type: none"> Continue the implementation of Number Portability works next year.
Compliance	<ul style="list-style-type: none"> Arrange a reply to the Attorney General's questionnaire and discuss the way forward of "Streamline the importation of IMEI enabled devices to the country".
Competition	<ul style="list-style-type: none"> Continue the Gamata Sannivedanaya project according to the new plan. Follow up on the Fiberization project works.
Special Projects	<ul style="list-style-type: none"> Follow up on the Cabinet decision of the head office new building and finalizing BOQ of the Kadirana building.
Legal	<ul style="list-style-type: none"> Follow up on the appointments of the Committee regarding the amendment of the new Act.
Policy & International Relations	<ul style="list-style-type: none"> Complete the remaining R&D and Volunteer program works next year.
Information Technology	<ul style="list-style-type: none"> Coordinate with the Admin division regarding ongoing procurements. Complete the TRCSL website redesign with the selected party. Study the Website formats of Sri Lanka Parliament and other regulatory bodies.
Finance	<ul style="list-style-type: none"> Financial Statement 2022 should be submitted within the set time targets.
Internal Audit	<ul style="list-style-type: none"> Follow up the audit on the licence issued under section 22 of the Act.
Admin	<ul style="list-style-type: none"> Prepare an IT equipment database to keep records (ownership, transfers, warranty, sent for repairs, etc.) with the assistance of the IT Division. Prepare a standard tender document for IT equipment procurement. Obtain a BOQ for the major maintenance requirements of the main building from the consultancy service and request approval of the treasury if required.

MANAGEMENT OF THE RISK FACTORS

TRCSL encountered many difficulties during the implementation of regulatory activities in the telecom industry due to the severe economic constraints and the influence of COVID-19. Furthermore, restrictions caused by the pandemic, transportation issues due to the fuel shortage and restrictions imposed by the Government impacted the progress of regulatory activities such as carrying out technical inspections, resolution of spectrum issues, handling consumer affairs matters, special projects initiatives, maintenance of infrastructure and processing sector development activities. As a result, TRCSL had to play a crucial role in providing regulatory services to the public while ensuring optimal use of available scarce resources.

In the context of an economic decline, possible risks associated with the regulator, operators, and consumers were identified. Subsequently, necessary steps have been taken to monitor and manage the potential risk factors in order to minimize the negative impact on our organization and stakeholders. For this purpose, the organization further focused on relevant risk approaches, response, and monitoring of the rapid variances. Furthermore, appropriate risk management measures were taken while adhering to the Government circulars and guidelines imposed to manage the expenditure and smooth functioning of the Commission.

Risk Factors		Risk Level	Actions Taken to Mitigate the Risks
Financial Risk	<ul style="list-style-type: none"> ➤ Uncertainties in financial operating costs due to instability in the financial markets. ➤ Impact on revenue collection, reduction, delay in payments, devaluation of exchange rates, and stakeholder cash flow. ➤ Impact of difficulties and delays caused by exchange rate devaluation for mandatory loan repayment & subscription payments. ➤ Issues in making the expected capital expenditure even though the budget has allocated funds. ➤ Loan repayments were suspended by the Government as per the Interim Policy. 	High	<ul style="list-style-type: none"> ➤ Facilitate payment relief concession periods. ➤ Limit the payments by cash and promote card payments. ➤ Use of direct fund transfer method instead of issuing Cheques. ➤ Pre-coordinate with banks and negotiate with relevant departments to prevent delays in foreign organization payments. ➤ Continue to monitor and update general financial background information using a limited number of employees. ➤ Update customer payment services information on the website, telephone services & handouts, and continue to provide customer service. ➤ Grant approval for upward tariff revision for mobile, fixed-line, broadband, additional services and Pay-TV services. ➤ Approved the interim budget to manage the expected expenditure. ➤ TRCSL will act as per the instructions of General Treasury on Loan Repayments.
Operational Risk	<ul style="list-style-type: none"> ➤ Compliance with quality of service/matters of internal audit reviews ➤ Issue of officers reporting for duty due to the transportation issues caused by the fuel crisis. ➤ Ensure the continuation of server operations during a power interruption. ➤ Respond to issues of stakeholders and customers in the industry. ➤ Influence on infrastructure development, special project activities, and consumer affairs. ➤ Obstruction by circulars in the recruitment of essential vacancies and regulatory functions. ➤ Rise in cost of utilities and equipment. 	High	<ul style="list-style-type: none"> ➤ Plan and process to manage relevant initiatives and place to facilitate operators to review QoS matters and internal audits. ➤ Implemented the work-from-home methodology to provide public services without any disruption. ➤ Set up high-capacity power guards and obtained fuel quota for electricity generation. ➤ Take necessary advice and follow-up actions. ➤ Arranging required assistance for the continuous operations of telecom operators in coordination with the required institutions. ➤ Review and monitor the progress of development projects and conduct field inspections. ➤ Enable the HODs to track employees' work-from-home logs and evaluate their work performance through the MS Teams application. ➤ Conduct all external meetings, discussions, and training programs through online platforms. ➤ Inform with necessary justifications to the Ministry of Finance about the recruitment process. ➤ Establish a High-Level Management Committee to take appropriate decisions according to the circular guidelines. ➤ Planned to introduce solar power generation to reduce operational costs and increase awareness of potential savings, reduce, reuse and recycling of materials and equipment. ➤ Support operational cost management through the divisional level. ➤ Fuel preventive measures have been implemented & utilization of office vehicles have been controlled.
Regulatory Risk	<ul style="list-style-type: none"> ➤ Amendment of the Telecommunications Act ➤ Fulfil telecommunication Quality of Service. ➤ Functioning of the Audit Committee. ➤ Senior trained regulatory officers are getting retired within a short time. 	High	<ul style="list-style-type: none"> ➤ Revisit the Commission-appointed Committee for the Act amendment. ➤ Monitor industry development and adjustment of work related to telecommunications regulation with the consultation of stakeholders. ➤ Continuous monitoring of service quality. ➤ Inform the relevant authorities to set up members for the audit committee operations.

	<ul style="list-style-type: none"> ➤ Delay in appointments of Commission members. ➤ Changes in taxation regulations and interpretations. ➤ Create anti-competition practices and conduct dominant firms in the market. ➤ Delaying to issue licences through Government administrative approvals to operate certain telecommunication businesses. ➤ Administrative and operational delays were affected due to the frequent change of line ministry five times in the year. ➤ Influence to the vendor licence market and SMEs exit from the market due to the import restrictions. ➤ The convergence of technologies and services creates new regulatory challenges. 		<ul style="list-style-type: none"> ➤ Mitigate anti-competition activities through laws and create a fair regulatory environment. ➤ Take necessary measures with relevant authorities to maintain and overcome the delays to prevent operations resulting in changes in the ministries. ➤ Require a new licencing framework to provide momentum for the development of telecommunication services & necessary steps were taken. ➤ Aware of relevant authorities to grant licences on time, to take necessary remedial actions and the impact of import restrictions.
People Risk	<ul style="list-style-type: none"> ➤ Reduced customer visits to the organization. ➤ Creation of a disruptive environment to manage customer complaints, provide solutions, and raise awareness. ➤ Ensure health and safety for employees and the workplace. ➤ Created a challenging environment for training opportunities. 	High	<ul style="list-style-type: none"> ➤ Allocate customers to reserve time periods for online customer service. ➤ Conduct consumer awareness on social media, radio, and television channels. ➤ Connect the officers to their mobile phones through the PABX system. ➤ Enforcement of health guidelines and promotion of welfare while providing necessary advice. ➤ Conduct and promote training programs through online methods. ➤ Arrange international organizations' ICT development online training programs for students in Special Needs Vocational Training centers. ➤ Initiate research and development programs with universities in Sri Lanka. ➤ International organizations arranged essential digital transformation webinar programs for the internal staff. ➤ Develop the Tower Technician Curriculum and National Competency Standard for Vocational Training students. ➤ Commission of towers in rural areas in Ratnapura and Kurunegala districts. ➤ Introduce among staff to plant vegetables on office premises and at home.
Technology Risk	<ul style="list-style-type: none"> ➤ During the epidemic, there was a simultaneous increase in the demand for facilities such as online services, online education, work from home, and encouragement to provide relief schemes. ➤ Review the quality and monitoring of telecommunication services in line with epidemic behavior and regulatory plans for developing other telecommunication technology facilities. ➤ Interrupt the telecom services due to the rapid power cuts in the country. ➤ Influence for tower constructions under project initiatives due to the energy crisis and lack of raw materials. ➤ Reduce licence operators' industry investments. 	High	<ul style="list-style-type: none"> ➤ Take necessary steps to expedite the recommendation of the Tariff proposals from the Commission to provide relevant telecommunication service facilities by the stakeholders. ➤ Follow up on providing quality service conditions to customers. ➤ Consult with stakeholders on customer issues. ➤ Obtain and implement regulatory advice relevant to the "Gamata Sannivedanaya" project with the assistance of stakeholders. ➤ Conduct telecommunication related outside institutional programs through online methods. ➤ Conduct meetings, consultations, and activities online with international telecommunications organizations. ➤ Discuss with the operators and other authorities to find feasible solutions to provide uninterrupted telecom services. ➤ Give necessary updates to the ministries and relevant authorities by reviewing the progress.

FINANCIAL STATEMENT FOR THE YEAR 2022

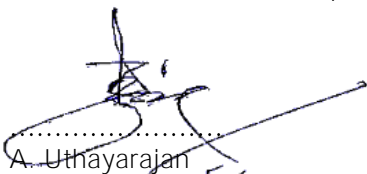
TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2022
(Expressed in Sri Lankan Rupees)

	NOTES	As at 31.12.2022	As at 31.12.2021
ASSETS			
NON-CURRENT ASSETS			
Property, Plant & Equipment	4	240,632,259	290,190,395
Property, Plant & Equipment - Colombo Lotus Tower	4.1	23,613,421,995	11,805,535,127
Intangible Assets	4.2	6,841,125	172,502
Work In Progress	5	970,347,921	22,634,607,858
Investment	6	11,563,722,603	8,776,051,081
TOTAL NON-CURRENT ASSETS		36,394,965,903	43,506,556,963
CURRENT ASSETS			
Accounts Receivable	7	3,104,691,601	2,350,218,958
Prepayments and Advances	8	77,629,209	1,277,958,601
Loans and Other Receivables	9	1,305,304,693	266,701,487
Cash & Cash Equivalents	10	2,691,954,967	5,228,410,528
TOTAL CURRENT ASSETS		7,179,580,469	9,123,289,575
TOTAL ASSETS		43,574,546,372	52,629,846,537
EQUITY AND LIABILITIES			
EQUITY			
Government Contribution	11	526,214,744	526,214,744
Accumulated Surplus		31,137,553,343	31,496,927,534
Revaluation Surplus		37,380,000	37,380,000
TOTAL EQUITY		31,701,148,087	32,060,522,278
NON-CURRENT LIABILITIES			
Project Loan - Exim Bank (Lotus Tower)		5,105,962,811	3,043,136,756
Retention	12	17,448,766	63,601,567
Retirement Benefit Obligation	13	38,665,062	25,088,960
Urban Development Authority		0	9,450,000,000
TOTAL NON-CURRENT LIABILITIES		5,162,076,639	12,581,827,283

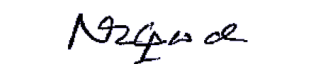
TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2022
(Expressed in Sri Lankan Rupees)


	NOTES	As at 31.12.2022	As at 31.12.2021
CURRENT LIABILITIES			
Accounts Payable	14	51,419,723	163,502,233
Advances, Deposits and Other Payables	15	1,109,071,697	4,296,813,373
Payable To Treasury	16	1,763,592,926	1,410,725,771
Lotus Tower Delay Damages		3,787,237,300	2,116,455,600
TOTAL CURRENT LIABILITIES		6,711,321,646	7,987,496,976
TOTAL LIABILITIES		11,873,398,285	20,569,324,259
TOTAL EQUITY AND LIABILITIES		43,574,546,372	52,629,846,537

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 2022 and its surplus for the period then ended.


A. Uthayarajan
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.


Prof. N.D. Gunawardena
Chairman


R.G.H.K. Ranatunga
Director General


Asanka Bimal Rajasinghe
Member of the Commission

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in Sri Lankan Rupees)

	NOTES	Year Ended 31.12.2022	Year Ended 31.12.2021
Revenue			
Income	17	38,414,628,131	33,700,521,871
Total Operating Income		38,414,628,131	33,700,521,871
<u>Less:</u> Regulatory Expenses	18	(209,596,429)	(50,060,177)
Net Total Operating Income		38,205,031,702	33,650,461,694
<u>Less:</u> Other Expenses			
Administration & Establishment	19	1,822,878,544	660,795,995
Finance & Others	20	119,961,363	39,143,093
(Gain) / Loss on Foreign Currency Transactions		4,565,034,424	658,340,611
(Over) / Under Provision		0	(4,094,920)
Total Expenditure		6,507,874,331	1,354,184,780
Profit for the Year from Continuing Operations Before Income Tax		31,697,157,371	32,296,276,914
<u>Less:</u> Income Tax - Charge for the year		0	(1,748,639,905)
Adjustment for previous year under provision		(159,117,368)	(2,743,489,107)
Profit for the Year from Continuing Operations After Income Tax		31,538,040,003	27,804,147,902
Other Comprehensive Income			
Gain/(Loss) on Retirement Benefit Obligation		4,796,706	5,051,557
Total Other Comprehensive Income for the Year		4,796,706	5,051,557
Total Comprehensive Income for the Year After Tax		31,542,836,709	27,809,199,459
<u>Less:</u> Contribution to the Consolidated Fund	21-1	(29,308,503,882)	(22,227,469,125)
Total Comprehensive Income for the Year After Contributing to the Consolidated Fund		2,234,332,827	5,581,730,334
<u>Add:</u>			
Total Comprehensive Income Brought Forward		29,903,220,516	26,915,197,200
<u>Less:</u> Contribution to the Consolidated Fund	21-2	(1,000,000,000)	(1,000,000,000)
		28,903,220,516	25,915,197,200
Total Comprehensive Income Carried Forward		31,137,553,343	31,496,927,534

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in Sri Lankan Rupees)

	Notes	Year Ended 31.12.2022	Year Ended 31.12.2021
<u>Cash Flows from Operating Activities</u>			
Cash Generated from Operations	22	32,732,275,082	30,451,955,976
Income Tax Paid		(2,517,398,705)	(1,334,763,912)
Surcharge Tax Paid		(1,593,707,018)	0
Retirement Benefit Obligation Paid		(1,720,250)	(3,542,453)
Net Cash Generated from Operating Activities		28,619,449,110	29,113,649,611
<u>Cash Flow from Investing Activities</u>			
Purchase of Property Plant & Equipment		(35,567,482)	(92,895,960)
Projects under Work in Progress		(46,431,042)	(360,234,457)
Net Investment in Fixed Deposit & Treasury Bonds		(2,787,671,522)	(7,276,051,081)
Interest Income from Fixed Deposit		1,341,809,605	156,091,883
Investment in Fixed Deposit - Gratuity Obligation		(910,000)	(8,110,000)
Interest Income from Fixed Deposit - Gratuity Obligation		13,057,820	4,200,207
Proceed from sale of Property, Plant & Equipment		4,650,111	712,200
Coupon Interest income		410,000,000	222,972,603
Net Cash used in Investing Activities		(1,101,062,510)	(7,353,314,605)
<u>Cash Flow from Financing Activities</u>			
Mobilization Advance Payment	23	157,081,430	6,955,098
Interest Income from Money Market Transactions		493,775,933	462,748,634
Remittance to the Consolidated Fund		(30,308,503,882)	(23,227,469,125)
Project Loan - Exim Bank (Lotus Tower)		(452,549,828)	(1,766,524,679)
Retention		(46,152,801)	852,541
Net Cash used in Financing Activities		(30,156,349,149)	(24,523,437,530)
Net (Decrease) / Increase in Cash and Cash Equivalents		(2,637,962,550)	(2,763,102,523)
<u>Movement in Cash and Cash Equivalents</u>			
As at 01 st January 2022		5,228,410,528	7,985,067,767
(Decrease) / Increase		(2,637,962,550)	(2,763,102,524)
Exchange (Losses) / Gains on Cash and Cash Equivalent		101,506,989	6,445,286
As at 31st December 2022	10	2,691,954,967	5,228,410,528

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in Sri Lankan Rupees)

	Government Contribution	Revaluation Surplus	Accumulated Surplus / (Deficits)	Total Equity
Balance at 01 st January 2021	526,214,744	37,380,000	26,915,197,200	27,478,791,944
Less: Transfer to Consolidated Fund	-	-	(1,000,000,000)	(1,000,000,000)
	526,214,744	37,380,000	25,915,197,200	26,478,791,944
Total Comprehensive Income for the Year Ended 31 st December 2021	-	-	5,581,730,334	5,581,730,334
Balance at 31 st December 2021	526,214,744	37,380,000	31,496,927,534	32,060,522,278
Balance at 01 st January 2022	526,214,744	37,380,000	31,496,927,534	32,060,522,278
Surcharge Tax for the year 2020	0	0	(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 31 st December 2022	-	-	2,234,332,827	2,234,332,827
Balance at 31 st December 2022	526,214,744	37,380,000	31,137,553,343	31,701,148,087

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 be calculated to promote the national interest and in particular.

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

2. Statement of Compliance - Basis of Preparation

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

3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to the years presented unless otherwise stated.

3.1 Basis of preparation

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

3.1.1 Foreign Currency Conversion

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

3.2 Assets and the bases of their valuation

3.2.1 Property, Plant and Equipment

(a) Measurement at Recognition

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

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

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

(b) Depreciation

Land is not depreciated. Depreciation on other assets is recognized in profit or loss on a straight-line method over the estimated useful life of each part of the item of property plant & equipment. In the year of acquisition, depreciation is computed on 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

Lotus Tower Building & Structure	Over 50 Years
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 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 a collateral, which will encash at maturity. Those funds were originally allocated and set-aside for some other TRC on-going national projects.

The bond was issued at a discount and hence the settlement value of the said bond is Rs. 4,276,051,080, 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 Rs 112,328,477 is classified as a finance cost.

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

3.2.3 Accounts Receivable

Accounts receivables are recognized and carried at original invoice amount 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 bank and Money Market Savings account at bank.

3.3 Liabilities and Provisions

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

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

3.3.1 Capital Commitment and Contingencies

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

3.3.2 Employee Benefit

(a) Retirement Benefit Obligation

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

	2022 (Rs.)	2021 (Rs.)
Balance at the beginning of the financial year	99,939,358	94,824,253
Current Service Cost	3,771,394	3,788,794
Interest Cost	7,422,674	5,720,115
Charged as other expenses to the Statement of Comprehensive Income	111,133,426	9,508,909
Actuarial losses / (gains)	(4,796,706)	(5,051,557)
Benefits paid	(1,720,250)	(3,542,453)
Add: Interest earned on the investment which is to cover gratuity obligation	13,057,820	4,200,207
Balance at the end of financial year	117,674,290	99,939,358

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

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

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

The principal actuarial assumptions used were as follows.

Discount Rate	-	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 Employee Provident Fund (EPF) and Employee Trust Fund (ETF).

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

3.4 REVENUE RECOGNITION

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

3.4.1.1 Frequency License Fee

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

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

3.4.1.2 Operator License fee

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

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

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

3.4.1.4 Cess Fee

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

3.4.2 Telecommunication Levy

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

Telecommunication Levy rate on telecommunication service was reduced to 15% from 25% with effect from 05.11.2018 and again it was reduced to 11.25% from 15% with effect from 01.12.2019 with an amendment to the Telecommunication Levy, Act No. 21 of 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% with effective from June 2022.

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

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

3.4.3 Telecommunication Development Charges

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

3.4.4 International Outgoing Call Levy

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

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

3.4.5 Levy on Bulk Short Message Service (SMS)

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

3.4.6 Cellular Tower Levy

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

3.4.7 Type Approval Fees

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

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

3.4.8 Sundry Income

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

3.5 Expenditure

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

3.5.1 Income Taxes

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

As per the Inland Revenue (Amendment) Act No. 10 of 2021 certified by the Hon. Speaker on 13 May 2021, payments made to consolidated fund by any public corporation is considered as a qualifying payment and could be deducted in calculating income tax of such corporation with effect from 01.04.2019 (Amendment of the Fifth Schedule to the Principal enactment). Tax rates applied in Financial Statements 2022 in accordance with the Inland Revenue (Amendment) Act No. 45 of 2022, where 24% for the first three quarters of the year and rate of 30% for the last quarter of the year 2022.

Further, an under provision of Rs. 159,117,368, which for the previous financial year 2021 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. 1,077,992,225.

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 2022 is shown below.

	2022 (Rs.)
Accounting Profit before Taxation	30,135,029,649
Add: Total disallowable expenses in determining taxable income/ (loss)	649,437,866
Less: Income on Levies, total allowable expenses & interest income in determining taxable income/ (loss)	(24,292,433,563)
Adjusted Accounting profit/ (loss) chargeable to income taxes	6,492,033,951
Interest Income	2,253,614,890
Assessable Income	8,745,648,842
Less: Qualifying Payments (Remitted to Treasury)	(13,200,000,000)
Total Taxable Income	(4,454,351,158)
Tax rate for the year	30%
Tax effect for the year	-
Self-Assessment Tax Installments paid	
Income Tax Payment (2nd Quarter) paid in August 2022	1,077,992,225
Payable/Receivable Tax Amount	(1,077,992,225)

3.5.2 Surcharge Tax

Surcharge Tax Act No. 14 of 2022 was enacted on 8 April 2022, and is applicable to the TRCSL as the collective taxable income calculated in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, exceeds Rs.2,000 Mn, for the year of assessment 2020/2021. The liability is computed at the rate of 25 percent on the taxable income.

According to Section 6 of the Surcharge Tax Act No. 14 of 2022, "Notwithstanding any provision to the contrary in any other written law, the tax levied under this Act shall be deemed to be an expenditure in the financial statement relating to the year of assessment commenced on April 1, 2020." This provision would supersede any other written law.

The total Surcharge Tax liability of Rs. 1,593,707,017.00 is recognized in the financial statements of the Financial Year 2022, on account of Surcharge Tax liability.

3.6 PROJECTS

3.6.1 COLOMBO LOTUS TOWER

Telecommunications Regulatory Commission of Sri Lanka (TRCSL) started the construction of 350 meters high multifunctional TV & Telecommunication Tower known as the “Colombo Lotus Tower”, following the cabinet decisions of 27th October 2010 and 14th December 2011 under reference numbers 10/2473/401/301 and 11/2262/501/026 respectively. The contract for the construction of the tower was awarded to the China National Electronics Imports & Exports Corporation (CEIEC) and Aerospace Long March International Trade Co.Ltd (ALIT) as per the above-referred Cabinet decision.

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

The cumulative delay damages of US\$ 10,430,000 was recovered against Interim payment certificates 20, 21 & 22. But Contractual obligations were not finalized yet, a provision was made for the equal amount of deducted delay damages in the statement of Financial Position as of 31.12.2022 as a current liability. This provision has been made in line with Generally Accepted Accounting principles and complied with the prudent concept. The Cabinet of Ministers approved retaining the balance amount payable to the contractor and the cumulative delay damages till the contractor fulfils the contractual commitments. The Contractor agreed to the same.

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

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

As per the Sri Lanka Accounting Standard 23, the total EXIM Bank Loan is a 100% dedicated loan obtained for the Construction of the Colombo Lotus Tower Project and the total borrowing cost and the related expenses are fully capitalized, the amount is Rs.21,825,096,346 as at 28.02.2022.

TRCSL issued the Taking Over Certificate of Construction of the Colombo Lotus Tower Project on 28th February 2022.

Management Agreement is entered into by TRCSL and the Colombo Lotus Tower Management Company (Private) Limited, a fully state-owned company to commence business operation of the Colombo Lotus Tower on 01st March 2022.

Lotus Tower Insurance premium cost of Rs.28,121,409 incurred by TRCSL in the year 2021 which includes in CLT Monetization Receivable account recognized as an expense because TRCSL own property.

As per the Sri Lanka Accounting Standard 23, TRCSL had capitalized Loan interest cost from the beginning of the Loan Installment payment of Rs.2,793,631,137 up to intended use (Taking over Date) on 28/02/2022 after that interest payment was recognized as an expense.

As instructed by the Department of External Resources Letter dated 19.01.2023 on Interim Policy regarding the servicing of Sri Lanka's External Public Debt, TRCSL suspended the Colombo Lotus Tower loan repayment until further notice.

3.6.2 LAND LOTUS TOWER

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.

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

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

A total extent of 10.7049 Acres has been granted to the TRCSL for the Colombo Lotus Tower.

3.6.3 IT PARK HAMBANTHOTA SOORIYAWEWA

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

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

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

The percentage completed of the project was 33% which includes the total work done including material at the site was Rs.423.9 million. Retention withheld, and recovery of mobilization advance was Rs.46 million & Rs.157 million respectively as of 31.12.2018.

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

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

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

The Arbitration proceedings were concluded on 24th November 2021, both parties filed their Written Submissions. Further as directed by the Arbitral Tribunal, corrected proceedings by way of a joint Motion were filed at the Arbitration Center on the 22nd of February 2022.

The 'Final Award' dated 30th November 2022 was delivered by the Arbitral Tribunal directing the Respondent (TRCSL) to pay an aggregate sum of Rs.411,223,338.90 to the Claimant (Tudawe Brothers (Pvt) Limited) with legal interest on the same from the 30th of November 2022 to the date of payment of the same to the Claimant.

Pursuant to the receipt of said Final Award, TRCSL sought the advice of the Attorney General's Department regarding the payment to be made by TRCSL in accordance with the Award. It was advised that there are no grounds to challenge the same in terms of the Arbitration Act, and the financial implications attached to the date of the Award for compliance.

Considering the advice of the Attorney General's Department and the timeline and financial implications set by the Award, immediate steps were taken to write (without prejudice) to the Counsel of the Claimant to seek the possibility of a waiver of legal interest.

Based on their response a total of Rs.340,955,976.75 (Including SSCL +VAT) was paid to Tudawe Brothers (Pvt) Limited as a full and final settlement in compliance with the 'Final Award' delivered by the Arbitral Tribunal.

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.

3.7 CONTINGENCIES

(a) [DC/DMR/6188/2010](#)

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

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

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

(b) [HC Civil No. 137/2011](#)

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

(c) [DC/DMR/3277/17](#)

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

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
 NOTES TO THE FINANCIAL STATEMENTS - 31.12.2022
 (Expressed in Sri Lankan Rupees)

4. PROPERTY, PLANT & EQUIPMENT

COST	BALANCE AS AT 01.01.2022	For the Year 2022		BALANCE AS AT 31.12.2022
		ADDITIONS	DISPOSALS/ TRANSFERS	
Lands	148,863,771	0	0	148,863,771
Lease Hold Lands	345,502	0	0	345,502
Buildings	150,381,065	0	0	150,381,065
Kokavil Tower	314,933,479	0	0	314,933,479
Vauniya Tower	29,900,741	0	0	29,900,741
Vehicles	168,717,224	0	(4,516,311)	164,200,913
Air conditioners	18,179,145	0	(36,000)	18,143,145
Elevators	4,683,848	0	0	4,683,848
Generators	2,665,428	0	0	2,665,428
Computers	115,177,200	5,230,844	0	120,408,044
Web Server	34,095,551	0	0	34,095,551
Other Office Equipment	47,805,480	1,205,566	(90,300)	48,920,746
Mobile Phones	1,517,309	0	0	1,517,309
Office Furniture	26,417,049	1,229,377	(7,500)	27,638,925
Technical Equipment	73,705,569	1,672,000	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	12,865,066	750,000	0	13,615,066
	1,625,898,803	10,087,787	(4,650,111)	1,631,336,478

DEPRECIATION	BALANCE AS AT 01.01.2022	For the Year 2022		BALANCE AS AT 31.12.2022
		ADDITIONS	DISPOSALS/ TRANSFERS	
Buildings	134,998,463	2,005,099	0	137,003,562
Kokavil Tower	312,966,720	1,859,865	0	314,826,584
Vauniya Tower	29,900,741	0	0	29,900,741
Vehicles	164,382,509	2,718,506	(4,516,311)	162,584,704
Air Conditioners	14,616,177	883,410	(36,000)	15,463,587
Elevators	4,683,848	0	0	4,683,848
Generators	2,665,428	0	0	2,665,428
Computers	106,168,979	6,963,904	0	113,132,883
Web Server	23,382,117	10,713,433	0	34,095,550
Other Office Equipment	33,674,101	2,488,175	(90,300)	36,071,976
Mobile Phones	1,036,753	87,342	0	1,124,095
Office Furniture	20,736,835	1,572,332	(7,500)	22,301,667
Technical Equipment	50,997,971	5,925,385	0	56,923,356
FMMS Project Surveillance Vehicles	47,992,546	13,719,581	0	61,712,127
FMMS Project Equipment	369,114,731	10,448,442	0	379,563,173
Gymnasium Equipment	5,629,707	0	0	5,629,707
Video Unit Equipment	12,760,781	260,449	0	13,021,230
	1,335,708,408	59,645,923	(4,650,111)	1,390,704,219
NET BOOK VALUE	290,190,395			240,632,259

Notes:

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

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

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

4.1 PROPERTY, PLANT & EQUIPMENT - COLOMBO LOTUS TOWER

COST	BALANCE AS AT 01.01.2022	For the Year 2022		BALANCE AS AT 31.12.2022
		ADDITIONS	DISPOSALS/ TRANSFERS	
Lands	11,805,535,127	(9,450,000,000)	0	2,355,535,127
Building & Structures	0	18,773,228,257	0	18,773,228,257
Air Conditioning	0	636,947,459	0	636,947,459
Elevators	0	613,103,592	0	613,103,592
Generators	0	540,207,042	0	540,207,042
Fire Protection System	0	362,321,270	0	362,321,270
Other Equipment	0	568,170,384	0	568,170,384
Furniture & Fittings	0	94,721,217	0	94,721,217
Kitchen Equipment	0	236,397,126	0	236,397,126
	11,805,535,127	12,375,096,346	0	24,180,631,473

DEPRECIATION	BALANCE AS AT 01.01.2022	For the Year 2022		BALANCE AS AT 31.12.2022
		ADDITIONS	DISPOSALS/ TRANSFERS	
Building & Structures	0	312,887,138	0	312,887,138
Air Conditioning	0	53,078,955	0	53,078,955
Elevators	0	51,091,966	0	51,091,966
Generators	0	45,017,254	0	45,017,254
Fire Protection System	0	30,193,439	0	30,193,439
Other Equipment	0	47,347,532	0	47,347,532
Furniture & Fittings	0	7,893,435	0	7,893,435
Kitchen Equipment	0	19,699,760	0	19,699,760
	0	567,209,478	0	567,209,478
NET BOOK VALUE	11,805,535,127			23,613,421,995

4.2 INTANGIBLE ASSETS

COST	BALANCE AS AT 01.01.2022	For the Year 2022		BALANCE AS AT 31.12.2022
		ADDITIONS	DISPOSALS/ TRANSFERS	
Computer Software	21,890,086	25,479,695	0	47,369,781
	21,890,086	25,479,695	0	47,369,781

AMORTIZATION	BALANCE AS AT 01.01.2022	For the Year 2022		BALANCE AS AT 31.12.2022
		ADDITIONS	DISPOSALS/ TRANSFERS	
Computer Software	21,717,585	18,811,071	0	40,528,656
	21,717,585	18,811,071	0	40,528,656
NET BOOK VALUE	172,502			6,841,125

5. WORK IN PROGRESS

	BALANCE AS AT 01.01.2022	For the Year 2022		BALANCE AS AT 31.12.2022
		ADDITIONS	(TRANSFERS)	
Main H/O Building	10,057,910	0	0	10,057,910
Construction of Lotus Tower	21,632,988,290	0	(21,632,988,290)	0.00
IT Park - Hambantota	684,015,309	27,593,460	0	711,608,769
Construction of TRC H/O - New Building	164,867,953	0	(14,580,018)	150,287,934
Construction of Kadirana	78,305,776	18,837,582	0	97,143,358
Work In Progress	64,372,620	0	(63,122,670)	1,249,950
	22,634,607,858	46,431,042	(21,710,690,978)	970,347,921

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
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6. INVESTMENTS

	Year Ended 31.12.2022	Year Ended 31.12.2021
Fixed Deposit	7,400,000,000	4,500,000,000
Investments - Treasury Bond	4,000,000,000	4,276,051,081
Investments - Discount - Treasury Bond	163,722,603	0
	<u>11,563,722,603</u>	<u>8,776,051,081</u>

7. ACCOUNTS RECEIVABLE

CESS Receivable	558,909,906	495,260,644
TDC Receivable	820,178,261	560,654,086
Telecom Levy Receivable	932,029,436	746,238,923
Kokavil Tower Recoverable	108,996,583	93,612,539
Tower Levy Receivable	391,279,178	366,541,667
SMS Levy Receivable	27,967,039	16,617,138
Outstanding Staff Loans Recoverable	1,226,011	2,254,729
Kokavil Lease Rental Receivable	2,133,717	1,131,014
Madukanda Lease Rental Control A/C	2,526,093	0
Air Ticket Receivable	162,500	0
Interest Receivable on Fixed Deposit	241,310,274	49,935,616
Coupon Interest Receivable	17,972,603	17,972,603
Trade Debtors	(0)	0
	<u>3,104,691,601</u>	<u>2,350,218,958</u>

07 A. Trade Debtors

Radio Frequency Fees	373,166,107	373,259,080
Amature Radio License Fees	32,790	32,790
	<u>373,198,897</u>	<u>373,291,870</u>
Less - Provision for Bad Debtors **	<u>(373,198,897)</u>	<u>(373,291,870)</u>
	<u>(0)</u>	<u>0</u>

Note: (1)

****Provision for Bad Debtors**

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

Note: (2)

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

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
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8. PREPAYMENT AND ADVANCE

	Year Ended 31.12.2022	Year Ended 31.12.2021
Special Advances	575	575
Festival Advances	184,000	148,000
Purchase Advances	505,355	116,640
Pre-payments	59,489,157	1,103,161,835
Mobilization Advance Payment - (IT PARK)	0	157,081,430
Mobilization Advance (H/O New)	11,927,619	11,927,619
Mobilization Advance (Kadirana)	5,522,503	5,522,503
	<u>77,629,209</u>	<u>1,277,958,601</u>

9. LOANS AND OTHER RECEIVABLES

Distress Loans	48,985,602	33,157,355
Motor Vehicle Loans	139,847,799	166,422,167
Property Loans	350,500	913,213
Motor Cycle Loans	489,407	895,082
Salary Deduction Recoverable	2,305,065	4,059,713
Other Receivables	2,200,000	2,030,000
CEB Security Guarantee Deposit A/C (IT Park)	125,000	125,000
Commissioner General of Inland Revenue (WHT)	14,244	14,244
Commissioner General of Inland Revenue (Income Tax Over Provision)	1,077,992,225	0
Lotus Tower Electricity Security Deposit	3,125,000	3,125,000
CLT Monetization Receivable	29,869,852	55,959,715
	<u>1,305,304,693</u>	<u>266,701,487</u>

10. CASH & CASH EQUIVALENTS

Cash At Bank	10 A	90,003,226	(777,760,280)
Cash In Hand	10 B	55,000	50,000
People's Bank - Narahenpita Branch, Money Market Saving Account - (No.119-2-001-2-3693169)		2,601,896,741	6,006,120,808
		<u>2,691,954,967</u>	<u>5,228,410,528</u>

10 A. CASH AT BANK

People's Bank - Narahenpita Branch, (Deposit Account) A/c No.119402113960300 (RFC USD 0032)	229,453,190	123,344,130
People's Bank - Narahenpita Branch, (Collection Account) Current A/c No.119-1-001-4-3693169	(234,834,591)	(933,237,468)
People's Bank - Narahenpita Branch, (ITO Levy) Current A/c No. 119-1-001-3-3693264	1,649,514	255,611
Bank of Ceylon - Narahenpita Branch Current A/c No.2323167	93,735,113	31,877,446
	<u>90,003,226</u>	<u>(777,760,280)</u>

10 B. CASH IN HAND

Petty Cash - Head Office	10,000	10,000
Petty Cash - Admin & HR Division	5,000	10,000
Petty Cash - DG Office	15,000	15,000
Petty Cash - Compliance	5,000	5,000
Petty Cash - A/O Admin	20,000	10,000
	<u>55,000</u>	<u>50,000</u>

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
	<u>526,214,744</u>	<u>526,214,744</u>

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
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12. RETENTION

	Year Ended 31.12.2022	Year Ended 31.12.2021
Retention - IT Park	0	46,152,801
Retention H/O New Building	10,454,652	10,454,652
Retention Kadirana	6,994,114	6,994,114
	<u>17,448,766</u>	<u>63,601,567</u>

13. RETIREMENT BENEFIT OBLIGATION

Provision for Gratuity	117,674,290	99,939,358
Fixed Deposit (Gratuity)	(72,420,000)	(71,510,000)
Interest Receivable on Fixed Deposit for Gratuity Benefits	(6,589,228)	(3,340,399)
Net Benefit Liability	<u>38,665,062</u>	<u>25,088,960</u>

14. ACCOUNTS PAYABLE

ACCRUED EXPENSES

Telephone - Office	453,377	1,944,820
Salaries Control	290,580	2,013,889
Salaries Payable	323,541	151,634
Electricity	1,494,629	3,873,434
Water	42,451	989
Janitorial Services	2,392,916	517,507
Security Services	3,370,315	3,118,000
Overtime	951,229	1,079,436
E.P.F	3,669,230	4,128,576
E.T.F	440,307	495,428
Internet	556,152	306,803
Medical Insurance Claims	250,995	250,995
Staff Welfare	1,127,025	486,965
News Papers & Notifications	233,150	19,790
Audit Fees	1,500,000	1,500,000
Bonus	11,871,021	46,762,733
Retention - General	275,188	481,102
Salary Deductions	132,524	135,366
Repairs & Maintenance	4,687,129	5,345,040
Stamp Duty Payable	939,391	1,164,892
PAYE Payable	56,537	56,537
APIT Payable	0	70,332
Misc. Purchase & Supplies Payable	1,103,555	80,624,105
Over Recoveries of Staff Loan	12,657	12,657
Fuel Payable	0	86,539
Printing & Stationery Payable	474,950	605,490
Miscellaneous Payable	12,838,569	4,635,204
Filing & Depend Court	40,000	0
Deferred Income	1,878,060	3,619,726
Miscellaneous Creditors	14,244	14,244
	<u>51,419,723</u>	<u>163,502,233</u>

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
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15. ADVANCES, DEPOSITS AND OTHER PAYABLES

	Year Ended 31.12.2022	Year Ended 31.12.2021
Revenue Received in Advance	965,359,434	1,378,278,009
Refundable Deposits for Tender	1,563,167	1,530,167
Refundable Deposits - Employees	0	2,086,843
Advances Received for 1800 MHz Band	57,500,000	57,500,000
ICT for Effective Disaster Management Summit	34,210	34,210
Over recovery of Frequency Licence Fee	2,172,737	2,178,047
C.T.O Telecenter Project	924,492	924,492
VAT Control Account	68,374,399	122,081,985
Provision for Income Tax	0	1,121,171,744
Commissioner General of Inland Revenue (SSCL)	12,336,809	0
Construction Creditors	751,650	751,650
Unaccepted Vendor - Refund	54,800	0
Project Loan - Exim Bank (Lotus Tower)	0	1,610,276,227
	<u>1,109,071,697</u>	<u>4,296,813,373</u>

16. PAYABLE TO TREASURY

50% TDC Payable to Treasury	410,389,129	280,327,042
Telecom Levy Payable to Treasury	933,957,580	747,238,925
SMS Levy Payable to Treasury	27,967,039	16,618,138
Cellular Tower Levy Payable to Treasury	391,279,178	366,541,667
	<u>1,763,592,926</u>	<u>1,410,725,771</u>

17. INCOME

Income - License Fee	17 A	18,900,917,956	17,162,602,169
Telecommunications Levy		12,906,756,507	11,050,897,082
Telecom Development Charges	17 B	4,810,412,572	3,620,901,150
Mobile Short Messages Services Levy		231,424,383	399,954,804
Cellular Tower Levy		1,565,116,713	1,466,166,667
		<u>38,414,628,131</u>	<u>33,700,521,871</u>

17 A. INCOME - LICENSE FEES

Cess Fee	5,514,298,727	5,164,189,283
Radio Frequency Fee	5,430,252,390	7,374,467,719
Frequency Upfront Fee	3,278,900,000	3,324,250,000
Vendor License Fee	14,198,890	14,226,250
Amateur Radio License Fee	71,192	99,742
Cordless Phone Dealer Charges	63,251,578	193,969,767
Examination Fee	371,722	388,000
Type Approval Fee	23,278,625	38,969,792
Label Fee	2,538,870	0
Application Processing Fee	1,400,000	1,000,000
Short Code Charges	39,749,950	45,749,925
ISP License Fees	2,252,509,051	133,472,904
Sundry Income - 17 A (1)	2,280,096,961	871,818,786
	<u>18,900,917,956</u>	<u>17,162,602,168</u>

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17 A(1) SUNDRY INCOME

	Year Ended 31.12.2022	Year Ended 31.12.2021
Interest Income from Staff Loans	8,029,353	8,791,182
Interest Income from Fixed Deposits	1,341,809,605	156,091,883
Interest Income from Money Market Transactions	493,775,933	462,748,634
Kokavil Lease Rental	6,837,009	6,837,009
Madukanda Lease Rental	3,289,082	12,302,966
Other Income - Miscellaneous	11,612,897	1,144,658
Fixed Assets Disposal	4,650,111	712,200
Coupon Interest Income	410,000,000	222,972,603
Recovery of Bad Debts	92,973	217,652
	<u>2,280,096,961</u>	<u>871,818,786</u>

17 B. TELECOMMUNICATION DEVELOPMENT CHARGES (TDC)

TDC Revenue	4,810,412,572	3,620,901,150
	<u>4,810,412,572</u>	<u>3,620,901,150</u>

18. REGULATORY EXPENSES

ITU Annual Subscription	35,530,903	34,885,822
APT Annual Subscription	10,301,239	3,093,488
Library Annual Subscription	43,333	10,000
Participating in Regulatory Affairs Work	264,565	424,598
Conduct Research Studies	0	340,000
Filing & Depending Court Actions	9,676,960	7,925,500
Lotus Tower Loan Interest	151,370,648	0
Traveling & Subsistence for Regulatory Affairs	1,018,774	680,630
Project of Gamata Sannivedanaya	1,514,716	187,645
Local Training Programme - ITU/APT	0	30,290
Miscellaneous Regulatory Expenses	0	399,900
Enable Project	12,000	0
Frequency Licence PYT	0	78,680
Student Awareness Program	(137,250)	1,910,625
Development of NVQ for Telecom Tower Technician	0	93,000
Miscellaneous Regulatory Expenses	540	0
	<u>209,596,429</u>	<u>50,060,177</u>

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	Year Ended 31.12.2022	Year Ended 31.12.2021
19. ADMINISTRATION & ESTABLISHMENT EXPENSES		
Salaries	185,086,168	192,623,856
E.P.F. (15% Contribution)	26,783,794	28,069,943
E.T.F. (3% Contribution)	5,356,759	5,613,989
Transport Allowance	23,076,749	22,757,539
House Rent Allowance	18,204,701	18,141,377
Other Allowances	19,846,231	6,195,851
Performance Incentive	45,643,145	45,322,829
Special Allowance	351,779	346,379
Bonus	60,807,814	63,636,073
Overtime	8,686,594	6,608,273
Chairman's Remuneration	1,099,007	1,200,000
Unutilized Vacation Leave Allowance	11,591,735	14,725,551
Commission's Contribution for Pension	1,511,025	1,227,080
Communication Allowance	2,955,638	2,780,242
Uniforms	258,317	770,887
Staff Welfare	9,331,470	2,757,928
Staff Professional Membership Subscription	642,815	765,562
Local Training	295,500	934,600
Commission Members Allowance	370,000	305,000
Audit Committee Allowances	37,500	237,500
Housing Loan 2/3 Interest Reimbursement	4,287,104	4,777,946
Gratuity	3,771,394	3,788,794
Electricity	10,921,935	9,823,692
Water	520,120	426,805
Janitorial Services	6,086,388	6,370,380
Security	17,070,285	19,425,746
Rates & Taxes	467,555	903,149
Library Books	14,764	205,815
Printing and Stationery	14,212,217	5,774,496
Fuel	5,374,280	2,496,459
Postage	1,113,640	698,614
Telephone, Fax and PABX	5,954,452	5,882,215
Insurance (Property & Medical)	90,812,430	49,269,041
Internet Charges	648,095	433,785
Surcharge Tax	0	0
Social Security Contribution Levy	61,166,205	0
Newspapers & Notifications	2,757,115	3,635,144
Consultancy Fees	214,420	150,000
Seminars & Conferences	1,146,884	348,100
Professional Allowance	6,411,283	5,736,924

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	Year Ended 31.12.2022	Year Ended 31.12.2021
Audit Fee	1,383,000	884,000
Legal Expenses/Deciplinary Inquiries/Preliminary Investigation	772,776	205,700
Depreciation	626,855,401	49,281,427
Amortization	18,811,071	261,725
Administration Miscellaneous	1,117,285	421,062
Purchases & Supplies Miscellaneous	0	1,586,368
Operating Cost Miscellaneous	4,753,746	1,208,096
Office Equipment Maintenance	3,993,668	3,726,398
Vehicle Maintenance	4,961,238	3,861,115
Building & Structure Maintenance	4,735,337	114,648
Technical Equipment Maintenance	(12,061)	7,536,736
Software Maintenance & Development	65,062,042	46,792,827
Towers Maintenance	0	67,085
Generators Repairs & Maintenance	197,555	243,425
Repairs & Maintenance - Miscellaneous	0	358,851
Repairs & Maintenance-IT-Sooriyawawa	0	31,327
Elevators Maintenance	682,108	169,633
Rent Internet Lease Line	5,314,026	5,456,374
Rent for Leased Premises	0	396,000
Electrical Goods	225,004	0
Arbitration Award Expense	426,897,598	0
Development of Sports Activities	78,300	0
Miscellaneous Purchase & Supplies	2,158,384	0
Maintenance of Monitoring Station	4,760	3,025,634
	<u>1,822,878,544</u>	<u>660,795,995</u>
20. FINANCE & OTHER EXPENSES		
Bank Charges	210,211	186,059
Interest on Gratuity Provision	7,422,674	5,720,115
Treasury Bond Discount Amortisation	112,328,478	33,236,919
	<u>119,961,363</u>	<u>39,143,093</u>
21. CONTRIBUTION TO THE CONSOLIDATED FUND	21-1	
Contribution under Telecommunication Act For the Year Ended 31.12.2022	12,200,000,000	7,500,000,000
Contribution under Finance Act for the Year Ended 31.12.2022		
Telecommunication Levy Paid	12,906,756,501	11,050,897,079
50% Telecommunication Development Charges	2,405,206,286	1,810,450,575
SMS Levy Paid to Treasury	231,424,383	399,954,804
Cellular Tower Levy Paid to Treasury	1,565,116,713	1,466,166,667
	<u>29,308,503,882</u>	<u>22,227,469,125</u>
CONTRIBUTION UNDER TELECOMMUNICATION ACT	21-2	
Out of total comprehensive income for the year ended 31.12.2021	<u>1,000,000,000</u>	<u>1,000,000,000</u>

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
 NOTES TO THE FINANCIAL STATEMENTS - 31.12.2022
 (Expressed in Sri Lankan Rupees)

		Year Ended 31.12.2022	Year Ended 31.12.2021
22. CASH GENERATED FROM OPERATIONS			
Net profit before tax		31,697,157,371	32,296,276,914
<i>Adjustments for</i>			
Depreciation on Property, Plant and Equipment		626,855,401	49,281,427
Amortization of Intangible Assets		18,811,071	261,725
Recovery of Bad Debts		92,973	(217,652)
Retirement Benefit Obligation		3,771,394	9,508,909
Interest Income from Fixed Deposit		(1,341,809,605)	(156,091,883)
Interest Income from Money Market Transactions		(493,775,933)	(462,748,634)
Interest Cost on Retirement Benefit Obligation		7,422,674	(222,972,603)
(Gain) / Loss on Foreign Currency Transactions		4,305,538,299	658,348,362
Gain on Disposal of Fixed Assets		(4,650,111)	(712,200)
Changes in Working Capital			
Accounts Receivable	22-1	(751,853,575)	(103,801,695)
Prepayment and Advance	22-2	1,043,247,963	(1,066,554,455)
Loans and Other Receivables	22-3	(1,038,603,206)	(28,551,286)
Interest Receivable In FD - Gratuity		(3,248,829)	7,830,128
Accounts Payable	22-4	(112,082,510)	29,752,344
Advances, Deposits and Other Payables		(1,577,465,449)	(582,480,679)
Payable To Treasury		352,867,155	24,827,256
Cash Generated from Operations		<u>32,732,275,082</u>	<u>30,451,955,976</u>
22-1. Accounts Receivable			
CESS Receivable		558,909,906	495,260,644
TDC Receivable		820,178,261	560,654,086
Telecom Levy Receivable		932,029,436	746,238,923
Kokavil Tower Recoverable		108,996,583	93,612,539
Tower Levy Receivable		391,279,178	366,541,667
SMS Levy Receivable		27,967,039	16,617,138
Outstanding Staff Loans Recoverable		1,226,011	2,254,729
Kokavil Lease Rental Receivable		2,133,717	1,131,014
Coupon Interest Receivable		17,972,603	17,972,603
Interest Receivable on Fixed Deposits		241,310,274	49,935,616
Air Ticket Receivable		162,500	0
Radio Frequency Fees		373,166,107	373,259,080
Armature Radio License Fees		32,790	32,790
		<u>3,475,364,404</u>	<u>2,723,510,829</u>
		<u>(751,853,575)</u>	
22-2. Prepayment and Advance			
Special Advances		575	575
Festival Advances		184,000	148,000
Purchase Advances		505,355	116,640
Pre-Payments		59,489,157	1,103,161,835
		<u>60,179,087</u>	<u>1,103,427,050</u>
		<u>1,043,247,963</u>	

TELECOMMUNICATIONS REGULATORY COMMISSION OF SRI LANKA
 NOTES TO THE FINANCIAL STATEMENTS - 31.12.2022
 (Expressed in Sri Lankan Rupees)

22-3. Loans and Other Receivables

	Year Ended 31.12.2022	Year Ended 31.12.2021
Distress Loans	48,985,602	33,157,355
Motor Vehicle Loans	139,847,799	166,422,167
Property Loans	350,500	913,213
Motor Cycle Loans	489,407	895,082
Salary Deduction Recoverable	2,305,065	4,059,713
Other Receivables	2,200,000	2,030,000
CEB Security Guarantee Deposit A/C (IT Park)	125,000	125,000
Commissioner General of Inland Revenue (WHT)	14,244	14,244
Commissioner General of Inland Revenue (Income Tax Over Provision)	1,077,992,225	0
Lotus Tower Electricity Security Deposit	3,125,000	3,125,000
CLT Monetization Receivable	29,869,852	55,959,715
	<u>1,305,304,693</u>	<u>266,701,486</u>
	<u>(1,038,603,206)</u>	

22-4. Accounts Payable

As per Statement of Financial Position	51,419,723	163,502,233
	<u>51,419,723</u>	<u>163,502,233</u>
	<u>(112,082,510)</u>	

23. Mobilization Advance Payments

Mobilization Advance Payment - (IT PARK)	0	157,081,430
Mobilization Advance (H/O New)	11,927,619	11,927,619
Mobilization Advance (Kadirana)	5,522,503	5,522,503
	<u>17,450,122</u>	<u>174,531,552</u>
	<u>157,081,430</u>	

FINANCIAL PROGRESS OF 10 YEARS

(All amounts in Sri Lankan Rupees million)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Financial Position										
Total non-current assets	36,394.9	43,506.6	35,826.9	34,215.3	30,334.9	34,324.5	25,330.0	45,915.1	19,341.0	26,661.2
Total current assets	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	6,016.9
Total assets	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	32,678.1
Total equity	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	21,635.9
Total non-current liabilities	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	4,427.6
Total current liabilities	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	6,614.6
Total liabilities	11,873.3	20,569.3	21,072.1	23,183.3	27,508.5	29,135.6	24,034.6	23,694.2	10,784.7	11,042.2
Total equity and liabilities	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	32,678.1
Profit Or Loss and Other Comprehensive Income										
Revenue	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	48,750.7
Regulatory expenses	209.6	50.1	54.8	78.9	82.2	66.9	164.2	97.8	1,014.9	870.6
Other expenses	6,507.9	1,354.2	918.0	612.8	2,244.1	724.7	518.0	543.9	298.8	512.9
Profit before Income tax	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	47,367.3
Income tax	159.1	4,492.1	702.9	0.0	2,349.2	536.4	727.8	842.1	403.7	429.4
Profit after income tax	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	46,937.9
Other comprehensive income	4.8	5.1	2.5	7.1	5.1	0.8	1.5	0.5	10.9	7.7
Contribution to the Consolidated Fund	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	34,509.3
Total comprehensive income	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	12,420.9
Cash Flow										
Net Cash Generated from Operating Activities	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	47,205.1
Net Cash used in Investing Activities	(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)	(48,295.6)
Net Cash used in Financing Activities	(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	0.0
Change in cash and cash equivalent	(2,637.9)	(2,763.1)	4,354.9	(21.5)	(1,993.6)	(6,357.2)	11,143.8	(4,770.3)	13,021.8	(1,090.5)

AUDITOR GENERAL'S REPORT



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தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No. }

CAM/E/TRC/01/2022/51

ඔබේ අංකය
உமது இல.
Your No. }

දිනය
திகதி
Date }

29 August 2023

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 2022 in terms of section 12 of the National Audit Act No.19 of 2018

1. Financial Statement
- 1.1 Qualified Opinion

The audit of the financial statements of the Telecommunications Regulatory Commission of Sri Lanka for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 and the profit and loss statement, statement of other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No 19 of 2018 and the Financial Act No. 38 of 1971. My report to Parliament in pursuance of provisions in Article 154(6) of the Constitution will be tabled in due course.

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

අංක 306/72, පොල්දූව පාර, මල්වත්ත, ශ්‍රී ලංකාව



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1.2 Basis for Qualified Opinion

- (a) As per the Memorandum of Understanding entered into the Urban Development Authority and the Telecommunications Regulatory Commission of Sri Lanka, Rs. 1,500 million as an initial payment and Rs. 300 million each in continuous installments for 34 years were agreed to pay by evaluating the land of 7 acres 2 roods and 8.41 perches at amounting to Rs. 11,700 million and accordingly an amounting to Rs. 2,250 million was paid as of December 31, 2021. An amounting to Rs. 9,450 million payables to the Urban Development Authority in terms of the MoU was stated in the Financial Statement. As per the Cabinet Decision No. AMP/21/1734/331/009 dated 05th October 2021, only 4 acres 3 roods and 24.47 perches of the land belonging to the Urban Development Authority as set out in the said MoU had been transferred to the Commission by the transfers deed to the sum of Rs. 2,250 million that the Commission was paid and further transferred its remaining 2 acres 2 roods 2 perches to the Commission by a grant paper. In the financial statements for the year 2002, the Commission removed the above payable amount and an amount equal to the same value from the value of the relevant asset. However, the fair value of the land was not reflected in the financial statements in accordance with Sri Lanka Accounting Standard No. 16 as the land on which the Lotus Tower was established is still being used and as the result of the removal of such payable liability and part of the accounted value of the land.
- (b) Even though non-monetary government grants are required to be disclosed in the financial statements in accordance with Sri Lanka Accounting Standards 20 and 23, the value of the land on which is located the Colombo Lotus Tower land received to the Commission as a grant during the year under review had not been disclosed in the financial statements.
- (c) Even though, according to Sri Lanka Accounting Standard 7, only the interest and dividends actually received are to be adjusted in the cash flow statement, the interest and dividends received during the year under review amounted to Rs. 1,150,434,945 and the interest receivable amounting to Rs. 241,310,274 including total interest and dividend value of Rs. 1,341,809,603 had been stated as cash inflows and the difference (interest receivable Rs. 241,310,274) had been adjusted through working capital adjustments.
- (d) Even though, according to Sri Lanka Accounting Standard No. 07, only loans settled in cash are to be adjusted to the cash flow statement, the loan repayments for the Exim Bank loan disbursement an amounting to Rs. 1,833,493,891 during this year had been stated as 452,549,828. Accordingly, it was understated the sum of Rs. 1,380,944,063 as cash flows in the cash flow statement.
- (e) A fixed asset purchase cost of Rs. 625,000 accounted for as repair/maintenance expenditure in the previous year was shown as a cash flow under investing activities in the year under review instead of adjusting the profit in the cash flow statement.
- (f) Even though the investments made in cash were Rs. 2,900,000,000 during the year under review, the value deducted from the investments made in cash during the year amounting to Rs. 2,787,671,522 had been stated in the cash flow statement instead of adjusting the amount written off from the income statement concerning the year under review from the value an amounting to Rs. 112,328,477 paid more than the nominal value of the treasury bonds to the profit in the cash flow statement with the deduction of the same amount from the investment made in cash during the year. Accordingly, the cash flow amounting to Rs. 112,328,477 had been understated in the cash flow statement.
- (g) According to section 51 of the Sri Lanka Accounting Standards 16, since the fully depreciated value of the assets amounting to Rs. 1,075,740,531 are further utilized, the value of the property, plant and equipment had not been revalued and disclosed in the financial statements.
- (h) The profit of the year had been understated by an amounting to Rs. 44,472,518 as the result of crediting the total cost of Rs. 340,955,976 to the expense settlement account without recording its related value added tax amounting to Rs. 44,472,518 to the same account in making the payment of settlement cost amounting to Rs. 296,483,458.
- (i) Even though the cost of amounting to Rs. 2,454,017 paid to the Sri Lanka Insurance Cooperation for the insurance of Colombo Lotus Tower related to the one month from 01st November 2022 to 30th November 2022, it had been credited amounting to Rs. 2,045,014 to the forwarded payment account only an amounting to Rs. 409,002 being credited. Due to this

the profit in the year under review was overstated by an amounting to Rs. 2,045,014 and the expenditure had been understated and overstated its current assets in the year under review.

- (j) An amounting to Rs. 2,975,382 for the life insurance of staff related to the period from 01st October 2022 to 30th September 2023 had been accounted under accrued expenses in the year 2022. The amount of 2,975,382 was accounted under accrued expenses in the year 2022. Out of which, the cost of Rs 2,231,536 related to 9 months of the year 2023 was over-accounted as accrued expenses, so the profit of the reviewed year was less than that value.
- (k) Due to breach of service contract, an officer shall be charged Rs. 1,878,060 surety bond value was shown as an asset in the salary Receivable Account under accrued expenses instead of being shown as deferred revenue.
- (l) During the year under review, due to the total amount in the procurement process for purchases and expenses of an amounting to Rs. 1,282,800 was taken into account in an accrued expenses account as work in progress and expenses, the expenses and current liabilities had been overstated.
- (m) Due to the value added tax amount of Rs. 42,696 included in an amounting to Rs. 576,381 incurred for vehicle repair by payment voucher No. PV/1710/1698 on 07 June 2022, had been credited to the other account without crediting value added tax account, the expenditure and value added tax liability was overstated.
- (n) Due to the value added tax amount of Rs. 339,972 included in Rs. 2,606,452 paid for expert services obtained for Hambantota Information Technology Center by payment voucher number PV/1710/1698 dated 30th December 2022 was brought into the expenditure account without identifying to the value added tax account, the expenditure and value added tax liability was overstated.
- (o) An amounting to Rs. 487,500 paid to the organization for conducting an examination related to the Gamata Sannivedanaya Project which is being implemented as per the cabinet decision had been taken into miscellaneous operating cost account without being accounted for in the respective project account.
- (p) Even though, the cess tax revenue of an amounting to Rs. 3,815,600 applicable to the year under review was received on 26th April 2023, it was not taken into account as revenue receivable in the financial statements of the year under review. Due to that situation, the income for the year under review amounting to Rs. 3,815,600 less and receivable income (assets) amounting to Rs. 3,815,600 less had been shown in the financial statements.
- (q) An amounting to Rs. 20,344,564 had been paid to a private company which is the contractor for the renovation of the buildings of Kadirana Frequency Monitoring Station by Voucher No. 476 dated March 29, 2022 and A balance of 5,522,503 had been further remained in the advance (Kadirana) account as at 31st December 2022 even though the advance amount paid to the contractor at the beginning of the contract had been charged in full as per its voucher.
- (r) Even though, the Katana Pradeshiya Sabha has acquired approximately 69 percent of the land area on which the Kadirana Frequency Monitoring Station is located in which acres of 112 and 01 roods 10. 5 perches value at Rs. 45,000,000, its adjustments had not been made in the financial statements during the year under review resolving issues regarding ownership of that land.
- (s) The land related to the construction of the Telecommunication Media Center in the IT Park at Hambantota had not been accessed and disclosed in the financial statements even as of 31 December 2022.
- (t) Even though the profit before tax for the year under review in the income tax calculation set out in notes No. 3. 5. 1 of the financial statements is Rs. 31,697,157,371, it was not observed that the tax expense was accurately taken into account in the year under review due to non-adjustment of exchange loss on changes in exchange rate Rs. 4,565,034,424 with the consideration of Rs. 1,055,330 in which only being deducted and the exchange loss on changes in exchange rates for the calculation of the income tax in the previous year while Gratuity payments of Rs. 1,720,250 had been paid Under allowable expenses to be deducted from profit in the calculation of income tax on the basis of Rs. 30,135,029,649.
- (u) An amounting to Rs. 373,198,897 had to be recovered from trade debtors as at December 31, 2022. It is inaccurate that the loan balance existed for more than 20 years had been included

even though the total debt balance in the financial statements of the year 2022 has been classified as debtors existing for more than 02 years.

- (v) More than 46 percent of the total debtor balance had to be collected in the name of a private company and the amount was Rs. 174,800,000. In the year 2007, an amount of Rs. 172,500,000 and in 1993 an amount of Rs. 2,300,000 was not confirmed and no effective measure was taken to recover it.
- (w) More than 40 percent of the total debtor balance should have been collected from the Sri Lanka Broadcasting Corporation and the amount was Rs. 145,254,449. That loan balance commenced from the year 1976. These loan balances were not verified, and no effective measure was taken to recover them.
- (x) An action had not been taken to settle an amounting to Rs. 2,171,741, in which total of 544 negative credit balances recovered over in the debtor balance till 31st December 2022. In that loan balance, the number of borrowers less than Rs. 100 was 415. The Commission has not taken necessary measures to adjust this loan balance.
- (y) Even though the Commission has sent letters to confirm 104 credit balances worth of 344,832,696 receivables as of 31st December of the year under review, only 03 balance confirmation letters were received. The Commission had not sent the balance confirmation letters to confirm the credit balances of 1,057 worth amounting to Rs. 12,604,641 as of 31st December of the year under review denoting reason as non-availability of address.
- (z) Even though the case had been filed to recover the telecommunication tax revenue an amounting to Rs. 6,358,657 receivables from a private entity for the period from 2014, it had not been recovered till 31st December 2022.
- (aa) Even though the case had been filed to recover Value added tax and nation building tax an amounting to Rs. 3,411,488 related to cess tax income from 2011 to 2016 it had been failed to recover that amount. Also, an effective measure had not been taken to recover the cess tax income amounting to Rs. 254,135 to be recovered from a private entity for the years 2011 and 2012.
- (bb) The Commission stated that in terms of section h of the agreement entered into with the owner of the building in the lease of the building at London Place, the agreement cannot be terminated during the relevant lease period and if the lease agreement is terminated before the end of the relevant period, the lease must be paid for the remaining lease period. Due to the fact that the Commission returned the building before the expiration of the contract period, while the deposit amount related to the building as of 31 December 2022 in the financial statements amounting to Rs. 1,350,000 had been disclosed as receivable and it was observed that the same amount is not a receivable, and the Commission shall have to be paid amounting to Rs. 960,250 to the owner of the building.
- (cc) As of December 31, 2022, the Commission's financial statements showed a trade debtor balance of Rs. 373,198,897 and according to the schedule submitted with the financial statements regarding those debtors, the number of trade debtors was 1887 and its value was Rs. 371,075,408. Accordingly, the difference was Rs. 2,123,490.
- (dd) According to the Commission's financial statements of the previous year, the cost of the Gamata Sannivedanaya project was Rs. 187,645. Details to identify those expenses were not submitted to the audit.

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

1.3 Other particulars included in the Commission's Annual Report 2022

The other particulars mean the details included in the Commission's Annual Report 2022, which I obtained prior to the date of this Audit Report, but not included in the financial statements and in my audit report. The management shall be responsible for these other particulars.

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

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

If I conclude that these other particulars are quantitatively incorrect, based on the other particulars I received prior to the date of this audit report and the work I have done, I will require to report the same fact. I do not have any issues to report 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 rectifications. 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 true and fair view in accordance with Sri Lanka Accounting Standards and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations or has no realistic alternative but to do so.

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

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

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

My objective is to obtain reasonable assurance about whether the financial statements 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 judgement 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 entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

2. Report on other Legal and Regulatory Requirements

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

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

2.1.2 The financial statements presented by the Commission are consistent with the preceding year as per the requirement of section 6 (1) (d) (iii) of the National Audit Act 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 evidence obtained were limited to matters that are material, noting has come to my attention.

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

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

	Reference to Laws, Rules / Regulations	Observations
(a)	Section 20 (2) (c), 21 (2) (b) and 22 (2) (a) of the Sri Lanka Telecommunications (amended) Act No. 27 of 1996	Even though services should be provided only for the rounds for which a certain fee has been paid, due to the provision of services before the receipt of money before the year 2018, by December 31, 2022.
(b)	Sections 21 (1) (b) and 26 (1) of Value Added Tax Act No. 14 of 2002, and Section 5. 4. 12. of Government Procurement Guidelines	As per Value Added Tax Control Account for the year under review, the value of the tax paid was Rs. 1,785,458,237. However, Rs. 40,952,958 have remained to be paid further
(c)	Establishment Code of the Government of the Democratic Socialist Republic of Sri Lanka i. 13. 3. Paragraph in Chapter II	An acting appointment should be made as a temporary remedy until a regular appointment is made and if the posts do not require the services of a full-time officer, the duties should be distributed among the officers of the Commission. But the commission had made long-term appointments for 7 positions and the time period had been expanded from 02 years to 15 years. An amounting to Rs. 19,647,854 had been paid as acting allowance to the 7 officers for the period of year 2016 to 2022. It had been paid amounting to Rs. 7,075,398 only for the year 2022.
(d)	Financial Regulations of the Government of the Democratic Socialist Republic of Sri Lanka i. F. R. 104	An officer who had taken leave with no pay to go to work abroad from September 2, 2010, to September 8, 2015, had not reported to work since September 8, 2015. From that date to February 9, 2022, after

	almost 7 years have passed, Rs. 1,878,060 was not even informed by the Commission in a letter to him to repay the surety bond value. As a result, Rs. 1,878,060 was not recovered till 31 st December 2022.
ii. Financial Regulation 38	Even though an authorized officer should act to prevent the certification of another voucher for payment at a later time, on the basis of 03 nominal invoices, 3 payment vouchers of Rs. 1,075,000 and 17 payment vouchers based on copies of invoices of Rs. 8,616,726 had been paid.
iii. Financial Regulation 261(3)	Even though the balance of Rs. 436,243,821 as per the Public Bank Balance Confirmation Letter, its balance amounting to Rs. 234,834,591 was a negative balance. According to the bank reconciliation statement submitted in relation to that bank account, the unrecognized receipts were Rs. 260,619,617. The opening balance of the respective bank account is Rs. 933,237,468 in which there was a negative balance, the unusual situation of cheque transactions was quired by the audit.
iv. Financial Regulation No. 371(2) (b) of Finance Ministry Circular 01/2020 dated August 28, 2020	In the year under review, the Commission had allocated Rs. 100,000 on 13 occasions with a total value of Rs. 3,222,168 as purchase advance payment.
v. Financial Regulation No. 1645 (b)	Even though, the driver of each vehicle should be asked to keep a daily driving log in the common format 268 under regular supervision of the administrative officers, 08 of the 25 vehicles of the commission had not submitted driving logs for any month in the year 2022. 13 vehicles had not submitted driving records for several months of the year under review.
vi. Financial Regulation no. 1646	Even though the original copy of the monthly summary of traveling written in the common format 268 (a) should be sent to the Auditor General before the 15th day of the forthcoming month after the month in which the report is submitted by the officers in charge of vehicles, the original copy of the monthly summary of the traveling of the vehicles belonging to the Commission in the year 2022 had not been submitted to the Auditor General.
(e) Section 3. 9 of the PED Circular No. 05/2002	An officer who worked abroad should send US\$ 500, US\$ 300 monthly to a non-resident foreign currency account opened in his name through the banking system of Sri Lanka depending on the officer's service status and the officer should give the details of the account to the entity where he was being worked. As per the provisions of that circular, the officer should inform the entity where he worked about the remittance of money to the non-resident foreign currency account (NRFC). Actions had not been taken as per the circular against the 04 officers who went abroad while serving in the Commission during the year under review and no action was taken by the Commission.

- 2.2.3 To state that the Commission has not performed according to its powers, functions, and duties as per the requirement of section 12 (g) of the National Audit Act, No 19 of 2018.
- 2.2.4 To state that the resources of the Commission had not been procured and utilized economically, efficiently and effectively within time frames and in compliance with the applicable laws as per the requirement of the section 12 (h) of the National Audit Act No. 19 of 2018, except for the following observation.
- (a) Colombo Lotus Tower Project
- i. The Commission agreed to provide only 85 percent of the contract value, i.e. , US\$ 88,655 million to fund this construction contract, as per the loan agreement entered into with China Exim Bank on September 17, 2012, and the loan should have been received and completed by August 18, 2016, Due to the non-completion of the construction according to the schedule related to the contract, it was not possible to get the full loan amount as scheduled, and in the relevant period, only US\$ 67,260 million, i.e. 76 percent of the loan amount, had been received.
 - ii. China National Electronics Import and Export Corporation had failed to submit a valid performance bond, retention certificate and professional indemnity insurance as per Section 18. 4 of the Colombo Lotus Tower Project Contract Agreement while as per Cabinet approval No. 22/0132/331/001 dated January 31, 2022, the amount of US\$ 10. 43 million which has been reduced as liquidity losses, had been withheld until the obligations were fulfilled.
 - iii. Although it was planned to pay the loan installments from the income of the project, by December 31, 2022, Rs. 12,762 million loan premiums and interest had been paid from the Commission's money.
 - iv. Colombo Lotus Tower Kitchen Appliances during the physical equipment inspection, the ice making machine costing US\$15,747 had been inoperable and there was a deficiency of 32 items costing US\$100,744.
 - v. According to the Cabinet Memorandum dated October 13, 2010, the primary objective was to use towers for television, telecommunication, and radio broadcasting services, while radio, television and telecommunication services had not been implemented until December 31, 2022.
 - vi. As per the Commission's decision No. 2K22.286.06 (1) dated 24 February 2022 it had been stated that it is the responsibility of the Colombo Lotus Tower Management Private Company to enter into agreements for the maintenance of all equipment and systems, no agreements had been entered into the maintenance work as of March 2, 2023 even though the commission had carried out the maintenance work from the contract company CEIEC for 03 months from 28th February 2022 to 28th May 2022.
 - vii. The Central Engineering Consultancy Bureau had been appointed on behalf of the Commission to take over the Colombo Lotus Tower to the Commission and signed an agreement to complete its takeover task for 12 weeks excluding the value-added tax amounting to Rs. 22,500,000 on the 10th of January 2010 and also paid an amounting to Rs. 9,234,000 to the Central Engineering Consultancy Bureau on 06 August 2021 after backdating and signing an addendum for the period from August 1, 2019, to August 31, 2020, in addition to the consulting service agreement related to taking over the Lotus tower due to the delay in the contract.
 - viii. The consultancy fee paid for the Colombo Lotus Tower project on December 31, 2022, is Rs. 336. 4 million and the amount paid in excess of the contractual value was Rs. 137.7 million.
 - ix. Even though an amounting to Rs. 5,227,613 had been paid as salaries and allowances for the months from February 2020 to February 2022 to the consultant hired on a contract basis for the commercialization of the Colombo Lotus Tower, Monthly reports had been given only for the two months of May 2020 and June 2020. The salaries and allowances amounting to Rs. 26,403 had been paid without considering the monthly reports and monthly attendance reports of 05 consultant assistants hired on an ad hoc basis.

(b) Gamata Sannivedanaya National Project

Advertisements had been published on November 5, 2021, for the recruitment of 04 project coordination positions and 15 project assistant positions for the Gamata Sannivedanaya National Project and 475 applications were received as 204 and 271 applications for the said positions and held the selection exam on June 22, 2022, incurring an amounting to Rs. 975,000. Even though there were 66 and 74 who scored more than 40 points respectively for the actual positions, the applicants who passed the examination were called for the interview and not hired until June 30, 2023. Also, the expenditure and assets incurred for the Gamata Sannivedanaya Project had not been accounted so that to be separately identifiable.

(c) Construction of Telecommunication Media Center in IT Park, Hambantota

- i. Due to the fact that the agreement entered into with the Commission and the contractor on July 28, 2014, for this construction was terminated by the Commission on August 10, 2016, on the advice of the Board of Investment and the Presidential Secretariat, the total settlement cost amounting Rs. 426,897,598 including compensation to the contractor had been paid by the Commission during the year under review.
- ii. As of the date of completion of the contract, the physical progress of the project was 33 percent and the cost of Rs. 701,608,769 incurred as of December 31, 2022, was an actual expense and it was shown under the work in progress in the statement of financial position.

(d) Refurbishment and Renovation of Buildings at Kadirana Frequency Monitoring Station

- i. For this task, a value-added tax amounting to Rs 139,882,281 excluding value-added tax had been awarded to a private entity on January 31, 2019, and paid an amounting to Rs. 24,360,085 during the year under review for variations and extra work not included in the bill of quantities.
- ii. Even though the completion date of the said contract is 11 November 2019, the contract has not been completed by 30 June 2023 and no extension of the contract period has been made.

(e) Construction of an extension to the Commission's Main Building

Even though the construction of the new building should have been completed on February 15, 2020, as per the contract agreement for the construction project with a contract value of Rs. 209,093,034, the construction was not been completed by June 30, 2023. Further, no physical progress had been achieved after December 31, 2021. An agreement was reached with the University of Moratuwa on June 10, 2019, for the provision of counseling services and Rs. 7,318,256, then 70 percent of the free counseling service fees had been paid to the University of Moratuwa by December 31, 2022.

(f) An amounting to Rs. 10,057,910 had been paid as the consultancy fee for the work of preparing estimates of quantities for the contract for the renovation of the main office building of the Commission to the University of Moratuwa on January 25, 2015, the renovation work of the building had not been carried out till June 30, 2022, even though the said expenditure was accounted for in the work in progress account,

(g) Provision of fuel to Commission's vehicles by advance

- i. At a time when there was a fuel crisis in the country, to provide fuel to the Commission's vehicles, large amounts such as an amounting to Rs. 200,000, and Rs. 300,000 were advanced to provide fuel to the Commission's vehicles. Even though bills were presented that 27 vehicles received advances of Rs. 388,965 during the year under review, the vehicles were not supplied with fuel. The volume of fuel supplied in 07 vehicles was also not indicated in the bills.
- ii. The Assistant Director (the Administration) had received a fuel advance of Rs. 21,500 to get fuel for vehicle No. ZA-5123 on August 25, 2022, and the amount of fuel supplied to the vehicle was 20 liters of diesel even though bills were submitted that 50 liters of diesel were purchased during its settlement.

- iii. Even though fuel had been obtained amounting to Rs. 1,335,693 of advances for 92 vehicles, the audit could not confirm whether the purchased fuel was used in the respective vehicles due to the fact that the driving records of those vehicles were not submitted for audit. In 13 cases, the amount of fuel supplied to the vehicles had also not been indicated in the bills.
- (h) Procurement for supply, installation, and commissioning of technical apparatus for Network Division
 - i. Even though it had been invited bidding under the national competitive system for the purchase of 3 types of technical equipment with an estimated value of Rs. 6,450,000, only one of the technical appliances, Calmp on Earth Tester amounting to Rs. 1,047,000, had been purchased from a private company. The audit also questioned whether the need for other technical equipment was not available and the effectiveness of performing the work due to the absence of such equipment.
 - ii. Even though the Technical Evaluation Committee had given instructions to the Procurement Committee, to call bids in return for 03 meters of tower height measuring laser as it is not compliance with the requirement, to purchase directly with the local agencies in India since only one company had submitted bids for 02 radiation meter antennas, and to find out whether there are other local agents for carrying out communication activities, the Procurement Committee had not done so. Even though according to the bidding documents, the relevant apparatus was to be delivered and installed within 04 weeks from April 2, 2022, within the contract was signed, the commission received the equipment on August 30, 2022.
- (i) Procurement of Annual Maintenance Contracts for 11 I.B.M servers
 - i. Even though according to Section 5.4.8(b) of the Procurement Guidelines, the performance guarantee should be valid from April 27, 2022, to June 27, 2022, it was observed that the performance guarantee submitted by the selected entity is valid only until May 27, 2022.
 - ii. Even though as per Section No. 8.9 of the Procurement Guidelines Code, in the implementation of the contract, a formal contract agreement should be written and signed at the same time as the letter of acceptance is issued, the contract agreement had been written and signed on June 21, 2022, while issuing the acceptance letter on April 7, 2022.
- (j) Even though as per the Commission's decision, amounting to Rs. 27,763,292 and Rs. 2,106,560 respectively had been incurred as contract staff allowances and telephone charges, for the commercialization of the Colombo Lotus Tower in the previous year, and the year under review, same amount had not been recovered from the Colombo Lotus Tower (Pvt) Ltd until June 30, 2023.
- (k) Even though the National Housing Development Authority had paid an amounting to Rs. 345,502, for the acquisition of ownership of 6.21 perches where the Hanthana Frequency Monitoring Station is located, in the years 1999 and 2010 as its valuation cost and other expenses, its ownership had not been transferred even in the year under review. Also, no title deeds or lease agreements had been obtained for the lands where the head office and the Kokavil Multipurpose Center were located by the end of the year under review.

2.3 Other Audit Observations

- (a) Budgetary Control
 - i. During the year under review, 10 items of expenditure exceeded the budgeted expenditure of Rs. 515,459,337 had been spent, it was observed that it ranged from 13 percent to 313 percent as a percentage.
 - ii. It had been incurred a cost of Rs. 152,389,962 for 03 expenditure items under regulatory expenditure and a cost of Rs. 514,696,496 for 11 expenses under institutions and administrative expenses which were not included in the budget in the year under review.

(b) Vehicle Disposal

- i. In despite of the Disposal Evaluation Committee has informed that action will be taken to obtain new valuation rates as the result of the assessment report dated July 22, 2020, has passed more than one year and the vehicle prices are high as the import of vehicles is currently banned, the commission had sold 04 vehicles amounting to Rs. 4,877,616 in the year under review.
- ii. Even though the Disposal Evaluation Committee had recommended inviting bidding in return for vehicle No. 227 - 8280 due to the absence of bids equal to or higher than the assessed value, this vehicle had been sold to the said bidder at assessed value without implementation of the same recommendations stating as the reason for the consent of purchasing vehicle to the assessed value of an amounting to Rs. 520,000 by the Bidder who submitted highest bid of an amounting to Rs. 310,900 at the time of submission bids.
- iii. Even though the Second Highest Bidder submitted a bid for vehicle number 227 – 8426 below the assessed value of an amounting to Rs. 520,000, the vehicle had been sold at the assessed value as per his request.
- iv. Due to the fact that the Commission did not specify the value-added tax in the bidding documents, the Bidder who purchased Vehicle No. 227-8430 amounting to Rs. 1,200,000 had refused to pay value-added tax. As a result, an amounting to Rs. 88,889 of the sales revenue of the year under review had to be paid in value-added tax and no action had been taken to identify the officials who did not prepare the tender documents properly and to recover their loss to the Commission.
- v. Even though all revenue shall be credited to the Consolidated Fund as per Public Finance Circular No. 02/2015 and No. 10 dated 10th July 2015, in the case of the disposal of vehicles, The Commission and not credited the amount Rs. 4,877,616 in which received from the sales of vehicle.

- (c) Even though it had been invested amounting to Rs. 72,420,000 out of Rs. 117,674,290 allocated as employee gratuity as of December 31, 2022, no action had been taken to invest its remaining balance amounting to Rs. 45,254,290.

(d) Purchase Advance

An outstanding purchase advance balance amounting to Rs. 505,355 was as of 31 December 2022. A former Chairman had obtained an advance amounting to Rs. 116,000 from the year 2002 to 2003 at 04 times and not submitted to the Audit on the purpose for which the same advance was obtained. Despite even between 10 and 11 years having passed by December 31, 2022, the same amount had not been settled.

(e) Human Resource Management

- i. The approved carder of the Commission as of December 31, 2022, was 288 and the existing employees were 214. Accordingly, the total number of vacancies was 77. The Commission had not taken action to fill 32 vacancies for the posts of Additional/Deputy Director General, Deputy/Assistant Director or to revise the approved carder. Also, 08 and 02 officers had been recruited on secondment and contract basis respectively by December 31, 2022, without filling the vacancies of regular employees.
- ii. Even though only 23 Office Assistant posts were approved by the Department of Management Services on behalf of the Commission, the Commission recruited 26 Office Assistants.
- iii. The Commission had appointed an Assistant Accountant permanently for the position of Assistant Accountant, which was not approved by the Management Services Department and for the year under review Rs. 1,130,575 had been paid.
- iv. The Commission had increased the approved carder of employees in the posts of Director and Senior Telecommunications Officer by 03, without the approval of the Department of Management Services.
- v. There were 09 vacancies for 08 posts in the tertiary, secondary and primary service categories, and the vacancy existed for a period of 02 years to 13 years.

- vi. Even though the procedures including the Scheme of Recruitment, organizational structure, approved carder, performance evaluation system and salary structure had been prepared by paying amounting to Rs. 2,992,332 to the Government body, it had not been submitted to the Commission's approval.
- vii. Examination certificates of 04 Officers recruited for the post of Management Assistant II (Non-Technical) and 01 Office Assistant recruited for the post of Management Assistant II (Non-Technical) in the year 2022 had not been verified by the relevant institutions.
- viii. Even though the Management Assistant recruited on a secondment basis for the post of Management Assistant II, Non-Technical from 01 July 2016 was confirmed on 1 July 2021, it had not been verified asking the relevant institutions whether the officer has the qualifications mentioned in the Scheme of Recruitment.
- ix. An amounting to Rs. 1,490,625 had been paid as the 25 percent of pension contribution during the year under review, for 8 officers recruited on a secondment basis. It was an additional cost to the commission, and it had not been verified by the relevant institutions for recruiting those officers whether the recruited officers have the qualifications for each position as per the Scheme of Recruitment.
- x. All three senior management-level officers of the Administration and Human Resources Division of the Commission were recruited on a secondment basis and the duties of the same department had not properly functioning due to the resignation of those officers from time to time. For many years, the department had not recruited officers for high management-level positions permanently.
- xi. In recruiting a Managing Assistant of the Government Information Department to the service of the Commission on a secondment basis, while being informed that there is an investigation related to the irregularities that this officer allegedly committed during the period of her duties in the Transport Division of the Information Department in the maintenance of vehicle files and despite the orders of the Head of the Department by section 03 of the letter No. 03/02/02/0 dated November 23, 2021, issued by the said department, the responsible officers of the Commission had recruited an officer involved in the irregularities without drawing any attention to it.
- xii. An officer who was appointed as an Office Assistant on a contract basis on 02 September 2002 was promoted to the position of Clerk on 02 December 2009. After 5 years of recruitment, it had been confirmed that the result sheet submitted by him was fake. Accordingly, the Chairman was also notified to take disciplinary and legal action against him informing that it is a punishable offense for preparing and submitting a false result sheet as per the Public Examinations Act No. 25 of 1968 and Institutional and Penal Code Ordinance. According to the letter of the Department of Examinations, the commission did not recover any salary and allowances and additional benefits paid from September 2, 2002, to August 6, 2002 and he had dismissed on February 5, 2013 with the payment of gratuity amounting to Rs. 59,640 on September 06, 2012.

W. P. C. Wickramaratne
Auditor General



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