

ශ්‍රී ලංකා තොරතුරු හා සන්නිවේදන තාක්ෂණ නියෝජිතායතනය

இலங்கை தகவல் மற்றும் தொடர்பாடல் தொழில்நுட்ப முகவர் நிலையம்

Information and Communication Technology Agency of Sri Lanka



තාක්ෂණ අමාත්‍යාංශය  
தொழில்நுட்ப அமைச்சு  
MINISTRY OF TECHNOLOGY

ICTA   
ideas actioned  
Information and Communication Technology Agency

# වාර්ෂික වාර්තාව ஆண்டறிக்கை ANNUAL REPORT 2021





# சுடுத உள்ளடக்கம் Contents

2021 லசரே ஸுலேசை அலசீரே	7 - 11
அல லலுர்னே?	12
உருவீல	12
ஹுலேலாடீக உலாறல லீல	13 - 15
சலாசலீலுலுலே லலீலீலீல	16 - 17
அலீலீல லலீலீல	18 - 19
லுலல லுலீலீல	20
2021 லீலீல சலுல லுலீலலீல	21 - 27
லீலுல சல லலுலுலுலுல லலீல லுலீலல - 2021	28 - 33
லுல லுலுல - 2021	
ICTA	101 - 126
LGII	134 - 153
2021 லசர சலுல லீலுலுலுலுலுலுல லுலீலல	
ICTA	93 - 100
LGII	127 - 133
சுலுலுல லுலுல லுலுலுல	154
2021 லுல லுலுலுலுல சீலுலுலுலுல	37 - 41
நுலுல லுல?	42
லுலுலுலுலுல	42
லுலுலுலுல லீல	43 - 44
லுலலலுல லுலுல	45 - 46
லுலுலுலுலுல லுல	47 - 48
லுலுல லுல லுலுல	49
2021 லுல லுலுலுலுல லுலுலுலுல	50 - 56
லுலுலுலுலுலுல லுலுல லுலுலுலுலுல லுல லுலுலுல 2021	57 - 62
நுலுலுல லுலுலுலுல 2021	
ICTA	101 - 126
LGII	134 - 153
லுலுலுலுலுலுல லுலுலுலுல லுலுலுல 2021	
ICTA	93 - 100
LGII	127 - 133
நுலுலுல லுலுலுலுலுல	154
Highlights for the year 2021	65 - 68
Who we are?	69
Vision	69
Strategic Direction	70
Chairman's Message	72 - 73
Board of Directors	74 - 75
Human Capital	76
Performance for the year 2021	77 - 83
Audit & Management Committee Report 2021	84 - 89
Financial Statements - 2021	
ICTA	101 - 126
LGII	134 - 153
Auditor General's Report for the Year 2020	
ICTA	93 - 100
LGII	127 - 133
Financial Highlights	154





# ANNUAL REPORT 2021







# Highlights for the year 2021

**Jayantha De Silva appointed as Secretary of the new Ministry of Technology, and Prof. Lalith Gamage appointed as the new Chairman of ICTA**



ICTA Chairman Jayantha De Silva was appointed as the Secretary to the newly established Ministry of Technology, a Cabinet Ministry directly under H.E. President Gotabhaya Rajapakse. Board has appointed Prof. Lalith Gamage, an incumbent member of the ICTA, as the new Chairman of ICTA. Prof. Lalith Gamage is an eminent figure in the IT industry and the current President and Chief Executive Officer of the Sri Lanka Institute of Information Technology (SLIIT).

## Land Registration Goes Digital



The first phase of the digital land registration process was initiated at the Colombo Land Registry. The system will be rolled out across 45 land registries island-wide by the end of the year. In addition, the e-Land Registry software for this purpose was officially launched at the Land Registration Office in Colombo. This new software replaces the manual registration procedure for lands and properties. This was initiated under the e-Land Project to enhance the Ease of Doing Business in Sri Lanka under the guidance of the Cabinet-appointed Property Registration Task Force.

## Prof. Lalith Gamage Receives the 'Most Outstanding ICT Contributor of the Year' Award at NBQSA – National ICT Awards



ICT Agency (ICTA) Chairman and Sri Lanka Institute of Information and Technology (SLIIT) Founder/CEO Prof. Lalith Gamage received the coveted 'Most Outstanding ICT Contributor of the Year Award' at the recently concluded NBQSA – National ICT Awards. The Awards organized by the Sri Lanka Section of BCS, the Chartered Institute for IT, was held at the BMICH on 3 February. The award recognized Prof. Gamage's outstanding contribution to the IT sphere of Sri Lanka and his invaluable efforts to develop the IT industry.

### **ICTA Enters into MoU with Microsoft to Provide Free Online Access for Tuition Teachers**



In the wake of the ongoing COVID-19 pandemic, following the guidance of H.E President Gotabaya Rajapaksa and the Ministry of Technology, Information and Communication Technology Agency of Sri Lanka (ICTA), in collaboration with the Telecommunications Regulatory Commission of Sri Lanka (TRCSL), has signed an MoU with Microsoft Sri Lanka to provide free Microsoft Teams licenses for tuition teachers.

### **SAARC Season 2020- Ecosystem Hero of the Year award for Sri Lanka**



Nevindaree Premarathne, Senior Manager Startup Ecosystem Development, of ICT Agency of Sri Lanka was announced the winner of the SAARC Season 2020 under the Ecosystem Hero of the Year category. She was awarded because of her well- known reputation for being passionate towards entrepreneurship. She has also shown willingness and ability to help startups and entrepreneurship grow.

### **ICTA together with PwC Introduces new Credit Evaluation Framework to Support Tech Companies**



Information and Communication Technology Agency (ICTA), in collaboration with PwC Sri Lanka, recently introduced a new Credit Evaluation Framework to be adopted by lenders when lending to tech companies with minimal collateral. The new framework was launched in an event held at ICTA.

### **National Initiative Launched Towards Nurturing Digital Technology Awareness and Adoption in Northern Region**



Information and Communication Technology Agency (ICTA), together with the Ministry of Technology, Telecommunication Regulatory Commission (TRCSL), Telecommunications Partners, and Industry partners, launched a two-day forum to create awareness about the national digital transformation

agenda. Furthermore, the forum engaged regional partners to create a conducive environment in the Northern province for digital technology development.



The Northern forum is the first of five regional cluster development programs planned in the Western Province, Southern Province, Eastern Province, and Central province. The initiative focuses on creating collaboration among stakeholders in the Northern Region, such as Government agencies, Industry, SME sector working in Agriculture technology, Education technology. In addition, it also focuses on introducing new and advanced technologies from local and international experts, providing necessary support for new technology research and development, and connecting solution providers with technology-based companies.

### ICTA Spearheads Sri Lankan Agrotech Revolution



Currently, in Sri Lanka, farmers use traditional cultivation methods and work hard using hand-held equipment. Even in some parts, the harvesting is done using hand-held equipment. Although they work hard, they face many problems to lead their daily life, mainly financial issues. Also, they face another major issue: they cannot harvest without wasting.

To fulfill the requirements of farmers within the country, the ICTA, universities, and other cooperative industries have conducted several studies to find ways to assist them with the help of artificial intelligence (AI) and mobile applications. Agtech Innovation focuses on diffusing technology in the agriculture sector to assist farmers and those in the industry to overcome challenges.

### Oshada Senanayake Assumes Duties as Chairman of ICTA

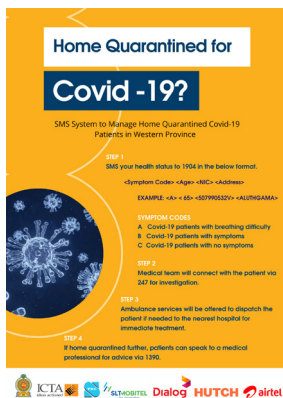
Mr. Oshada Senanayake assumed duties as Chairman ICTA, taking over the reins from his predecessor, Professor Lalith Gamage. His appointment to the role is to lead and accelerate the digital transformation initiatives envisioned for Sri Lanka through the ICTA as the apex body of driving digital transformation in Sri Lanka. Oshada Senanayake is an Information Technology professional with over 15 years of experience across multiple business functions, including Corporate Management, Strategy Implementation, Business Analysis, Process Optimization, Software Development, and Delivery Management. In addition, he has held leadership roles in multiple start-ups, and business ventures, including a diversified portfolio focused on Technology, Leisure and Research, and development.

### Launch of SPARX Lab by ICTA: to Foster Future Entrepreneurship in Sri Lanka



ICTA launched the SPARX Lab with the participation of Mr. Jayantha De Silva, Secretary to the Ministry of Technology, Mr. Oshada Senanayake, Chairman, ICTA/ Director General, TRCSL, Eng. Mahinda B. Herath, Chief Executive Officer, ICTA, Mr. Anura De Alwis, Chief Digital Economy Officer ICTA, and representatives from the startup ecosystem, including Mr. Jeevan Gnamam, Founder, Hatch Works.

SPARX Lab is a space dedicated to nurturing early-stage startups in Sri Lanka. In line with the ICTA mandate to develop, support, and help nurture startups, this dedicated workspace will foster budding entrepreneurs and provide orientation, consultation, guidance, and mentoring for entrepreneurs planning to establish their startup. In addition, these entrepreneurs will get the chance to develop networks with like-minded people, academia, government, and all other entities within which the ICTA Startup Ecosystem Development unit closely works.



## SMS Solution and Hotline to Manage Home Quarantined Covid-19 Patients in Western Province

Information and Communication Technology Agency (ICTA) announced an SMS-based system to manage home quarantined Covid-19 patients. ICTA initiated this system in collaboration with The National Operations Centre for Prevention of COVID-19 Outbreak (NOCPCO), the Ministry of Health, Telecom Regulatory Commission (TRC), and mobile operators; SLTMobitel, Dialog Axiata, Hutch, and Airtel. This system has been made available to citizens in the Western province with effect from August 2021.

## Online Portal Launched to Obtain Covid-19 Smart Vaccine Certificate

Information and Communication Technology Agency (ICTA) announced the launch of the Covid-19 Smart Vaccine Certificate Portal for the general public who plan to travel overseas. ICTA introduced this initiative in collaboration with the Ministry of Health and the World Health Organization. The public can visit the online portal <https://covid-19.health.gov.lk/certificate/> to obtain a soft copy of the vaccine certificate.

By accessing the online portal, one needs to enter the requested details such as national identity number, passport number, vaccination card details, proof of travel, and requested personal data. Upon successfully entering the requested particulars and approval, the user will be given a link to generate a soft copy (PDF version) of the vaccine certificate. In addition, a printout of the certificate can be presented to relevant authorities when needed.

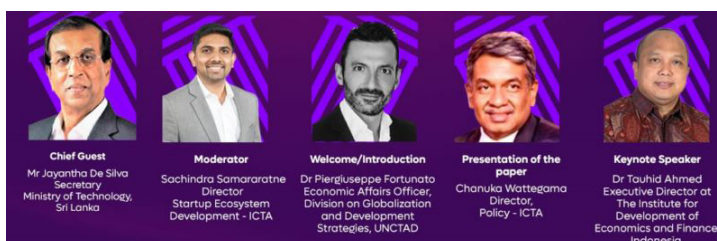
## Hospital Health Information Management System (HHIMS) Introduced at Wathupitiwala Base Hospital



Information and Communication Technology Agency of Sri Lanka (ICTA) announced the Hospital Health Information Management System launch, at the Base Hospital Wathupitiwala, in collaboration with the Ministry of Health. It is yet another step towards meaningful digital transformation alongside a broader formation of a Digital Health BluePrint. The HHIMS improves the quality of the outpatient department by

giving timely access to critical clinical information, mobilizing new resources, and ensuring accountability.

## Sri Lanka's Digital Economy Reached 4.37% of GDP says UNCTAD Digital Policy Paper



The information and Communication Technology Agency (ICTA) of Sri Lanka in collaboration with UNCTAD (United Nations Conference on Trade and Development) launched a Policy Paper on the Digital Economy of Sri Lanka. The paper, titled 'Digital Economy of Sri Lanka: National Goals

and Lessons from the South', benchmarks Sri Lanka against the Digital Economy of the People's Republic of China. The paper estimated Digital Economy in Sri Lanka at USD 3.47 billion or 4.37% of GDP. Sri Lanka's ICT/BPM workforce is expected to reach 300,000 from 125,000 in 2018, which would then support a USD 3 billion industry in 2024 from the current USD 1 billion.



# Who we are?

Information and Communication Technology Agency of Sri Lanka (ICTA) was established as a Company on 12th May 2003, fully owned by the Treasury. The Information and Communication Technology ("ICT") Act No. 27 of 2003, empowered ICTA with statutory powers and its mandate was further enhanced through ICT (Amendment) Act No. 33 of 2008.

Since its inception, ICTA has been at the forefront of implementing digital strategies, working with multiple stakeholders in government, private sector and the civil society as well as other development partners. ICTA has also made significant contributions by establishing Lanka Government Information Infrastructure (LGII) to manage Lanka Government Network (LGN) since 2011, deployed South Asia's first Government cloud, the Lanka Government Cloud (LGC) since 2013, Drafted several ICT related laws and policies based on International standards, deployed transformational e-Services and gave leadership to digitalization of vital sectors of the economy. ICTA also took the lead to enrich the ICT industry, by the establishment of SLASSCOM and formulated strategies to achieve export revenue target of over USD 1 billion for this sector.

## Vision

***"A Digitally Inclusive and Prosperous Sri Lanka."***

National Policy Framework (NPF) of the Government of Sri Lanka "Vistas of Prosperity and Splendour" adopted in December 2019, constitutes of 10 key policies aimed at achieving the fourfold outcome of a productive citizenry, a contented family, a disciplined and just society and a prosperous nation. Chapter 6, outlines strategies and activities for establishing a Technology Based Society (Smart Nation) as follows:

### **Establish Sri Lanka as a Global Innovation Hub:**

- Maximize the use of innovative measures in –
- Internet of Things (IoT), Artificial Intelligence (AI), Biotechnology, Robotics, Augmented Reality, Cloud Computing, Nanotechnology, 3D printing.

### **Set up a Citizen Centric Digital Government for the convenience of citizens:**

- Establish nine Citizen Service Centers to adopt new technologies for public service delivery ( ID cards, passports, driving license etc.)
- Introduce a digital and electronic payment system to pay traffic fines.
- Establish an e-procurement system to eliminate bribery and corruption.

### **Establish Digitally Inclusive Sri Lanka:**

- Establish a country wide high speed optical data transmission system and a high speed 5G Mobile Broadband System to facilitate data transmission.
- Establish digital cities with digital administration and monitoring.
- Introduce a mobile and digital payment system to handle all financial transactions.
- Place a cross border e-commerce and International e-payment system.
- Introduce new legislation to ensure data protection, cyber security and Intellectual Property Rights.

### **Promote IT Entrepreneurship:**

- Build a USD 3 million worth export industry by 2025 by developing Business Process Outsourcing(BPO) and Knowledge Process outsourcing (KPO).
- Set up IT centers and BPO centers in connecting cities.

- Increase the number of software engineers and programmers to 300,000 by 2025.
- Encourage local software engineers and IT designers to develop software locally instead of importing.
- Support local entrepreneurs to develop software for international market.

ICTA's long term vision is to see these policies adopted enabling the Digital Transformation of the nation.

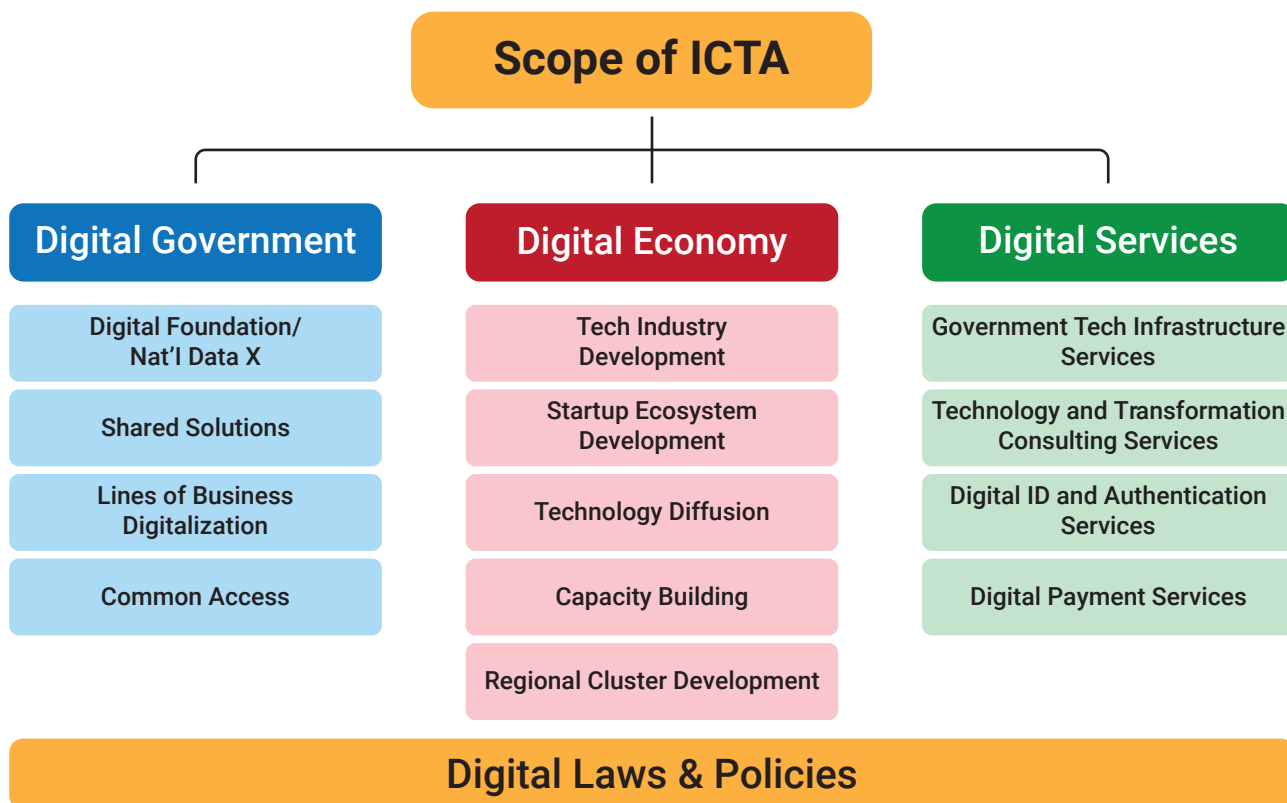
## Mission

"Our Mission is to serve the nation with the Effective Digital Solutions by practicing and demonstrating of innovation, highest standards of ethics and professionalism in order to enable transforming lives of Sri Lankan citizens."

## Strategic Direction

ICTA formulated a comprehensive Strategy in consultation with various stakeholders for Digital Transformation for Prosperous Sri Lanka' which is fully aligned with the national policy framework "Vistas of Prosperity and Splendour". To implement the digital transformation strategy successfully ICTA institutional model was further strengthened through a cabinet decision to scale up ICTA's resources and capabilities, enabling ICTA to take appropriate steps to respond to the growing requirements of the diverse stakeholders.

According to the Strategic Roadmap for ICTA, presented to and approved by HE the President, ICTA's scope relies on three pillars, as illustrated below, with its sub-components and Digital Laws and Policies recognized as a cross-cutting component.



The Digital Government and Digital Services components focuses on developing cross government digital infrastructure, effective citizen centric public services and facilitate creating an inclusive digital economy. As part of the Digital Government pillar of the national digital strategy, services are being developed and integrate around the needs of the citizens and businesses. The existing services will be further strengthened and developed by using the latest and emerging technologies. Once the strategy is successfully implemented, it is expected that citizens and business across the country will carry out easy, seamless and secure digitally enabled transactions with the government.

The Digital Economy component focus on enhancing competitiveness and generating 3 Bn US \$ from the IT BPM Industry while focusing on producing 300,000 IT related jobs by end of 2024. Digital Economy Strategy utilize existing programmes and all relevant partners in the eco-system to implement an integrated Digital Economy transformation in Sri Lanka that will pave the way for a thriving and effective digital economy, with higher operational efficiency, lower costs and better services and outcomes for its citizens.

Apart from key three units legal division, policy division, M&E division & Communication division were formulated with the aim of facilitating & speed up the process of reaching the vision of ICTA.

ICTA Legal Division is mandated to (a) to support key stakeholders, including government entities, in adoption of Electronic Transaction Act (ETA), No. 19 of 2006, in order to enhance e governance, improve efficiency and effectiveness of service delivery through government, and develop capacity and awareness on electronic transactions; (b) support the National Certification Authority task force established under the ETA to ensure governance and administration and interoperability of the digital signature framework in Sri Lanka and; (c) develop and draft new digital laws relating to data protection and cyber security; (d) identify impediments in relation to digital economy and make recommendation for law reforms; and (e) develop contract templates and standard terms and conditions for procurement functions to support digital transformation strategy of the government.

ICTA, as the apex government body for digital transformation in the country, provides the necessary policy framework to the government by way of presenting ways where citizens, businesses and the society can be positively impacted and benefitted through harnessing technology with the country's governance framework. ICTA policy team takes all efforts to bridge the gaps in society which would create connected communities, satisfied and informed citizens, technology savvy future generation, an efficient and productive government service delivery and a contented society at large.

In order to ensure effectiveness and outcomes of the digital transformation interventions ICTA is in the process of implementing a robust Monitoring and Evaluation system across all the projects and programs. Overall and project specific M&E framework has been developed and required M&E activities are being implemented. M&E also facilitate accountability for results and creating a learning culture. Essentially, M&E is an independent and unbiased governance process and the findings are shared with key stakeholders based on which joint decisions are taken to improve results. For World Bank supported digital government projects a baseline study has been completed and continuous monitoring is in progress.

The strategic communications plan intends supporting the National Digital Transformation strategy, by influencing individual and social behavioral changes towards effective adoption of technology by all segments of the society. ICTA Strategic Communication team takes all efforts ; a) to create awareness about the digital transformation initiatives being introduced for the benefit of citizens in line with the National Digital Transformation Agenda; b) to persuade and influence a behavioral change in the public to adopt digital technology products and services offered for the benefit of their day to day lives and of the nation; c) timely two- way dissemination of information internally and externally, to influence individual and social change by implementing key communications messages and campaigns on digital channels; and d) to improve public perception and about the national digital transformation agenda by effectively engaging with media stakeholder groups to create trust and confidence towards the digital products and services created by ICTA for the public, by providing clear, accessible and transparent information.

# Chairman's Message



I would like to call 2021, the year of recovery. Despite the macroeconomic issues, Sri Lanka remained optimistic during its post-COVID-19 economic recovery. While the country lost many a

productive hours following the lockdown conditions, Information and Communication Technologies were best used for collaborative achievements of the tasks remotely. There has been a surge in the e-Commerce area with the introduction of new innovative business models.

ICTA continued implementation of National Digital Transformation Strategy with an aim of creating a Digitally Inclusive and Prosperous Sri Lanka. The strategy has been developed for the period of 4 years from 2021- 2024 and consistence with the fourfold outcome of a productive citizenry, a contented family, a disciplined and just society and a prosperous nation of the National Policy Framework (NPF) of the Government of Sri Lanka "Vistas of Prosperity and Splendour". In order to implement the digital transformation strategy successfully ICTA institutional model was further strengthened through a cabinet decision to scale up ICTA's resources and capabilities enabling ICTA to take appropriate steps to respond to growing requirements of the diverse stakeholders.

The first half of the year 2021 saw a rapid development in the use of ICTs by all sections of population, largely triggered by the COVID-19 pandemic situation. In the education sector, online teaching continued, with the schools, universities, higher education institutes and vocational training institutes closed indefinitely for most of the time. Despite continuous grievances from some sections of the society about the absence of connectivity, devices and affordability, online education was the only available solution. E-Thaksalawa, a Ministry of Education initiative has widely been used for school education. Universities and higher education institutes not only conducted the online studies but had online examinations as well.

There were multiple efforts in the health field. ICTA has digitized the country's COVID-19 vaccine rollout so that citizens will be able to register for their vaccines. The Ministry of Health and medical informatics staff closely supported ICTA in developing the online software, which enables citizens to register for their vaccines. The digitization process will help in tracking the vaccines belonging to different pharmaceutical companies, which will help community health sectors understand the efficacy levels of each vaccine for long term follow up action in the event it becomes necessary.

ICTA, in collaboration with the Ministry of Health and the World Health Organization (WHO), also launched the COVID-19 Smart Vaccine Certificate Portal for those who have plans to travel overseas reducing the inconveniences of public by physically visiting the nearest MOH offices, to collect their hard copies of the vaccine certificate. The public could visit the online portal <https://covid19.health.gov.lk/certificate/> to obtain a soft copy of the vaccine certificate and by accessing the online portal, an individual need to enter the requested details such as national identity number, passport number, vaccination card details, proof of travel, and requested personal data. Upon successfully entering the requested particulars and approval, the user will be given a link to generate a soft copy (PDF version) of the vaccine certificate. In addition, a printout of the certificate can be presented to relevant authorities when needed.

In another front, the digital economy in Sri Lanka, estimated to be USD 3.47 billion or 4.37% of GDP, is gradually emerging. We cannot be complacent about the figure, but have to consider that the digital sector in most economies is still less than 10% when measured by value-added, income, or employment. Sri Lanka's ICT/BPM workforce is supposed to reach 300,000 from 125,000 in 2018, which would then support a USD 3 billion industry from the current USD 1 billion.

Sri Lanka has made a significant progress, in the United Nation's E Government Development Index, from its preceding ranking. Sri Lanka has advanced its position to the 85th from 94th in 2018 out of 193 countries. While this wasn't the highest position Sri Lanka has achieved over the twenty years of survey

period, it can be seen a substantial advancement as country position has been sliding over the last few years. In sub components, Sri Lanka has achieved a Very High Human Capital Index (HCI) with a High Telecommunication Infrastructure Index (TII) and a High Online Services Index (OSI). It is the only South Asian country to make such a balanced achievement. Bangladesh and India have been ranked 'Middle' in their Telecommunication Infrastructure, while Pakistan is ranked 'Low'. The survey identifies Sri Lanka as a Sub-Regional Leader and its position is used to benchmark the rest in South Asian region. This progress can be recognized as a clear indication of Sri Lanka's success in its journey towards Digital Government.

Among other Digital Government initiatives, Sri Lanka Unique Digital Identity project intends to implement a biometric-based digital identity for citizens of Sri Lanka in a partnership with Department of Register of Persons. Under this project secured and trusted foundational ID platform will be established for authentication, eKYC (e-Know Your Customer) and digital signature to offer more efficient public and private sector services. Production pilot is ready to be launched in February 2022 and the project will launch its full operations in 2022.

The Court Automation project aims to improve the efficiency, effectiveness, transparency and public confidence of the court system in Sri Lanka through establishing an ICT based court management system in 100 court houses. The procurement process has completed and the contract is ready to be awarded to the vendor to start the implementation process of the project.

Among the components of the Industry Development Program, the key ones are aimed at improving competitiveness and creating jobs in the IT and BPO industry. IT industry companies supported with domestic/ international market access and improve export readiness, increase direct exports and Foreign Direct Investment (FDI).

Startups were supported to enhance the value of the Start-up ecosystems. SME's supported with applied knowledge on increasing technology adoption. University students were supported with entrepreneurship skills and awareness. Workshops were conducted on creative education for 3000+ teachers to create an entrepreneurship culture in schools. 3000+ students were supported with career guidance to enhance the IT-BPM workforce. Startup Genome Startup ecosystem country assessment report conducted in partnership with ICTA, helps in positioning Sri Lanka among the global ecosystems and in obtaining recommendations for the enhancement of the overall value of the startup ecosystem.

I am happy to note that throughout the year Sri Lanka also remained optimistic in the middle of its post-COVID-19 economic recovery, with its relatively developed digital landscape of more than 60% of the population owning mobile phones (about half of them with advanced digital smartphones) and a significant number accessing the internet regularly.

The guidance and the freedom of operation offered by President His Excellency Gotabhaya Rajapaksa are sincerely appreciated. If not for this backing we would not have been able to meet many of our above stated objectives.

I take this opportunity to thank the political leadership, Ministry officials, ICTA's Board of Directors, and finally all at ICTA team who contributed to make our goals a reality.

**Oshada Senanayake**  
Chairman



# Board of Directors

The Board of Directors of ICTA always provide the essential high-level direction to drive the nations digital transformation journey.

ICTA's Directors are always competent and experienced individuals carefully chosen from diverse fields. They may come from four different streams. The criteria are pre-defined.

Among ICTA's Board Directors, there can be senior academics of high reputation with over 25 years of experience backed by extensive research or academic publications in local and international journals. If they come from the private sector, they must have experience of over 20 years in senior management or leadership positions in recognized private sector establishments. They may have served in the capacity of Chairman/ Chief Executive Officer/ Chief Operating Officer/ General Manager or Director with post-

graduate or equivalent professional qualifications.

ICTA's Board Directors may also be from the Professional category – i.e. professionals of high reputation with over 20 years of experience. They may be those who have served in leadership positions with experience in the field of Information technology and associated fields backed by postgraduate and/or equivalent professional qualifications in the area of Finance/ Law/ Technology or such other area. The final category is Public Service where ICTA includes, in its Board of Directors, senior officials of high reputation from the public service with over 25-30 years of experience with post-graduate or equivalent professional qualifications and having served or presently serving in the capacity of a Secretary to a Ministry, Deputy Secretary to the Treasury, Additional Secretary or Director General or Head of Department.

## Directors Holding Office in ICTA as at 31st December 2021

Name	Directorship Status
Oshada Senanayake	Chairman (Since 04.08.2021)
Mano Sekaram	Acting Chairman
Prof. Lalith Gamage	Chairman (01.01.2021 – 04.08.2021) Non-executive
Reshan Dewapura	Non-executive
Vimukthi Janadara	Non-executive
Bhanuka Harischandra	Non-executive
Kushan Kodituwakku	Non-executive
Madu Ratnayake	Non-executive

## Directors Holding Office in LGII as at 31st December 2021

Name	Directorship Status
Reshan Dewapura	Director
Jayantha De Silva	Chairman
Mahinda Bandara Herath	Director

## New Appointments and Resignations of ICTA from 1st January 2021 to 31st December 2021

Name of Director	Date of Appointment	Date of Resignation
Prof. Lalith Gamage	-	-
Vimukthi Janadara	-	-
Madhu Ratnayake	-	-
Oshada Senanayake	-	-
Kushan Kodituwakku	-	31st December 2021
Bhanuka Harischandra	17th August 2021	-

## New Appointments and Resignations of LGII from 1st January 2021 to 31st December 2021

Name	Appointment	Resignation
Reshan Dewapura	-	-
Jayantha De Silva	-	-
Mahinda Bandara Herath	-	31st December 2021

## Details of Directors attendance at Directors' meetings of ICTA from 1st January 2021 to 31st December 2021

Name of Director	Board Meetings
Reshan Dewapura	10/13
Mano Sekaram	12/13
Prof. Lalith Gamage	12/13
Vimukthi Janadara	13/13
Madhu Ratnayake	12/13
Oshada Senanayake	11/13
Kushan Kodituwakku	10/13
Bhanuka Harischandra	1 / 4

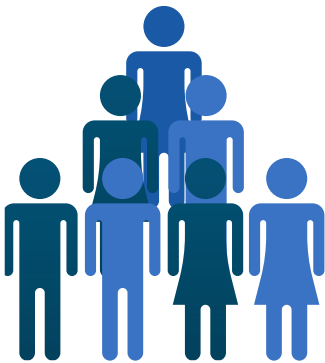
# Human Capital

At ICTA, the most valuable asset we have is our Human Capital. They are the prime force that drives the nation's digital transformation. ICTA as the apex agency responsible for the country's digital transformation has to be the prime digital knowledge hub of the country. Hence, attracting and retaining the best talents from different industries with diverse skill sets are crucial to enabling the digital transformation of Sri Lanka.

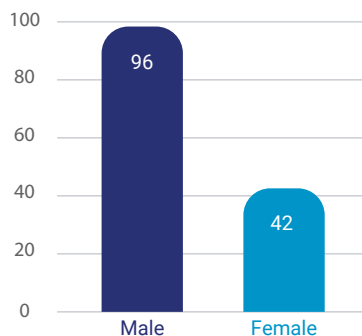
Based on the cabinet approval the total allocated headcount is 170. Thus far, we have progressed up to 138 human resources who are committed to making a digitally inclusive and prosperous Sri Lanka. The resourcing strategy focus on attracting industry talent with a passion for driving national initiatives. Attraction and retention of the best talent is a key challenge to ICTA. The employee retention rate for 2021 is at 87 percent. We are currently looking at different approaches to enhance the employer's attractiveness to bring the industry's best talent to the agency.

We envisage our culture to be inclusive, promoting gender balance and respecting the contribution of all employees regardless of gender, age, race, disability, or sexual orientation. To inculcate diversity and inclusion we have developed a non-discrimination policy which commits to maintaining a workplace free from physical or verbal harassment or discrimination based on race, religion, gender, age, nationality, social origin, disability, sexual orientation, family status etc.

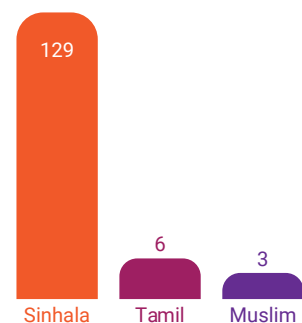
## Headcount - 138



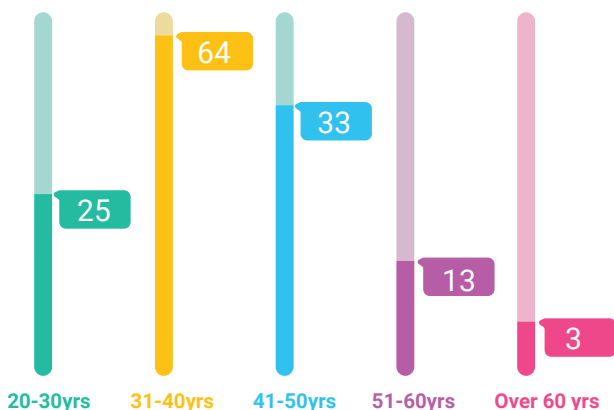
## Gender Analysis



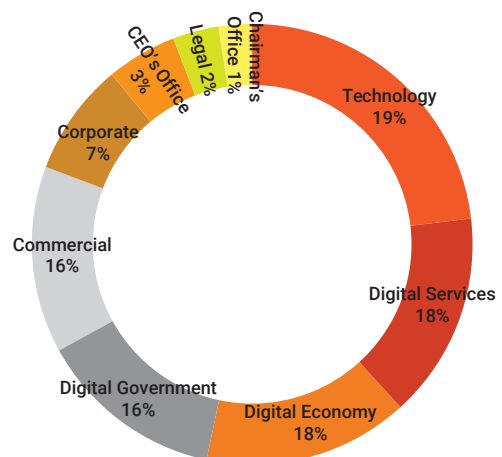
## Ethnicity



## Age Analysis



## HR Distribution



# Performance for the Year 2021

NPD No	Project	Achievement	Goals of the Project
Digital Government			
12	Employee Trust Fund Management (ETF) System	<p>Completed the ETF System upon carrying out a comprehensive business process realignment of ETFB core functions.</p> <p>Currently addressing the 11 Change Requests identified (CRs).</p> <p>In addition, Accounting package (ACCPAC) has been purchased for the ETF Board.</p>	Digitalize core functions of the ETFB department to cater stakeholder organizations / individuals efficiently and effectively.
13	Integrated Welfare Management System(IWMS)	The social registry Integrated system has been successfully completed up to Iteration-02 and handed over to the Welfare Benefit Board (WBB).	Develop a one stop shop for integrated welfare and Subsidy Management to improve efficiency & effectiveness of the management and delivery of social welfare and subsidies.
14	e-Local Government (eLG)	<p>e-Local Government 1.0 has been developed and implemented in 35 Organizations.</p> <p>Based on the lessons learned, and technology upgrade requirements, ICTA decided to develop a new system from scratch (e-LG 2.0) in collaboration with the Ministry of Provincial Councils and Local Government Affairs (MPCLGA).</p>	<p>Increase the efficiency and effectiveness in governance, service delivery process and streamline internal management.</p> <p>Promote effective service delivery process of Local Government Authorities.</p>
27	Implementation of Cross Government Digital Document Management System	<p>Cross Government Digital Document Management &amp; Internal Workflow System Deployed in 20 institutions and 19 institutions are on live stage.</p> <p>Successfully trained selected staff groups in 20 selected institutions.</p> <p>A study is being carried out by the ICTA M&amp;E team on lessons learned and further improvements needed from the initial 20 Organizations deployed.</p> <p>A plan has been prepared and is being implemented by ICTA in consultation with the relevant Organizations.</p>	To implement a secure, efficient and reliable Cross Government Digital Document Management System for selected government organizations.



NPD No	Project	Achievement	Goals of the Project
30	ICT Solution for Government Analyst Department (GAD)	<p>GAD system has been developed based on the initial system requirement assessment.</p> <p>However, the initial System was not able to facilitate the expected requirements of GAD due to various reasons.</p> <p>Currently ICTA is in process of further developing the system in consultation with stakeholders to meet all the requirements of the Government Analyst Department, ensuring the availability of all current functions.</p> <p>Completed the Internal Network Infrastructure Development at GAD and the relevant staff have been trained.</p>	Improve the process of the Government Analysis Department (GAD) by establishing digital solution benefiting both internal and external stakeholders of GAD.
35	Digital Health Project – Support and Maintenance	<p>Hospital Health Information Management System (HHIMS) has been successfully implemented in 40 Government hospitals.</p> <p>During the project period 1,715 employees were trained on effectively using basic hardware provided.</p> <p>1,966 employees have been trained particularly on using the HHIMS system.</p> <p>Parallel support and maintenance services are being provided for the 40 Hospitals.</p> <p>5,797,419 patients registered in the system and 15,676,623 patient episodes are available in the system.</p>	Improve quality and efficiency in service delivery of Sri Lankan Government Hospitals through Hospital Health Information Management System (HHIMS).
39	National Spatial Data Infrastructure (NSDI) - Phase II	<p>Phase I - the NSDI Platform has been successfully completed and has gone live (<a href="http://www.nsd.gov.lk">www.nsd.gov.lk</a>).</p> <p>Phase II - development with other functionalities are in progress.</p> <p>NSDI Policy is to be finalized and cabinet approval to be obtained.</p> <p>Discussions are ongoing with the Land Ministry and Survey Department on the establishment of NSDI Secretariat.</p>	Develop a single platform to share Spatial Data for effective decision making for the Government sector, private sector and general public.
63	e-Parliament	<p>Iteration 2 of Document Management System has been completed and 70% of the development in iteration 3 has been completed.</p> <p>Development of the e-Parliament app and Parliament online store (Web/ Mobile App) has been completed.</p> <p>Completed Admin Training on DMS for Parliament IT Dept.</p>	Establish an Electronic Document Management System (EDMS) for the parliament in order to enhance efficiency and effectiveness of the core functions by managing information in connection with the entire process.

NPD No	Project	Achievement	Goals of the Project
		<p>Provided the required devices and equipment to parliamentarians and other officials.</p> <p>Completed the Dry Run for Hansard Department and Table Office.</p> <p>Currently ICTA is in the process of further analyzing and improving the system requirement in consultation with the parliament staff (System Requirement Study already completed).</p>	
75	Digital Libraries for Knowledge Enhancement	<p>Established 08 model digital public libraries in the pilot phase.</p> <p>Digitalization of selected 18 new model libraries are in progress, including</p> <ul style="list-style-type: none"> <li>- Integrated library management system (ILMS).</li> <li>- Basic ICT and ILMS training for 75 library staff.</li> <li>- Integration of National Union Catalogue with other library catalogues.</li> </ul>	Become the national digital knowledge hub by providing convenient and affordable access, to effective usage of electronic information/e books and educational materials to citizens through Digital Libraries.

NPD No	Project	Achievement	Goals of the Project
Digital Services			
01	Lanka Government Network 2.0	<p>Support and maintenance for 860 LGN 2.0 sites have been successfully continued.</p> <p>Execution of change request for adjoining building connecting and coverage expansion is in progress. Ticketing system which provides the user issue/complaint management operation in progress.</p>	To build highly available, high speed, secure, reliable and centrally managed government network to link government institutions to a single digital infrastructure.
03	Lanka Government Cloud (LGC) 2.0 - Phase1  (LGC2.0 Phase 1 Maintenance +LGC 1.0 maintenance)	<p>Industry standard Lanka Government Cloud 2.0 (LGC 2.0) has been established and is in operation since August 2018.</p> <p>Upon completion, LGC 2.0 provides hosting facilities (Applications/Web) for all the government organizations as Infrastructure as a Service (IaaS).</p> <p>All e-Gov applications implemented by ICTA hosted in LGC 2.0 and provide the G2G and G2C data communication facilities leveraging Lanka Government Network (LGN) 2.0.</p> <p>500+ government organizations have hosted data and applications in the Cloud 2.0 facility.</p> <p>Altogether 200+ tenants have been created. The operational and maintenance activities are ongoing.</p>	Implement a fully-fledged industry standard cloud environment to facilitate the current and emerging server requirements of the government.

NPD No	Project	Achievement	Goals of the Project
45	Management and operation of Government Information Center (GIC)	<p>Management and operation of the Government Information Center is ongoing.</p> <p>GIC Operations were monitored closely and feedback has been provided accordingly.</p> <p>Corrective actions were taken to further improve service. Knowledge base has updated information about 327 government organizations.</p>	Provide information about Government services in the most effective, efficient and friendly manner using all electronic means as well as social media with the identification of needs and importance of providing Government information from a single location.

NPD No	Project	Achievement	Goals of the Project
Digital Economy			
36	e-Heritage Project: Cutting-edge Technology for Heritage Information	<p>Heritage Sri Lanka mobile and web apps were developed and is now readily available for public usage.</p> <p>2000+ digital content (text, audio, photos, geo location) has been developed about heritage sites in Polonnaruwa District (pilot phase) and validated the same.</p> <p>Developed lists of heritage sites, monuments, structures and buildings in Polonnaruwa, Anuradhapura, Galle, Matale, and Kandy districts.</p> <p>Sri Lanka Museums mobile app developed has already reached 1000+ downloads (Android app).</p> <p>Digital content on heritage sites integrated to the heritage Sri Lanka content management system is in progress.</p>	Improve tourist attractiveness of Sri Lanka by promoting heritage tourism using innovative technologies to provide location based information.
48	ICT Human Resource Capacity Building for Government Digital Transformation	<p>A government e-learning platform has been developed and deployed for government officials to facilitate learning needs.</p> <p>30 Chief Information Officers (CIOs) have completed a Master programme on eGovernance and were supported in improving their knowledge, skills and competencies in government and new digital technologies.</p> <p>Facilitate the acquisition of academic and professional qualifications for government officials through ICT Human Resource Capacity Building for Government Digital Transformation.</p> <p>Various programs were conducted to enhance the capacity of digital governance.</p>	Empower and build required capacity among all public sector employees to motivate and build competencies in enabling effective delivery of citizen centric public services.

NPD No	Project	Achievement	Goals of the Project
		<p>Chief Digital Information Officer ToR, Competency Framework and CDIO selection model has been developed.</p> <p>The Digital Maturity Model review meeting has been completed and finalizing a consolidated model.</p>	
76	Smart Society and Citizen Capacity Building	<p>Established 860 of Smart Social Circles. Preliminary and detailed evaluation completed.</p> <p>Kicked off New Norm Initiative partnering with Sarvodaya Fusion.</p> <p>Conducted 4 stakeholder consultation forums and 2 stakeholder engagement forums in Southern Province.</p> <p>Kicked off the D4E Helping Hands initiative in collaboration with DSS, Employers Federation of Ceylon and Sri Lanka Central Federation of the Deaf.</p> <p>Took part in awareness sessions on Parental controls on internet to keep children safe while browsing, on online teaching and safety, on Gaming and Security with LK Domain Registry - Quick Win Initiatives.</p> <p>Conducted 11 training and awareness sessions on skills development, digital literacy enhancement and employment opportunities for youth in collaboration with National Youth Corps, University of Colombo, Leo Club, SMART Social Circles and SLASSCOM.</p>	<p>Facilitate transformation of the society towards a SMART society through the intervention in digital technologies.</p> <p>Build required competencies among all citizens to become active participants in a digitally empowered society.</p>
82	eSwabhimani Annual Programme and Associated Activities	<p>340 applications have been received for the 2021 eSwabhimani Awards ceremony.</p> <p>8 nominations have been finalized and submitted to the World Summit Awards.</p>	Promote and popularize the development of relevant e-Content and application as per the local requirement and to introduce them to the world market.
85	Industry Development Programme	<p>143 companies have been supported with domestic/international market access to enhance the export readiness, increase direct exports and Foreign Direct Investment (FDI).</p> <p>210 visa recommendations processed since 2017 to facilitate FDI promotion and increase in Direct Exports of Existing Tech Companies.</p>	Improve competitiveness in the IT-BPM industry and to create IT-BPM related jobs across all sectors.



NPD No	Project	Achievement	Goals of the Project
		<p>110 Tech Startups supported to enhance the output/value of the Start-up ecosystems.</p> <p>Produced ICT workforce survey 2019 Report to support the increased availability of industry data.</p> <p>1600 SME's supported with applied knowledge on increasing technology adoption.</p> <p>2700 + university students supported with entrepreneurship skills and awareness.</p> <p>Workshops conducted on creative education for 3000+ teachers to create an entrepreneurship culture in schools.</p> <p>3000+ students supported with career guidance to enhance the IT-BPM workforce.</p> <p>540 Startup's listed under the Startup SL platform to increase visibility, output, value and data in the startup ecosystem.</p> <p>All submissions done to Startup Genome Startup ecosystem country assessment report conducted in partnership with IDP, helps in positioning Sri Lanka among the global ecosystems and in obtaining recommendations for the enhancement of the overall value of the startup ecosystem.</p>	
25	e-Government Policy and Strategy	<p>The formulation of following policies are in progress</p> <ul style="list-style-type: none"> <li>~ National Digital Government/Governance Policy.</li> <li>~ Government E-Mail Policy.</li> <li>~ Information Classification Policy.</li> <li>~ Digital Signatures and Digital Certificates guideline.</li> <li>~ Domestic Preference Guidelines.</li> </ul>	Make sure the e-Government Policy and e-Government Strategy is ratified and followed by the entire Government sector.
83	Implementation of Results Based Monitoring and Evaluation	<p>NPD Proposals to achieve the objectives of National Digital Strategy were developed and submitted.</p> <p>Out of the 13 proposals submitted to the NPD through the MoT, 10 proposals were already approved.</p> <p>Theory of Change (ToC) Framework and M&amp;E Plans were incorporated in all the new digital transformation projects designed as per the guidelines given by the NPD.</p>	Strengthen the ICTA Monitoring and Evaluation (M&E) system for the purpose of effectively measuring the progress of development results of the digital transformation strategy using Theory of Change and Results Based Management Approach as a development-oriented tools.

NPD No	Project	Achievement	Goals of the Project
		<p>Various independent evaluations were carried out (especially on Industry Development Program, Digital Health and Digital Libraries Projects) to understand lessons learned and evaluate the progress of achieving the intended results of digital transformation related ongoing projects.</p> <p>Routine Progress Reports requested by stakeholders have been timely submitted on a monthly and quarterly basis.</p> <p>To review project progress internally, a monthly comprehensive project review meeting is conducted, chaired by ICTA CEO with the participation by all project managers.</p> <p>CERC Focal Point/Overall Coordination and liaise with the World Bank to manage 4 projects (Email and Collaborative Solution including Video Conferencing, Digital Forms and Cloud 2nd Zone) supported by the World Bank through the Covid Emergency Funding (CERC) arrangement through the NPD are in progress.</p> <p>Discussions are going with the World Bank team as the focal point for the World Bank future engagements with ICTA and MoT to support the implementation of the National Digital Transformation Strategy.</p>	

## Internal Audit Division Updates

In this report we describe the role of the Internal Audit Division and the Audit & Management Committee, and its functioning during the year 2021. The main priorities were to provide assurance on the soundness of the financial reporting, effective risk identification and management, and compliance with the relevant legislation.

### Overview of the Internal Audit

Internal Auditing is an independent function within the ICTA, which reports directly to the Chairman and the Board of Directors (via the Board sub-committee, Audit and Management Committee), with the objective of adding value to the organization and its stakeholders in line with its strategies, objectives and risk factors. The Director – Internal Audit submits the observations/ reports to the Audit & Management Committee, while administratively reporting to the Chief Executive Officer of the organization.

Internal Audit strives to provide independent and relevant assurance that the organization's risk management, governance and internal control processes are operating effectively.

The scope of internal auditing within an organization is broad and may involve areas such as the effectiveness of operations, the reliability of financial reporting, deterring and investigating fraud, safeguarding of company assets, and compliance with rules and regulations. The objectives are achieved by way of systematic analysis and assessment of data, information and business processes, and providing insights and recommendations. With the commitment to integrity and accountability, all the internal business operations are evaluated periodically, with varying frequencies depending upon the nature and the risk factors involved, to assess and provide independent assurances on each of the areas.

### Functions of the Internal Audit Division

- Designing, developing and executing the annual Internal Audit plan of ICTA.
- Ensuring the strengthening of the overall internal control systems.
- Risk assessment of business operations, pointing out process flaws to the management and providing recommendations to improve the same.
- Review and appraisal of existing accounting and reporting systems to make improvements thereto.
- Ascertain controls with regards to safeguarding of assets of ICTA.
- Review of internal IT controls, i.e. IT general controls and IT systems controls for assessing the efficiency of the systems in place.
- Assess compliance of business processes with internal policies and procedures and applicable rules and regulations.
- Submission of reports to the Audit and Management Committee based on the findings of the above mentioned tasks and convene Audit and Management Committee meetings.
- Preparation and circulation of the decisions of the Audit Committee to Heads of Divisions to take appropriate action.
- Submission of Quarterly Assessment reports to the Line Ministry.
- Submission of Quarterly performance review reports to the Audit and Management Committee on achievement of annual Action Plan, Procurement Plan and the Disbursement Plan (budgeted vs. actual).
- Provide management with assurance / recommendations on specific areas of concerns.
- Review of and contribution in developing various internal operational procedures.
- Liaising with the National Audit Office with regards to the Management Audit.
- Liaising with the Chief Internal Auditor of the Line Ministry.
- Conducting independent reviews / special reviews / investigations/ inquiries etc. based on the request of the Chairman/ Board of Directors.
- Assist and make recommendations to various committees appointed by the Chairman for review of external policies and procedures, from time to time.

## Internal Audit Activities Carried out in 2021

Sl. No.	Description	Status
1	Audit on the Payment Management Process – Capital and Operational expenditure	Completed and submitted the Internal Audit Report
2	Review of the Working From Home Process – Compliance and Reporting	Completed and submitted the Internal Audit Report
3	Review of the Bring Your Own Device (BYOD) Process	Completed and submitted the Internal Audit Report
4	Review of the General Consumables Management process	Completed and submitted the Internal Audit Report
5	Hospital Health Information Management System (HHIMS) review – Visits to hospitals where system is implemented	Completed – Observations noted
6	Review of the e-Pensions project	Completed and submitted the Internal Audit Report
7	Review on the Project related payments	Completed and submitted the Internal Audit Report
8	Petty cash verification – Bi-Annual	2 verifications – Completed and observations reported
9	Annual Board of Survey – 2020	Completed – Observations reported
10	Annual Board of Survey – 2021	Completed – Observations reported
11	Verification of Bank reconciliation – Monthly	Completed
12	Audit Committee reports for Annual reports 2016, 2017 and 2018	Completed
13	Quarterly performance review reports on the achievement Action Plan, Procurement Plan and Disbursement Plan	Completed and submitted to Audit & Management Committee
14	Coordinate with National Audit Office, regarding all audit queries and replies – 25 audit queries	Completed
15	Submission of responses to Auditor General's Department detailed Audit Reports for ICTA and LGII for financial years 2018 – 4 reports	Completed
16	Convene and conduct Audit and Management Committee meetings – 3 meetings	Completed
17	Coordinate with the Line Ministry – On information requests and queries	Completed
18	Participation and providing information for the Quarterly Line Ministry Audit and Management Committee meetings – 4	Completed
19	Operations Manual – Review of various policies and procedures and leading the implementation process – 10 Functional chapters	Completed
20	Follow-up activities related to COPE meeting and submission of documentation/ information to the Committee (March, 2021)	Completed
21	Development of a Business Continuity Plan for ICTA	Discussions, information gathering and analyzing



## Audit and Management Committee Updates

The purpose of the Audit and Management Committee (AMC) is to assist the Board to review all audit and management aspects of the ICT Agency of Sri Lanka (including financial reporting and compliance) to ensure that its resources are used economically and efficiently for the purpose of achieving the predetermined objectives of the entity as a whole, or in respect of any specific project or programme undertaken giving priority to the resources available in Sri Lanka; and ascertain whether such objectives have actually been achieved within the authorized time limits, for the disbursement of funds allocated for such activity, and whether any completed project or programme is in actual operation as envisaged in the plans.

## The Role of the Audit & Management Committee

The scope of the Committee would include amongst others, the following: (as per the Public Enterprise Guidelines)

- Determination of the responsibilities of the Internal Audit Unit and review of the annual audit plans.
- Review and evaluate internal control systems for all activities of the entity.
- Evaluating the effectiveness of the risk management process.
- Review performance at regular intervals for cost effectiveness and to eliminate wasteful expenditure etc.
- Liaise with external auditors and follow up on Auditor General's/ external auditors Management Letters.
- Ascertain whether statutes, regulations, rules and circulars are complied with.
- Review of the integrity of the financial statements with a view to ensure its compliance with Accounting Standards, including annual reports, half-year reports, and quarterly financial statements.
- Review internal audit/external audit reports, Management Letters for remedial action.
- Review implementation of recommendations/directives of the Committee on Public Enterprises.
- Prepare report on the findings of the Committee for inclusion in the Annual Report.
- Reports to the Board of Directors on its activities and recommendations.
- Advises on the appointment of ICTA's independent External Auditor (In terms of Article 36 (1) of the 19th Amendment to the Constitution, the Auditor General is authorized to carry out audits on ICTA with effect from the year 2015).

## Composition of the Audit & Management Committee

The Audit & Management Committee of ICTA is comprised only of independent Non-Executive Directors with a minimum requirement of three such members. The Committee for the year 2021 was appointed in March, 2020 along with a new Board being appointed for ICTA in December, 2019 and also a new member for the Committee was appointed in November, 2020. The Board members have satisfied themselves that the members of the Audit & Management Committee are competent in financial matters and have recent and relevant experience.

The other invitees at Committee meeting (or part of thereof) were the Company Secretary, Director – Procurement, Director – Finance/ Administration, Director – Monitoring and Evaluation, Director – HR etc. During the year, the Committee members have met without others being present, to discuss issues directly.

The Audit & Management Committee is responsible for assisting the Board of Directors to fulfill its responsibility of ensuring that ICTA's financial reporting and internal controls, including audits, are adequate and undertaken efficiently.

## Meetings of the Audit and Management Committee – Summary

Committee Member	Member Since	No. of Meetings Attended for the Year 2020
Vimukthi Janadara	March, 2020	5
Mano Sekaram	March, 2020	3
Kushan Kodithuwakku	November, 2020	3

## Meetings of the Audit and Management Committee – Detail

During the year 2021, 5 Audit & Management Committee meetings were held and the following matters were discussed at the said meetings, amongst other matters.

### Audit and Management Committee Meeting held on 27-January-2021.

Subject area	Actions/Decisions Taken
Terms of Reference for Audit & Management Committee	The Terms of Reference of the Audit & Management Committee was reviewed (approved in Nov, 2020), for changes, if necessary.
Audit on of the e-Pensions project	The report was tabled and discussed in detail with regards to the observations made. The Chairman and CEO has been directed to check with the (former) staff involved with the said projects and call for explanations.
Update on Project progress of ICTA	AMC decided to recommend to the Board to have a proper project monitoring mechanism, such as instituting a Project Committee of the Board to review and report on Project progress, and for the Report to be shared with the AMC for information/ discussion.
Audit on the Procurement process	In line with the recommendations made by the Internal Audit, the AMC advised the Procurement Division to streamline the internal process. Also, the Director – Procurement has developed new process manual to address the concerns raised by IA.

### Audit and Management Committee Meeting held on 03-February-2021.

Subject area	Actions/Decisions Taken
Audit on the Payment Management process	With regard to advances outstanding, any unsettled amounts to be deducted from the final settlement of the person concerned at the point of exit.
COPE Meeting minutes and action items	The AMC advised to submit the draft of the response letter to the Board at its next meeting scheduled.
Financial Accounts for the year 2019	AMC reviewed the timelines agreed by the Finance Division and directed to expedite the process of submission of accounts.

### Audit and Management Committee Meeting held on 30-March-2021.

Subject area	Actions/Decisions Taken
Financial Statements for the year 2019	<p>The AMC reviewed the final accounts for year 2019 and noted the following;</p> <ul style="list-style-type: none"> <li>Income statement has been prepared on Cash basis.</li> <li>The Company has reported Rs. 329.7 million as deficit for the financial year, compared to a surplus of Rs. 372.8 million for the financial year 2018.</li> <li>Recommended to classify the "Write back" item separately under "Other Income".</li> <li>The equity is negative for the financial year 2019. The liabilities are in excess by Rs. 2.17 billion as reported for the financial year 2019.</li> <li>The AMC is of the view that there is no significant concerns exist on the negative equity reported for the year 2019.</li> <li>Considering the above the AMC recommended that the 2019 Financial Statements be submitted to the Board for approval.</li> </ul>

### Audit & Management Committee meeting held on 14-July-2021.

Subject area	Actions/Decisions Taken
Update on the Procurement Plan status as on end of Q2, 2021	<p>AMC requested for the following information to be included in the future Reports for AMC:</p> <ul style="list-style-type: none"> <li>Value of the Contracts, and the Vendors name.</li> <li>Procurement methodology, date of award.</li> <li>World Bank Projects and Locally funded projects to be segregated.</li> <li>Single Source Contracts to be highlighted.</li> <li>Glossary of abbreviations used.</li> <li>Physical and Finance Progress Report in this regard to be submitted by M&amp;E Unit to the Board, also to be submitted to the AMC on a quarterly basis.</li> </ul>
Independent Observations report of the Internal Audit on the Board of Survey 2020	The report was well noted by AMC and advised the recommendations of the Internal Audit to be actioned.
Independent Observations report of the Internal Audit on the Board of Survey 2021	<p>AMC noted that LGII and data center assets are also covered in the ICTA Board of Survey, and that the Project assets are excluded as these are transferred to relevant projects.</p> <p>AMC recommended that the reports be submitted to the Board for their information.</p>
Update on the Financial Status of ICTA as on end of Q2, 2021	<p>AMC reviewed the Financial Statements as on end June 2021, and noted/ requested the following information:</p> <ul style="list-style-type: none"> <li>The re-location cost of Rs. 150 Mn, included in the Contractors Payment of Rs. 120 Mn.</li> <li>Details of the Statutory Payments made YTD.</li> <li>Details of the Gratuity Provision's made on actuarial basis, YTD.</li> <li>The Budget Forecast for the next remaining months of the year to be included in the Finance update.</li> </ul>
Any other matters	<p>AMC requested that the following information/ documents also be shared:-</p> <ul style="list-style-type: none"> <li>Cadre requirements of ICTA to be provided to the AMC.</li> <li>HR Audit – Pending HR Cases to be included in the reporting.</li> </ul>

**Audit & Management Committee meeting held on 13-October-2021.**

Subject area	Actions/Decisions Taken
Review of the Working from Home process – Compliance & Reporting	The observations and recommendations made via the Internal Audit report was duly noted by the AMC. The AMC instructed the Internal Audit to do a follow up audit and submit a report after 3 months to observe the status of compliance.
Audit on Payment Management Process of ICTA	The observations and recommendations made via the Internal Audit report was duly noted by the AMC. AMC requested that a Report on compliance of the established process procedures, be also compiled.
Update on the Procurement Plan status as on end of Q3, 2021	AMC recommended that the Procurement Status Report be submitted to the Board. Also, the Procurement methods and the level of Procurement Committee indicated in the abbreviated form to be elaborated in the annex to the list of Procurements awarded.
Review of the BYOD process	AMC discussed the origin of the BYOD Process, the issues such as the ownership, security and the management of the asset, the existence of written agreement between the parties, and such control measures that are in place, and advised that a Policy Document be drawn up with regard to the Process.
Quarterly Performance Review of ICTA - Q2, 2021 (Review on Action Plan, Procurement Plan and the Disbursement Plan)	The AMC requested that an ageing analysis be submitted on the Projects of ICTA and their progress, from the period when the new Board took over ICTA's management, i.e. to provide information separately on Projects that were undertaken/promulgated from 2020 onwards.





Financial Statements for the 2021

# **AUDITOR GENERAL'S REPORT FOR THE YEAR 2021**



# විගණකාධිපතිවරයාගේ වාර්තාව - ICTA

## கணக்காய்வாளர் நாயகத்தின் அறிக்கை - ICTA

### Report of the Auditor General - ICTA



## ජාතික විගණන කාර්යාලය

### தேசிய கணக்காய்வு அலுவலகம்

#### NATIONAL AUDIT OFFICE



මගේ අංකය  
எனது இல.  
My No. }

CAM/F/ICTA/01/2021/13

ඔබේ අංකය  
உமது இல.  
Your No. }

දිනය  
திகதி  
Date }

17 July 2023

Chairman

Information and Communication Technology Agency of Sri Lanka (Pvt) Ltd

**Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Information and Communication Technology Agency of Sri Lanka (Pvt) Ltd and its subsidiaries for the year ended 31 December 2021 in terms of Section 12 of the National Audit Act, No. 19 of 2018.**

#### 1. Financial Statements

##### 1.1 Qualified Opinion

The audit of the financial statements of the Information and Communication Technology Agency of Sri Lanka (Pvt) Ltd ("Company") and its subsidiaries ("Group") for the year ended 31 December 2021 comprising the statements of financial position as at 31 December 2021 and the Profit and Loss Statements, Statements of Changes in Equity and Cash Flow Statements 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. 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 of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 December 2021, and of their financial performance and their cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.





## 1.2 Basis for Qualified Opinion

---

- a) As per the Financial Statements, loss for the year under review was Rs.41,648,126 and the cumulative loss as at 31 December 2021 was Rs.109,986,309. Further the equity of the company as at 31 December 2021 records a negative value of Rs.109,986,289. Therefore the going concern of the company is uncertain unless otherwise the continuous support of the Government.
- b) The entire payment amounting to Rs.11, 394,000 paid to a company for providing Bare metal server facility had been taken in to the profit or Loss account instead of showing the pre-payment amount of Rs.439, 584 related to the year 2022.
- c) Although 13 items of Furniture and Fittings transferred to the Ministry of Technology in the year 2022, the value of assets amounting to Rs.301,002 had been adjusted in the financial statements as at 31 December 2021.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's 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 information included in the Company's 2021 Annual Report.

---

The other information comprises the information included in the 2021 Annual Report but does not include the financial statements and my auditor's report thereon, which I have obtained prior to the date of this auditor's report. Management is responsible for the other information.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial





ජාතික විගණන කාර්යාලය  
தேசிய கணக்காய்வு அலுவலகம்  
NATIONAL AUDIT OFFICE

statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work I have performed on the other information that I have obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information. I have nothing to report in this regard.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Company and the Group are 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 Company and the Group.



## 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 decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the company and the group.
- 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 Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are





ජාතික විගණන කාර්යාලය  
நேசிய கணக்காய்வு அலுவலகம்  
NATIONAL AUDIT OFFICE

inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion

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 and Companies Act, No. 7 of 2007 include specific provisions for following requirements.
- 2.1.1 Except for the effects of the matters described in the basis for Opinion section of my report, I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Company as per the requirement of section 163(2) of the Companies Act, No. 7 of 2007 and section 12(a) of the National Audit Act, No. 19 of 2018.
- 2.1.2 The Financial Statement of the Company comply with the requirement of section 151 of the Companies Act, No. 07 of 2007.
- 2.1.3. The financial statements presented is consistent with the preceding year as per the requirement of section 6(1) (d) (iii) of the National Audit Act, No. 19 of 2018.
- 2.1.4 The financial statements presented includes all the recommendations made by me in the previous year 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, nothing has come to my attention.

2.2.1 To state that any member of the governing body of the Company has any direct or indirect interest in any contract entered into by the Company 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 Company has not complied with any applicable written law, general and special directions issued by the governing body of the Company as per the requirement of section 12(f) of the National Audit Act, No. 19 of 2018.Except for;

	Reference to law/ direction	Description
a)	Chapter 6.6 of the Operational Manual of the Public enterprises circular No.01/2021 dated 16.11.2021.	Although draft Annual Report and Accounts should be handed over to the Auditor General within sixty (60) days after the close of the financial year, the Company had submitted Financial Statements after 425 days.
b)	Section 133(1) of the Companies Act No: 07 of 2007	Even though the Annual General Meeting of shareholders should be held once in each calendar year, the Company had not held the Annual General Meeting.
c)	Chapter 5.2.4 of the Public Enterprises circular no: PED/12 dated 02.06.2003,	Annual budget should be prepared and placed before the Board of Directors for approval three months before the commencement of the financial year. Further, copies of the final approved budget should be forwarded to the line ministry, the department of Public Enterprise, General Treasury and Auditor General not less than 15 days





ජාතික විගණන කාර්යාලය  
தேசிய கணக்காய்வு அலுவலகம்  
NATIONAL AUDIT OFFICE

before the commencement of the financial year. However the Budget for the year 2021 had not been prepared by the Company as per circular.

2.2.3 to state that the Company 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 Company had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12(h) of the National Audit Act, No. 19 of 2018, except for;

- a) As per Guideline 2.8.3 of Government Procurement Guidelines of National Procurement Agency circular No. 08 dated 25 January 2006, Chief Accounting Officer shall appoint the Technical Evaluation Committee for Ministry Procurement Committee. However the company had not complied with the provisions of Guideline when appointing of Procurement Committee and Technical Evaluation Committee for procurement of renting out of a building for the company.

Further, the chairman of the company had approved the appointment of the technical evaluation committee for this procurement in 2020, he himself had participated in the physical inspection of the building and acted as the chairman of the negotiation committee and approved the appointment of Ministry Procurement Committee as the Secretary of the Ministry in the year 2021 and acted as the chairman of the procurement committee of the ministry.

- b) As per NPA circular no: 08 dated 25 January 2006 issued by National Procurement Agency all procurements goods, works and services should be followed procurements guideline. However the Security, Cleaning and Tea services had been obtained by the Company without following procurements guideline and without entering into an agreements and paid Rs. 1,049,069, Rs. 2,025,325 and Rs.1, 042,907 respectively for the year under review.



03. Other matters.

- a) The Company had absorbed the contract staff to the permanent carder contrary to the following terms of the cabinet decision no: 20/1784/301/012 dated 16 November 2020.
- Preparation of an action plan to cover the period of 05 years from 2021 to 2025 for implement "National Digital Policy and Implementation strategy"
  - Preparation a suitable program to recover project expenses from consulting fees related to the project and reserves other expenses from budget allocations for that.
  - As stated in the cabinet decision, the contents of the memorandum had been implemented without the President's Secretary's direction.
- b) The Company had transferred Fixed Assets amounting to Rs. 4,983,947 to Sri Lanka Army (ARMY) and the Ministry of Technology during the year 2021 and 2022 without obtaining the approval of the board.
- c) The approval for the outsourcing of the payroll was not furnished to the audit. Further, the Employees' Provident Fund and Employee Trust Fund contribution approximately amounting to Rs.6.5 million had been retained.
- d) Due to acquisition of a building with 30796 square feet exceeding the approved 25000 square feet the company had paid Rs.985,320 excessively for 5796 square feet per month. Though the planned number of staff to be located in the building is 235, the actual staffs located were 136. Further, the company had simultaneously paid the rent for both new building and old building from March to June 2021 amounts to Rs.20, 943,320 and Rs.6, 048,000 respectively. Though the new building was vacated.
- e) Although the board of the Company had approved the amalgamation with the subsidiary (Lanka Government Information Infrastructure (Pvt) Ltd) with the ICTA following section 242 of the Company Act by its meeting held 15 November 2022. The Company had not disclosed it in the financial statements.

  
W.P.C. Wickramaratne

Auditor General



විගණනය කරන ලද මූල්‍ය ප්‍රකාශන - ICTA  
கணக்காய்வு செய்யப்பட்ட நிதிசார் கூற்றுகள் - ICTA  
Audited Financial Statements - ICTA

---

# INFORMATION AND COMMUNICATION TECHNOLOGY AGENCY OF SRI LANKA (PVT) LTD

## Consolidated Financial Statements

### 2021



**ICT AGENCY OF SRI LANKA (PVT) LTD**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

**FOR THE YEAR ENDED 31ST DECEMBER 2021**

(ALL FIGURES ARE IN SRI LANKAN RUPEES)

		<b>Group</b>		<b>Company</b>	
	<b>NOTE</b>	<b>2021</b>	<b>2020</b> Restated	<b>2021</b>	<b>2020</b> Restated
<b>Revenue</b>	4	2,012,598,997	3,505,551,659	1,983,839,043	3,476,701,473
<b>Grant Disbursements</b>					
Project Implementation Expenses	6	1,945,078,154	1,629,904,055	1,920,009,076	1,609,912,468
Project Infrastructure & Support Services	7	115,235,251	59,539,036	109,502,882	48,989,827
<b>Net Surplus/(Deficit) from Operating Activities</b>		<b>(47,714,408)</b>	<b>1,816,108,568</b>	<b>(45,672,915)</b>	<b>1,817,799,177</b>
<b>Other Income</b>	5	4,024,789	3,660,000	4,024,789	3,450,125
<b>Net Surplus/(Deficit)</b>		<b>(43,689,619)</b>	<b>1,819,768,568</b>	<b>(41,648,126)</b>	<b>1,821,249,302</b>

**STATEMENT OF COMPREHENSIVE INCOME**

		<b>Group</b>		<b>Company</b>	
	<b>NOTE</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Net Surplus/(Deficit) for the Period		(43,689,619)	1,819,768,568	(41,648,126)	1,821,249,302
<b>Other Comprehensive Income</b>					
<b>Items not to be reclassified to Profit or Loss</b>					
Actuarial Loss on Defined Benefit Plans		(5,368,291)	3,286,961	(4,068,241)	2,314,783
Revaluation of Property Plant and Equipment		-	-	-	-
Income Tax Effect on Other Comprehensive Income					
<b>Other Comprehensive Loss for the Period, Net of Tax</b>		<b>(5,368,291)</b>	<b>3,286,961</b>	<b>(4,068,241)</b>	<b>2,314,783</b>
<b>Total Comprehensive Income for the Period, Net of Tax</b>		<b>(49,057,910)</b>	<b>1,823,055,529</b>	<b>(45,716,367)</b>	<b>1,823,564,085</b>

The Accounting Policies and notes on pages 5 through 25 form an integral part of the Financial Statements.





**ICT AGENCY OF SRI LANKA (PVT) LTD**  
**STATEMENT OF FINANCIAL POSITION**

AS AT 31ST DECEMBER 2021

(ALL FIGURES ARE IN SRI LANKAN RUPEES)

		Group		Company	
	NOTE	2021	2020 Restated	2021	2020 Restated
<b>Assets</b>					
<b>Non-Current Assets</b>					
Property, Plant & Equipment	8	203,704,510	28,493,246	202,561,931	24,496,188
Intangible Assets	9	73,764,992	1,392,800	73,764,992	1,392,800
Financial Assets	10	-	-	10	10
		277,469,501	29,886,046	276,326,932	25,888,998
<b>Current Assets</b>					
Grant Receivable	11	331,221,481	70,416,267	330,218,481	70,031,467
Other Receivables		82,821,182	86,947,892	82,695,194	86,774,080
Amounts Due from Related Party	17	-	-	-	-
Cash & Cash Equivalents	12	175,244,836	85,057,365	174,874,093	84,706,622
		589,287,499	242,421,524	587,787,769	241,512,170
<b>Total Assets</b>		<b>866,757,001</b>	<b>272,307,570</b>	<b>864,114,702</b>	<b>267,401,167</b>
<b>Equity &amp; Liabilities</b>					
Stated Capital	13	20	20	20	20
Revaluation Reserve		9,038,939	13,326,103	-	-
Accumulated Surplus		(78,053,558)	(33,282,812)	(109,986,309)	(64,269,941)
<b>Total Equity</b>		<b>(69,014,599)</b>	<b>(19,956,689)</b>	<b>(109,986,289)</b>	<b>(64,269,921)</b>
<b>Non-Current Liabilities</b>					
Retirement Benefit	14	44,800,913	34,046,730	40,450,413	30,841,489
Deferred Revenue for Grant Assets	15	345,621,413	77,810,523	345,303,018	77,244,109
		390,422,326	111,857,253	385,753,431	108,085,598
<b>Current Liabilities</b>					
Trade & Other Payables	16	505,133,345	140,191,077	504,130,345	139,368,277
Amounts Due to Related Party	17	40,215,928	40,215,928	84,217,213	84,217,213
		545,349,274	180,407,006	588,347,559	223,585,491
<b>Total Equity &amp; Liabilities</b>		<b>866,757,000</b>	<b>272,307,570</b>	<b>864,114,701</b>	<b>267,401,167</b>

The Accounting Policies and notes on pages 5 through 25 form an integral part of the Financial Statements.  
 These Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

.....  
 Director Finance

The board of directors is responsible for the preparation and presentation of these Financial Statements.  
 Signed and on behalf of the board by:

.....  
 Chairman

.....  
 Director

21 February 2023

**ICT AGENCY OF SRI LANKA (PVT) LTD**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**  
**(ALL FIGURES ARE IN SRI LANKAN RUPEES)**

	Group				Company			
	Stated Capital	Revaluation Reserve	Accumulated Surplus	Total	Stated Capital	Revaluation Reserve	Accumulated Surplus	Total
As at 31st December 2019	20	13,326,103	(1,856,338,341)	(1,843,012,218)	20	-	(1,887,834,027)	(1,887,834,007)
Surplus for the Year	-	-	1,823,055,529	1,823,055,529	-	-	1,823,564,085	1,823,564,085
As at 31st December 2020	20	13,326,103	(33,282,812)	(19,956,689)	20	-	(64,269,941)	(64,269,921)
Transfer of Re-valuation Reserve / Disposed assets		(4,287,164)	4,287,164	-		-	-	-
Total Comprehensive Income	-	-	(49,057,910)	(49,057,910)	-	-	(45,716,367)	(45,716,367)
As at 31st December 2021	20	9,038,939	(78,053,558)	(69,014,599)	20	-	(109,986,309)	(109,986,289)

The accounting policies and notes form an integral part of the Financial Statements.  
Figures in brackets indicate deductions.





## ICT AGENCY OF SRI LANKA (PVT) LTD

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2021

(ALL FIGURES ARE IN SRI LANKAN RUPEES)

	Group		Company	
	2021	2020 Restated	2021	2020 Restated
<b>Cash Flows from Operating Activities</b>				
Surplus/(Deficit) for the Year	(43,689,619)	1,819,768,568	(41,648,126)	1,821,249,302
<b>Adjustments for:</b>				
Depreciation & Amortization	26,599,614	12,805,956	24,935,343	10,810,607
Retirement Benefits - Current Service Cost	6,622,904	5,010,782	6,062,114	4,558,052
Retirement Benefits - Interest Cost	2,723,738	3,057,946	2,467,319	2,719,338
Retirement Benefits - Paid	(3,960,750)	(1,314,500)	(2,988,750)	(1,314,500)
Gain on Disposal of subsidiaries	-	-	-	-
NBV of Assets Disposed Previous year	-	-	-	-
Deferred Revenue for Grant Assets Adjustment	267,810,890	76,963,454	268,058,909	77,135,299
Loss on Disposal of Assets	2,401,538	-	1,516,884	-
De-recognition	-	-	-	-
Impairment	464,766	-	168,751	-
Loss on revaluation	-	-	-	-
Write off - Transfer to Consumable	17,132	-	7,592	-
Write Back	-	-	-	-
	<b>258,990,213</b>	<b>1,916,292,207</b>	<b>258,580,037</b>	<b>1,915,158,098</b>
<b>Working Capital Changes</b>				
(Increase) / Decrease in Other Receivables	(256,678,504)	(44,050,951)	(256,108,128)	(120,743,027)
Increase / (Decrease) in Other Payables	364,942,268	(1,964,690,373)	364,762,068	(1,964,063,441)
Increase / (Decrease) in Related Parties	-	-	-	-
Increase / (Decrease) in Grant Payable	-	-	-	-
Net Cash Generated (Used in) from Operating Activities	<b>367,253,977</b>	<b>(92,449,117)</b>	<b>367,233,977</b>	<b>(169,648,370)</b>
<b>Cash Flows from Investing Activities</b>				
Additions to Property, Plant & Equipment	(277,066,505)	(77,225,657)	(277,066,505)	(236,280)
Assets Transfer to Related Party	-	-	-	-
Disposal of subsidiaries	-	-	-	-
Net Cash Generated (Used in) from Investing Activities	<b>(277,066,505)</b>	<b>(77,225,657)</b>	<b>(277,066,505)</b>	<b>(236,280)</b>
<b>Cash Flows from Financing Activities</b>				
Issue of shares	-	-	-	-
Net Cash Generated (Used in) from Financing Activities	-	-	-	-
Cash & Cash Equivalents as at the beginning of the Year	85,057,365	254,732,139	84,706,622	254,591,272
Increase / (Decrease) in Cash and Cash Equivalents	<b>90,187,471</b>	<b>(169,674,775)</b>	<b>90,167,471</b>	<b>(169,884,650)</b>
Disposal of subsidiaries	-	-	-	-
Cash & Cash Equivalents as at the End of the Year	<b>175,244,836</b>	<b>85,057,365</b>	<b>174,874,093</b>	<b>84,706,622</b>

The accounting policies and notes form an integral part of the Financial Statements.  
Figures in brackets indicate deductions.





**INFORMATION & COMMUNICATION TECHNOLOGY AGENCY OF SRI LANKA (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 December 2021**

**1 CORPORATE INFORMATION**

**1.1 General**

The Information & Communication Technology Agency of Sri Lanka (Private) Limited (ICTA) was incorporated on 12th May 2003 under the Companies Act No. 17 of 1982, with the Secretary to the Treasury and the Secretary to the Ministry of Economic Reform, Science and Technology as the subscribers and ICTA has been re-registered with the registration No. of PV 4055 under the Companies Act No 7 of 2007. The registered office of the Company is situated No 490 R. A. De Mel Mawatha, Colombo 03.

The consolidated financial statements of Information Communication Technology Agency of Sri Lanka (Private) Limited- ICTA as at and for the year ended 31 December 2021 comprise the company and its subsidiary Lanka Government Information Infrastructure (Private) Limited –LGII (together referred to as the “Group”).

**1.2 Principal Activities and Nature of Operations**

The Company provides all information and assistance for the formulation of the National Policy on Information Communication Technology to the Inter Ministerial Committee on Information Communication Technology appointed by the Cabinet of Ministers & assists the Cabinet of Ministers to approve the

National Policy Framework in relation to Information and Communication Technology.

By virtue of Information and Communication Technology Act. No. 27 of 2003 as amended in 2007, the company is also empowered to develop and implement strategies and programs on information and communication technology in both the public and private sectors.

**1.3 Date of Authorization for Issue**

The financial statements of Information & Communication Technology Agency of Sri Lanka (Pvt) Ltd for the year ended December 31, 2021 was authorized for issuance by the directors on 21<sup>st</sup> February 2023.

**2 BASIS OF PREPARATION**

The financial statements which have been presented in Sri Lankan Rupees have been prepared on a historical cost basis.

**2.1 Statement of Compliance**

The consolidated financial statements of the Group and the separate financial statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards (herein referred to as SLFRSs/LKASs) effective from 1st January 2021, laid down by The Institute of Chartered Accountants of Sri Lanka (CASL) and the requirements of the Companies Act No. 07 of 2007.





**INFORMATION & COMMUNICATION TECHNOLOGY AGENCY OF SRI LANKA (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 December 2021**

**2.2 Responsibility for financial statements**

The Board of Directors of the Company is responsible for the preparation and fair presentation of the financial statements.

**2.3 Basis of Measurement**

The consolidated and separate financial statements have been prepared on the historical cost basis, except assets recorded in Property, Plant & Equipment which are measured at valuation less depreciation and the retirement benefit obligations are measured at the present value of the defined benefit obligation as explained in the respective notes to the financial statements. These financial statements have been prepared on the basis that the Company and the Group would continue as a going concern for the foreseeable future.

**2.4 Functional and presentation currency**

The financial statements are presented in Sri Lankan Rupees, which is the company's functional and presentation currency.

**2.5 Use of Estimates & Judgments and assumptions**

The preparation of financial statements in conformity with Sri Lanka Accounting Standards require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements, is stated below:

**2.5.1 Fair value of non-financial assets**

The fair value used by the Group in the measurement of non-financial assets is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market in the most advantageous market that is accessible by the Group for the asset or liability. The fair value of an asset or a liability is measured using the assumptions that market





**INFORMATION & COMMUNICATION TECHNOLOGY AGENCY OF SRI LANKA (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 December 2021**

participants would act in their market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

**2.5.2 Useful lives of depreciable assets**

Management reviews its estimation of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the useful life of certain property, plant and equipment.

**2.5.3 Business combinations**

Management uses valuation techniques in determining the fair values of the various elements of a business combination. The fair value of contingent consideration is dependent on the outcome of many variables that affect future profitability.

**2.5.4 Defined benefit obligation**

Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as mortality

rates, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the defined benefit obligation amount and the annual defined benefit expense.

**2.5.5 Fair value of financial instruments**

Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**2.5.6 Measurement of fair values**

A number of the Group's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Significant valuation issues are reported to the Group's Audit Committee. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible.





**INFORMATION & COMMUNICATION TECHNOLOGY AGENCY OF SRI LANKA (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 December 2021**

**2.6 Materiality and Aggregation**

Each material class of similar items is presented separately in the consolidated financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

**2.7 Comparative Information**

The accounting policies have been consistently applied by the Company. Previous year's figures and phrases have been re-arranged wherever necessary, to conform to the current year's presentation.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Basis of Consolidation**

**3.1.1 Business combinations**

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships.

**3.1.2 Subsidiary**

A Subsidiary is an entity controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

The Group considers all relevant facts and circumstances in assessing whether it has power over an investee which includes;

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights over the investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary





**INFORMATION & COMMUNICATION TECHNOLOGY AGENCY OF SRI LANKA (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 December 2021**

acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of a subsidiary is included in the consolidated financial statements from the date of acquisition, being the date on which the Group obtains control, and continues to be consolidated until the date when such control ceases.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

**3.1.3 Non-controlling interest**

For each business combination, the group elect to measure any non-controlling interest in the acquire either,

- At fair value
- At their proportionate share of the acquiree's identifiable assets, which are generated at fair value.

Change in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners.

Adjustment to non-controlling interests are based on a proportionate amount or the net amount of the subsidiary.

Group does not have any non-controlling interest as at the reporting date.

**3.1.4 Loss of control**

On the loss of control, the Group immediately de-recognises the assets (including goodwill) and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit and loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Any investment retained is recognized at fair value.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

**3.1.5 Reporting date**

Group's subsidiary has the same reporting period as the parent Company.

**3.1.6 Intra-group transactions**

Transfer prices between Group entities are set on an arms-length basis in a manner similar to transactions with third parties.

**3.1.7 Transactions eliminated on consolidation**

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.





**INFORMATION & COMMUNICATION TECHNOLOGY AGENCY OF SRI LANKA (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 December 2021**

**3.2 Foreign Currency Translation**

The financial statements are presented in Sri Lankan Rupees, which is the company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the Statement of Financial Position. All differences are taken to Statement of Comprehensive Income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at dates of the initial translations. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

**3.3 Taxation**

The Information and Communication Technology Act No. 27 of 2003 provides, under section 8(1), be exempt from the payment of any tax on the income or profits of the Agency to such extent as is permitted in terms of the Inland Revenue Act, No. 38 of 2000.

**3.4 Other Receivables**

Other Receivables and dues from related Parties are recognized at Cost.

**3.5 Cash & Cash Equivalents**

Cash & Cash Equivalents are cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investment with short maturities i.e. three months or less from the date of acquisition is also treated as cash equivalents.

**3.6 Property, plant and equipment**

**3.6.1 Recognition and measurement**

Items of property, plant and equipment other than land and buildings, are measured at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to the working condition for its intended use, and borrowing costs if the recognition criteria are met.

This also includes cost of dismantling and removing the items and restoring them in the site on which they are located.





**INFORMATION & COMMUNICATION TECHNOLOGY AGENCY OF SRI LANKA (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 December 2021**

All items of property, plant and equipment are recognised initially at cost and subsequently at cost or at valuation.

Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of assets are recognised in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the income statement, in which case the increase is credited to the income statement to the extent of the decrease previously expensed.

A decrease in the carrying amount arising on a revaluation of land and buildings are recognised in the income statement to the extent that it exceeds the balance, if any, held in the property's revaluation reserve relating to a previous revaluation of the same assets.

Upon disposal, any related revaluation reserve is transferred from the revaluation reserve to retained earnings and is not taken into account in arriving at the gain or loss on disposal.

**3.6.2 Significant components of property plant and equipment**

When parts of an item of property, plant and equipment have different useful lives than the

underlying asset, they are identified and accounted separately as major components of property, plant and equipment and depreciated separately based on their useful life.

**3.6.3 Subsequent cost**

The Group recognises in the carrying amount of property, plant and equipment the cost of replacing a part of an item, when it is probable that the future economic benefits embodied in the item will flow to the Group and the cost of the item can be measured reliably. The carrying amounts of the parts that are replaced are recognised from the cost of the asset. The cost of day-to-day servicing of property, plant and equipment are recognised in the income statement as and when incurred.

**3.6.4 Depreciation**

Depreciation is based on the cost of an asset less its residual value.

Depreciation is recognised in the income statement on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale or on the date that the asset is disposed.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it



**INFORMATION & COMMUNICATION TECHNOLOGY AGENCY OF SRI LANKA (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 December 2021**

is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives of property plant and equipment are as follows:

Furniture Fittings	5 years
Office Equipment	5 years
Computer & equipment	5 years
Electrical installations & fixtures	5 years
ICT infrastructure	5 years

The cost of replacement of components of assets recognised in the carrying amount of property, plant and equipment is depreciated over the balance useful life of the asset.

Depreciation methods, useful lives and the residual values are reviewed at each reporting date and adjusted accordingly.

**3.6.5 De-recognition**

The carrying amount of an item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from de-recognition of an item of property, plant and equipment is included in profit or loss when item is de-recognised.

**3.7 Leases**

**3.7.1 Finance leases**

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases.

On initial recognition, the leased assets under property, plant and equipment, is measured at an amount equal to the lower of its fair value and the present value of minimum lease payments.

Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate interest on the remaining balance of the liability.

**3.7.2 Operating leases**

Leases where the lessor effectively retains substantially all the risks and rewards of ownership over the assets are classified as operating leases. Payments under operating leases are recognised as an expense in the income statement on a straight-line basis over the term of the lease or any other basis more representative of the time pattern of the benefits derived from the lease.

The initial cost of acquiring a leasehold property treated as an operating lease is





**INFORMATION & COMMUNICATION TECHNOLOGY AGENCY OF SRI LANKA (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 December 2021**

recognised as a non-current asset and is amortised over the period of the lease in accordance with the pattern of benefits expected to be derived from the lease. The carrying amount of leasehold property is tested for impairment annually.

**3.8 Intangible assets**

**3.8.1 Initial Recognition and measurement**

The Group recognises intangible assets if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

Separately acquired intangible assets are measured on initial recognition at cost. The cost of such separately acquired intangible assets include the purchase price, import duties, non-refundable purchase taxes and any directly attributable cost of preparing the asset for its intended use.

The cost of intangible assets acquired in a business combination is the fair value of the asset at the date of acquisition.

The cost of an internally generated intangible asset arising from the development phase of an internal project which is capitalised includes all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Management.

Other development expenditure and expenditure on research activities, undertaken

with the prospect of gaining new technical knowledge and understanding is expensed in the income statement as and when incurred.

**3.8.2 Subsequent costs**

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

**3.8.3 Subsequent measurement**

After initial recognition an intangible asset is stated at its costs less any accumulated amortisation and any accumulated impairment losses.

The useful economic life of an intangible asset is assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life of the asset. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement.

Intangible assets with indefinite useful lives are not amortised, but are tested for





**INFORMATION & COMMUNICATION TECHNOLOGY AGENCY OF SRI LANKA (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 December 2021**

impairment annually, either individually or at the cash-generating unit level.

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

**3.8.4 Intangible assets recognised by the Group**

**Computer software**

All computer software cost incurred and licensed for use by the Group, which does not form an integral part of related hardware, which can be clearly identified and reliably measured with the probability of leading to future economic benefits, are capitalised under intangible assets. The Group amortises computer software over period of 5 years.

**3.9 Impairment – Non-financial assets**

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amounts of such assets are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

A cash-generating unit is the smallest identifiable asset group that generates cash

flows that are largely independent from other assets. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units on acquisition of subsidiaries are allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis.

**3.9.1 Calculation of recoverable amount**

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

**3.9.2 Reversal of impairment**

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss (excluding goodwill impaired previously) is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or





**INFORMATION & COMMUNICATION TECHNOLOGY AGENCY OF SRI LANKA (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 December 2021**

amortisation, if no impairment loss had been recognised.

Reversals of impairment losses are recognised in the income statement.

**3.10 Liabilities and provisions**

Liabilities classified as current liabilities in the statement of financial position are those which fall due for payment on demand of the creditor or within one year of the reporting date. Non-current liabilities are those balances that become repayable after one year from the reporting date.

All known liabilities have been accounted for in preparing the financial statements.

**3.11 Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a

current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**3.12 Employee benefits**

**3.12.1 Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid in cash as ex-gratia in the short term, if the Group has a present legal or constructive obligation to pay this amount as a result of past service rendered by the employee, and the obligation can be measured reliably.

**3.12.2 Defined contribution plan**

A defined contribution plan is a post-employment benefit plan under which an entity pays a fixed employee benefit contribution into a separate entity and will have no further legal or constructive obligations to pay any additional amounts. Obligations for contributions to a defined contribution plan are recognised as an employee benefit expense in the income statement in the periods during which services are rendered by employees.





**INFORMATION & COMMUNICATION TECHNOLOGY AGENCY OF SRI LANKA (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 December 2021**

**3.12.3 Employee provident fund and Employee trust fund**

The Group contributes a sum not less than 12% of the gross emoluments of employees employed in Sri Lanka as provident fund benefits and 3% as trust fund benefits.

**3.12.4 Defined benefit plan – retiring gratuity**

A defined benefit plan is a postemployment benefit plan other than a defined contribution plan.

The liability recognised in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually using the projected unit credit method by qualified actuary as recommended by LKAS - 19. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms of maturity approximating to the terms of the liability.

Provision has been made in the financial statements for retiring gratuities from the first year of service for all employees.

However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for payment to an employee arises only after the completion of 5 years continued service.

The liability is not externally funded.

Group recognises all actuarial gains and losses arising from defined benefit plans immediately in the statement of other comprehensive income.

**3.13 Revenue Recognition**

In consultation with the Sri Lanka Accounting and Auditing Standards Monitoring Board and in accordance with the requirements of Accounting for Government Grants and Disclosure of Government Assistance LKAS-20, the company recognized during the year as income and the outlays on project implementation and administration project infrastructure and support services as expenditure.

Grants are recognized where there is reasonable assurance that the grant will be received and all attaching conditions are complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is set up as deferred income. Where the company receives non-monetary grant, the asset and that grant are recorded at nominal amounts and released to the income statement over the expected useful life of the relevant asset by equal installments.

**3.14 Other**

Other income is recognized on accrual basis.



**INFORMATION & COMMUNICATION TECHNOLOGY AGENCY OF SRI LANKA (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 December 2021**

**3.15 Contingencies and capital commitments**

Contingencies are possible assets or obligations that arise from a past event and would be confirmed only on the occurrence or nonoccurrence of uncertain future events, which not wholly within control of the Group. Commitments and Contingent liabilities are disclosed in Note 19 and 30 to the financial statements.

**3.16 Related party transactions**

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies and decisions of the other, irrespective of whether a price is being charged.

**3.17 Events occurring after the reporting date**

All material post reporting date events have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the financial statements.





## ICT AGENCY OF SRI LANKA (PVT) LTD

## NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 31ST DECEMBER 2021

(ALL FIGURES ARE IN SRI LANKAN RUPEES)

	Group		Company	
<u>NOTE 04</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>REVENUE</u>		Restated		Restated
Grant Income - Treasury	1,914,403,877	3,477,130,028	1,886,238,407	3,448,467,586
Grant Income - Other Govt Institutions	24,530,460	28,159,428	24,530,460	28,159,428
Deferred Grant Income	73,664,660	262,203	73,070,175	74,458
	<b>2,012,598,997</b>	<b>3,505,551,659</b>	<b>1,983,839,043</b>	<b>3,476,701,473</b>

As per the Revenue recognition policy stated in the notes to the financial statements, Grant income was re-classified as revenue of the group and the entity and the income from non-grant activities stated previously under revenue was re-classified as other income.

NOTE 05OTHER INCOME

Sundry Income	2,340,289	3,110,000	2,340,289	2,900,125
Write Back - Grant Payable	-	-	-	-
Tender Document Fees	1,684,500	550,000	1,684,500	550,000
	<b>4,024,789</b>	<b>3,660,000</b>	<b>4,024,789</b>	<b>3,450,125</b>

NOTE 06PROJECT IMPLEMENTATION EXPENSES

Salaries and Wages	386,756,219	226,205,966	365,798,954	209,668,083
BYOD Allowances	3,961,490	2,057,000	3,961,490	2,057,000
Intern Allowance	1,521,858	1,052,673	1,072,194	385,656
Overtime	1,103,281	1,252,642	1,103,281	1,252,642
Staff Compensation Payment	81,600	-	81,600	-
<u>Retirement Benefits Obligations</u>				
-Current Service Cost	6,622,904	5,010,782	6,062,114	4,558,052
-Interest Cost	2,723,738	3,057,946	2,467,319	2,719,338
Communication Expenses	1,175,050,240	1,038,472,365	1,175,050,240	1,038,472,365
Consultancy Expenses - Firm	94,046,212	90,113,772	94,046,212	90,113,772
Consultancy Expenses - Individual	13,986,881	20,182,406	13,986,881	20,182,406
Advertising Expenses	7,206,707	1,141,880	7,206,707	1,141,880
Events & Seminars	20,583,892	1,722,252	20,583,892	1,722,252
Training Expenses	1,848,176	1,005,192	1,848,176	1,005,192
Maintenance & Support Services	118,677,407	200,634,509	118,677,407	200,634,509
Fuel Expenses	1,224,281	1,284,727	1,224,281	1,284,727
Overseas Travel Expenses	1,477,958	222,916	1,477,958	222,916
Depreciation & Amortization	26,599,614	12,805,956	24,935,343	10,810,607
Loss on Disposal of Assets	2,401,538	-	1,516,884	-
Impairment of PPE	464,766	-	168,751	-
Printing	149,111	-	149,111	-
Courier Charges	88,096	-	88,096	-
Travelling Expenses - Project	493,232	685,182	493,232	685,182
Maintenance of Computer software	3,556,233	1,468,800	3,556,233	1,468,800
Consumables	9,438,561	-	9,438,561	-
Equipment Hiring Expenses	247,500	-	247,500	-
Refreshment Expenses	210,425	203,858	210,425	203,858
Professional Fees	600,000	-	600,000	-
Media Campaign	157,500	2,019,744	157,500	2,019,744
Membership & Annual Subscription	49,246,365	16,902,326	49,246,365	16,902,326
Bank Charges - Projects	22,504	-	22,504	-
Currency Exchange Realized - Gain/Loss	134,405	-	134,405	-
Web Development Expenses	14,395,460	2,401,162	14,395,460	2,401,162
	<b>1,945,078,154</b>	<b>1,629,904,055</b>	<b>1,920,009,076</b>	<b>1,609,912,468</b>





**ICT AGENCY OF SRI LANKA (PVT) LTD**

**NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31ST DECEMBER 2021**

(ALL FIGURES ARE IN SRI LANKAN RUPEES)

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>NOTE 07</b>				
<b>PROJECT INFRASTRUCTURE &amp; SUPPORT SERVICES</b>				
Telephone Charges	1,488,450	2,565,819	1,311,491	2,344,839
Computer Maintenance	82,040	115,991	9,500	22,641
Equipment Hiring Expenses	350,851	408,558	350,851	408,558
Sponsorships	175,000	-	175,000	-
Audit Fees	878,300	2,614,700	698,100	2,391,900
Insurance	6,928,264	6,643,192	6,502,478	5,875,412
Rent of Premises	68,540,358	26,954,400	64,069,158	18,012,000
Electricity	7,017,035	3,687,255	7,017,035	3,687,255
Repairs & Maintenance	459,901	-	459,901	-
Security Service Charges	1,049,069	-	1,049,069	-
Secretarial Services	5,246,550	929,765	4,998,550	909,765
Board Sitting Allowance	762,500	1,000,000	762,500	1,000,000
Bank Charges	144,729	317,011	116,704	317,011
Courier	15,975	16,680	15,975	10,400
Postage	17,330	30,000	17,330	29,325
Newspapers & Periodicals	94,030	79,150	94,030	79,150
Toners & Cartridges	520,595	418,700	520,595	418,700
Refreshments	2,101,714	1,658,111	2,094,108	1,639,048
Drinking Water	506,326	141,685	491,444	108,097
Cleaning Service	2,025,325	1,137,903	2,025,325	1,137,903
Stationary	1,628,051	304,679	1,628,051	297,819
Travelling - Local	423,447	379,945	418,291	356,260
Staff Training	126,267	-	126,267	-
Staff Recruitment Expenses	403,287	1,285,655	403,287	1,285,655
Vehicle Rent	5,829,600	5,862,267	5,829,600	5,862,267
General Administration Expenses	5,836,566	715,170	5,812,772	645,123
Membership & Annual Subscription	202,873	399,178	202,873	399,178
Translation Fee	133,945	7,308	133,945	7,308
Legal Fees	182,692	201,644	182,692	201,644
Documents Archiving Expenses	1,088,008	876,981	1,088,008	876,981
Payroll Processing Fee	976,174	787,290	897,954	665,590
	<b>115,235,251</b>	<b>59,539,036</b>	<b>109,502,882</b>	<b>48,989,827</b>





## ICT AGENCY OF SRI LANKA (PVT) LTD

## NOTES TO THE STATEMENT OF FINANCIAL POSITION

## FOR THE YEAR ENDED 31ST DECEMBER 2021

(ALL FIGURES ARE IN SRI LANKAN RUPEES)

**NOTE 08** **PROPERTY, PLANT & EQUIPMENT**

8.1 Group	Furniture & Fittings	Computer & Equipment	Office Equipment	Electrical Ins. & Fixtures	ICT Infrastructure	Total
<b>At Cost</b>						
Balance as at 01.01.2021	-	506,603	677,900	-	126,512	1,311,015
Additions	39,378,130	1,977,374	2,050,881	67,528,959	78,448,853	189,384,195
Disposals/ Transfers	-	(83,150)	(454,183)	-	-	(537,333)
Impairment	-	(25,500)	-	-	-	(25,500)
Transfer to Revaluation	-	-	-	-	-	-
<b>Balance as at 31.12.2021</b>	<b>39,378,130</b>	<b>2,375,327</b>	<b>2,274,598</b>	<b>67,528,959</b>	<b>78,575,365</b>	<b>190,132,378</b>
<b>Accumulated Depreciation</b>						
Balance as at 01.01.2021	-	154,041	269,324	-	50,604	473,969
Charge for the Year	-	99,385	90,784	-	25,302	215,471
Disposals/ Transfers	-	(29,385)	(227,091)	-	-	(256,476)
Impairment	-	(10,200)	-	-	-	(10,200)
Transfer to Revaluation	-	-	-	-	-	-
<b>Balance as at 31.12.2021</b>	<b>-</b>	<b>213,841</b>	<b>133,017</b>	<b>-</b>	<b>75,907</b>	<b>422,764</b>
<b>Net Book Value</b>	<b>39,378,130</b>	<b>2,161,486</b>	<b>2,141,581</b>	<b>67,528,959</b>	<b>78,499,458</b>	<b>189,709,613</b>
<b>8.2 Group</b>	<b>Furniture &amp; Fittings</b>	<b>Computer Hardware</b>	<b>Office Equipment</b>	<b>Electrical Ins. &amp; Fixtures</b>	<b>ICT Infrastructure</b>	<b>Total</b>
<b>At Valuation</b>						
Balance as at 01.01.2021	14,064,681	11,514,739	3,557,347	-	30,100,000	59,236,767
De-recognition	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Re-classification	(170,425)	160,425	10,000	-	-	-
Impairment	-	(1,894,825)	(352,507)	-	-	(2,247,332)
Disposals/ Transfers	(4,439,290)	(2,017,365)	(1,295,591)	-	-	(7,752,246)
<b>Balance as at 31.12.2021</b>	<b>9,454,966</b>	<b>7,762,974</b>	<b>1,919,249</b>	<b>-</b>	<b>30,100,000</b>	<b>49,237,189</b>
<b>Accumulated Depreciation</b>						
Balance as at 01.01.2021	8,445,609	6,954,764	2,268,152	-	13,912,042	31,580,566
Charge for the Year	2,334,922	2,135,192	583,910	-	6,020,000	11,074,025
Re-classification	(102,255)	96,255	6,000	-	-	-
De-recognition	-	-	-	-	-	-
Impairment	-	(1,515,860)	(282,005)	-	-	(1,797,865)
Disposals/ Transfers	(3,107,503)	(1,466,272)	(1,040,657)	-	-	(5,614,433)
<b>Balance as at 31.12.2021</b>	<b>7,570,773</b>	<b>6,204,079</b>	<b>1,535,399</b>	<b>-</b>	<b>19,932,042</b>	<b>35,242,293</b>
<b>Net Book Value</b>	<b>1,884,193</b>	<b>1,558,895</b>	<b>383,850</b>	<b>-</b>	<b>10,167,958</b>	<b>13,994,896</b>





**ICT AGENCY OF SRI LANKA (PVT) LTD**  
**NOTES TO THE STATEMENT OF FINANCIAL POSITION**

FOR THE YEAR ENDED 31ST DECEMBER 2021  
 (ALL FIGURES ARE IN SRI LANKAN RUPEES)

**NOTE 08** **PROPERTY, PLANT & EQUIPMENT**

8.3 Company	Furniture & Fittings	Computer & Equipment	Office Equipment	Electrical Ins. & Fixtures	ICT Infrastructure	Total
<b>At Cost</b>						
Balance as at 01.01.2021	-	236,600	9,180	-	126,512	372,292
Additions	39,378,130	1,977,374	2,050,881	67,528,959	78,448,853	189,384,195.28
Transfers- Inter company	-	-	-	-	-	-
Disposals/ Transfers	-	(67,250)	-	-	-	(67,250)
Impairment	-	(25,500)	-	-	-	(25,500)
Transfer to Revaluation	-	-	-	-	-	-
<b>Balance as at 31.12.2021</b>	<b>39,378,130</b>	<b>2,121,224</b>	<b>2,060,061</b>	<b>67,528,959</b>	<b>78,575,365</b>	<b>189,663,737</b>
<b>Accumulated Depreciation</b>						
Balance as at 01.01.2021	-	49,220	1,836	-	50,604	101,660
Charge for the Year	-	50,335	2,458	-	25,302	78,096
Disposals/ Transfers	-	(23,025)	-	-	-	(23,025)
Impairment	-	(10,200)	-	-	-	(10,200)
Transfer to Revaluation	-	-	-	-	-	-
<b>Balance as at 31.12.2021</b>	<b>-</b>	<b>66,330</b>	<b>4,294</b>	<b>-</b>	<b>75,907</b>	<b>146,531</b>
<b>Net Book Value</b>	<b>39,378,130</b>	<b>2,054,894</b>	<b>2,055,766</b>	<b>67,528,959</b>	<b>78,499,458</b>	<b>189,517,206</b>
<b>8.4 Company</b>	<b>Furniture &amp; Fittings</b>	<b>Computer &amp; Equipment</b>	<b>Office Equipment</b>	<b>Electrical Ins. &amp; Fixtures</b>	<b>ICT Infrastructure</b>	<b>Total</b>
<b>At Valuation</b>						
Balance as at 01.01.2021	11,929,731	6,277,597	1,891,417	-	30,100,000	50,198,744
De-recognition	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Re-classification	(170,425)	160,425	10,000	-	-	-
Impairment	-	(451,750)	(315,507)	-	-	(767,257)
Disposals/ Transfers	(2,957,390)	(1,222,510)	(765,257)	-	-	(4,945,157)
<b>Balance as at 31.12.2021</b>	<b>8,801,916</b>	<b>4,763,762</b>	<b>820,653</b>	<b>-</b>	<b>30,100,000</b>	<b>44,486,330</b>
<b>Accumulated Depreciation</b>						
Balance as at 01.01.2021	7,164,639	3,761,658	1,134,850	-	13,912,042	25,973,188.03
Charge for the Year	2,056,122	1,167,249	303,758	-	6,020,000	9,547,129
Re-classification	(102,255)	96,255	6,000	-	-	-
De-recognition	-	-	-	-	-	-
Impairment	-	(361,400)	(252,405)	-	-	(613,805)
Disposals/ Transfers	(2,070,173)	(859,053)	(535,680)	-	-	(3,464,906)
<b>Balance as at 31.12.2021</b>	<b>7,048,333</b>	<b>3,804,709</b>	<b>656,522</b>	<b>-</b>	<b>19,932,042</b>	<b>31,441,606</b>
<b>Net Book Value</b>	<b>1,753,583</b>	<b>959,052</b>	<b>164,131</b>	<b>-</b>	<b>10,167,958.40</b>	<b>13,044,724</b>





## ICT AGENCY OF SRI LANKA (PVT) LTD

## NOTES TO THE STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31ST DECEMBER 2021

(ALL FIGURES ARE IN SRI LANKAN RUPEES)

## NOTE 09 INTANGIBLE ASSETS

## 9.1 Group

At Cost	Balance as at 01.01.2021	Additions	Disposal of Subsidiary	Disposals/ Transfers	Transfer to Valuation	Balance as at 31.12.2021
Computer Software & License	-	87,682,310	-	-	-	87,682,310
	-	87,682,310	-	-	-	87,682,310

Accumulated Depreciation	Balance as at 01.01.2021	Charge for the Year	Disposal of Subsidiary	Disposals/ Transfers	Transfer to Valuation	Balance as at 31.12.2021
Computer Software & License	-	14,613,718	-	-	-	14,613,718
	-	14,613,718	-	-	-	14,613,718

## Carrying Value

Computer Software & License		<u>2020</u>	<u>2021</u>
		-	73,068,592
		-	73,068,592

## 9.2 Group

At Valuation	Balance as at 01.01.2021	Transfer from Cost	Revaluation	Disposal of Subsidiary	Disposals/ Transfers	Balance as at 31.12.2021
Computer Software & License	3,482,000	-	-	-	-	3,482,000
	3,482,000	-	-	-	-	3,482,000

Accumulated Depreciation	Balance as at 01.01.2021	Charge for the Year	Transfer to Valuation	Disposal of Subsidiary	Disposals/ Transfers	Balance as at 31.12.2021
Computer Software & License	2,089,200	696,400	-	-	-	2,785,600
	2,089,200	696,400	-	-	-	2,785,600

## Carrying Value

Computer Software & License		<u>2020</u>	<u>2021</u>
		1,392,800	696,400
		1,392,800	696,400

## 9.3 Company

At Cost	Balance as at 01.01.2021	Additions	Disposal of Subsidiary	Disposals/ Transfers	Transfer to Valuation	Balance as at 31.12.2021
Computer Software & License	-	87,682,310	-	-	-	87,682,310
	-	87,682,310	-	-	-	87,682,310

Accumulated Depreciation	Balance as at 01.01.2021	Charge for the Year	Disposal of Subsidiary	Disposals/ Transfers	Transfer to Valuation	Balance as at 31.12.2021
Computer Software & License	-	14,613,718	-	-	-	14,613,718
	-	14,613,718	-	-	-	14,613,718

## Carrying Value

Computer Software & License		<u>2020</u>	<u>2021</u>
		-	73,068,592
		-	73,068,592

## 9.4 Company

At Valuation	Balance as at 01.01.2021	Transfer from Cost	Revaluation	Disposal of Subsidiary	Disposals/ Transfers	Balance as at 31.12.2021
Computer Software & License	3,482,000	-	-	-	-	3,482,000
	3,482,000	-	-	-	-	3,482,000

Accumulated Depreciation	Balance as at 01.01.2021	Charge for the Year	Transfer to Valuation	Disposal of Subsidiary	Disposals/ Transfers	Balance as at 31.12.2021
Computer Software & License	2,089,200	696,400	-	-	-	2,785,600
	2,089,200	696,400	-	-	-	2,785,600

## Carrying Value

Computer Software & License		<u>2020</u>	<u>2021</u>
		1,392,800	696,400
		1,392,800	696,400





# **ICT AGENCY OF SRI LANKA (PVT) LTD**

## **NOTES TO THE STATEMENT OF FINANCIAL POSITION**

AS AT 31ST DECEMBER 2021

(ALL FIGURES ARE IN SRI LANKAN RUPEES)

### **NOTE 10**

#### **FINANCIAL ASSETS**

Investments in Subsidiaries (10.1)

10.1

#### **Investments in Subsidiaries**

Lanka Government Information Infrastructure (Pvt) Ltd

### **NOTE 11**

#### **GRANT RECEIVABLE**

Grant Receivable

### **NOTE 12**

#### **OTHER RECEIVABLES**

Accounts Receivables

Refundable Deposits

General Advances

Prepayments

### **NOTE 13**

#### **CASH AND CASH EQUIVALENTS**

Cash at Bank

### **NOTE 14**

#### **STATED CAPITAL**

Fully Paid Ordinary Shares

### **NOTE 15**

#### **RETIREMENT BENEFITS**

Balance as at 01st January

Interest Cost for the period

Current Service Cost for the period

Payments

Actuarial (Gain)/Loss on PV-DBO

Balance as at 31st December

### **Description of the valuation method used and the information about the valuer**

LKAS 19 "Employee Benefits" requires the use of actuarial techniques to make a reliable estimate of the amount of retirement benefit that employees have earned in return for their service in the current and prior periods and discount that benefit using the Projected Unit Credit Method in order to determine the present value of the retirement benefit obligations and the current service cost. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates about demographic and financial variables that will influence the cost of the benefit. The actuarial valuation has been carried out by Actuarial & Management Consultants (Pvt) Ltd.

The following key assumptions were made in arriving the above figure.

Mortality : A 1967/70 Mortality Table

Disability : 10% of Mortality

Rate of discount -8% p.a.

Staff Turnover Rate : 8% across the board up to age 54 thereafter zero

Normal Retirement Age : 60 years (The employee who are aged over the specified retirement age have been assumed to retire on their respective next birthday)

Salary Escalation Rates : Basic Salary : 7.00% p.a. ; Increment are due in January every year

Retiring Gratuity Formula : Half month's Salary for each completed year of service for those with at least 5 years service.

### **NOTE 16**

#### **DEFERRED LIABILITY FOR GRANT ASSETS**

Amount Recognized as at 01st January

Prior Year Adjustment

Balance as at 01st January

Income Deferred during the Year

Adjustments - Deferred Grant Payable

Disposal

Transferred to Income Statement

Balance as at 31st December

	Group		Company	
	2021	2020 Restated	2021	2020 Restated
Investments in Subsidiaries (10.1)			10	10
10.1				
Investments in Subsidiaries				
Lanka Government Information Infrastructure (Pvt) Ltd			10	10
	-	-	10	10
GRANT RECEIVABLE				
Grant Receivable	331,221,481	70,416,267	330,218,481	70,031,467
	331,221,481	70,416,267	330,218,481	70,031,467
OTHER RECEIVABLES				
Accounts Receivables	37,499	-	37,499	-
Refundable Deposits	23,402,490	8,901,400	23,402,490	8,901,400
General Advances	-	30,000	-	30,000
Prepayments	59,381,193	78,016,492	59,255,205	77,842,680
	82,821,182	86,947,892	82,695,194	86,774,080
CASH AND CASH EQUIVALENTS				
Cash at Bank	175,244,836	85,057,365	174,874,093	84,706,622
	175,244,836	85,057,365	174,874,093	84,706,622
STATED CAPITAL				
Fully Paid Ordinary Shares	20	20	20	20
	20	20	20	20
RETIREMENT BENEFITS				
Balance as at 01st January	34,046,730	30,579,463	30,841,489	27,193,382
Interest Cost for the period	2,723,738	3,057,946	2,467,319	2,719,338
Current Service Cost for the period	6,622,904	5,010,782	6,062,114	4,558,052
Payments	(3,960,750)	(1,314,500)	(2,988,750)	(1,314,500)
Actuarial (Gain)/Loss on PV-DBO	5,368,291	(3,286,961)	4,068,241	(2,314,783)
Balance as at 31st December	44,800,913	34,046,730	40,450,413	30,841,489





**ICT AGENCY OF SRI LANKA (PVT) LTD****NOTES TO THE STATEMENT OF FINANCIAL POSITION****AS AT 31ST DECEMBER 2021**

(ALL FIGURES ARE IN SRI LANKAN RUPEES)

<b>NOTE 16</b> <b>OTHER PAYABLES</b>	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Creditors	323,185,605	69,881,557	323,185,605	69,881,557
Other Project - Payables	138,728,838	63,603,139	138,728,838	63,603,139
Other Payables & Accrued Expenses	43,218,902	6,706,382	42,215,902	5,883,582
	<b>505,133,345</b>	<b>140,191,077</b>	<b>504,130,345</b>	<b>139,368,277</b>

**NOTE 17****RELATED PARTY DISCLOSURES****17.1**

Details of significant related party disclosures are as follows:

**Related Party** Computer Emergency Readiness Team (Pvt) Ltd  
**Relationship** Subsidiary (Disposed during 2018)

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Nature of Transaction</b>				
Balance as at 01st January	40,215,928	40,215,928	40,215,928	40,215,928
Expenses borne by the company			-	-
Disposal				
Amount received from the related party			-	-
Balance as at 31st July	<b>40,215,928</b>	<b>40,215,928</b>	<b>40,215,928</b>	<b>40,215,928</b>

**Related Party** Lanka Government Information Infrastructure (Pvt) Ltd  
**Relationship** Subsidiary

	<b>Company</b>	
	<b>2021</b>	<b>2020</b>
<b>Nature of Transaction</b>		
Balance as at 01st January	44,001,286	44,001,286
Expenses borne by the company	-	-
Amount received from the related party	-	-
Balance as at 31st December	<b>44,001,286</b>	<b>44,001,286</b>
	<b>40,215,928</b>	<b>40,215,928</b>
	<b>84,217,213</b>	<b>84,217,213</b>

**17.2 Transactions with key management personnel of the company.**

According to LKAS 24 'Related Party Disclosures', Key Management personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity.

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Key Management Personnel Compensation</b>				
Short-Term Employee Benefits	762,500	1,000,000	762,500	1,000,000
	<b>762,500</b>	<b>1,000,000</b>	<b>762,500</b>	<b>1,000,000</b>



**ICT AGENCY OF SRI LANKA (PVT) LTD**

**NOTES TO THE STATEMENT OF FINANCIAL POSITION**

**AS AT 31ST DECEMBER 2021**

(ALL FIGURES ARE IN SRI LANKAN RUPEES)

**NOTE 18**

**EVENTS OCCURING AFTER THE REPORTING PERIOD**

There has been no material event occurred after the reporting date that require adjustments to or disclosure of the financial statements.

**NOTE 19**

**COMMITMENTS AND CONTINGENCIES**

**19.1 Commitments**

Capital Commitment as at the reporting date Rs. 2,114,577,029

**19.2 Contingencies**

**Legal cases**

**Case reference**

**Contingent Liability**

LT/13/56/2017

Labour case hearing at high courts. Rs.7,070,000 is already deposited as instructed by labour tribunal

LT/01/Add/56/2019

Reinstatement of service with salary arrears, Legal Fees & Any other Compensations decided by the LT

There was no other significant contingent liability as at reporting date.





**විගණකාධිපතිවරයාගේ වාර්තාව - LGII**  
**கணக்காய்வாளர் நாயகத்தின் அறிக்கை - LGII**  
**Report of the Auditor General - LGII**



**ජාතික විගණන කාර්යාලය**  
**தேசிய கணக்காய்வு அலுவலகம்**  
**NATIONAL AUDIT OFFICE**



මගේ අංකය  
எனது இல.  
My No. }

CAM/F/LGII/01/2021/13

ඔබේ අංකය  
உமது இல.  
Your No. }

දිනය  
திகதி  
Date }

17 July 2023

Chairman

Lanka Government Information Infrastructure (Pvt) Ltd.

**Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Lanka Government Information Infrastructure (Private) Ltd for the year ended 31 December 2021 in terms of Section 12 of the National Audit Act, No. 19 of 2018.**

**1. Financial Statements**

**1.1 Opinion**

The audit of the financial statements of the Lanka Government Information Infrastructure (Private) Ltd. for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 and the statement of Profit or Loss, 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. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.





## **1.2 Basis for Opinion**

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's 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 opinion.

## **1.3 Other information included in the Company's 2021 Annual Report.**

The other information comprises the information included in the Company's 2021 Annual Report but does not include the financial statements and my auditor's report thereon, which I have obtained prior to the date of this auditor's report. Management is responsible for the other information.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work I have performed on the other information that I have obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

## **1.4 Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.





ජාතික විගණන කාර්යාලය  
தேசிய கணக்காய்வு அலுவலகம்  
NATIONAL AUDIT OFFICE

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

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

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Company 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 Company.

#### 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 decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting



from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company 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.





ජාතික විගණන කාර්යාලය  
 தேசிய கணக்காய்வு அலுவலகம்  
 NATIONAL AUDIT OFFICE

## 2. Report on Other Legal and Regulatory Requirements

2.1 National Audit Act, No. 19 of 2018 and Companies Act, No. 7 of 2007 include specific provisions for following requirements.

2.1.1 I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Company as per the requirement of section 163 (2) of the Companies Act, No. 7 of 2007 and section 12 (a) of the National Audit Act, No. 19 of 2018.

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

2.1.3 The financial statements presented includes all the recommendations made by me in the previous year 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, nothing has come to my attention;

2.2.1 to state that any member of the governing body of the Company has any direct or indirect interest in any contract entered into by the Company 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 Company has not complied with any applicable written law, general and special directions issued by the governing body of the Company as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018; except for,

### Reference to law/ direction

### Description

a) The Companies Act No: 07  
 of 2007

section 133(1)

An Annual General Meeting of shareholders should be held once in each calendar year. The Company had not held Annual General Meeting from its inception.



- b) Public Enterprises circular  
No 01/2021 dated 16  
November 2021,

chapter 6.6 of the  
Operational Manual

Although the draft annual report and Accounts should be handed over to the Auditor General within sixty (60) days after the close of the financial year. Financial Statements for the year 2021 had been handed over to the Auditor General after 425 days.

- c) Public Finance circular  
01/2014 dated 17 February  
2014,

chapter 05 (1)

Even though the company should prepare the Corporate Plan for minimum three years, it had not been prepared.

chapter 05 (2)

Even though the action Plan incorporating commercial activities to be implemented in next financial year should be prepared based on the Corporate Plan, it had not been prepared for the year 2021.

- d) Public Enterprises circular  
no: PED 55 dated 14  
December 2010

paragraph 15

Even though the Audit Committee should meet at least once in three months, it had not been held.





ජාතික විගණන කාර්යාලය  
தேசிய கணக்காய்வு அலுவலகம்  
NATIONAL AUDIT OFFICE

- e) Public Enterprises circular  
no: PED/12 dated 02 June  
2003,

chapter 5.2.5

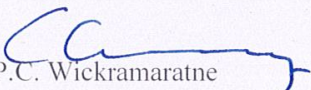
Even though the annual budget should be prepared and final updated budget approved by the board should be forwarded to the Ministry of Technology, Department of Public Enterprises, General Treasury and Auditor General, the Company had not prepared the budget for the year 2021.

chapter 9.2(b)

Even though each enterprise should have an organization chart with an approved carder for the institution, the Organization chart had not been prepared for the company.

2.2.3 to state that the Company 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 Company had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12 (h) of the National Audit Act, No. 19 of 2018.

  
W.P.C. Wickramaratne  
Auditor General



විගණනය කරන ලද මූල්‍ය ප්‍රකාශන - LGII  
கணக்காய்வு செய்யப்பட்ட நிதிசார் கூற்றுகள் - LGII  
Audited Financial Statements - LGII

---

# LANKA GOVERNMENT INFORMATION INFRASTRUCTURE (PVT) LTD

Financial Statements

2021





**LANKA GOVERNMENT INFORMATION INFRASTRUCTURE (PVT) LTD**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

**FOR THE YEAR ENDED 31ST DECEMBER 2021**

(ALL FIGURES ARE IN SRI LANKAN RUPEES)

	<u>NOTE</u>	<u>2021</u>	<u>2020</u>
<b>Grant Income</b>	<b>5</b>	28,759,954	28,850,186
<b>Grant Disbursements</b>			
Project Implementation Expenses	6	(25,069,078)	(19,991,587)
Project Infrastructure & Support Services	7	<u>(5,732,369)</u>	<u>(10,549,208)</u>
<b>Net Surplus/(Deficit) from Operating Activities</b>		(2,041,493)	(1,690,609)
<b>Other Income</b>	<b>4</b>	-	209,875
<b>Net Surplus/(Deficit)</b>		<u><u>(2,041,493)</u></u>	<u><u>(1,480,734)</u></u>

**STATEMENT OF COMPREHENSIVE INCOME**

	<u>2021</u>	<u>2020</u>
Net Surplus/(Deficit) for the Period	(2,041,493)	(1,480,734)
<b>Other Comprehensive Income</b>		
<b>Items not to be reclassified to Profit or Loss</b>		
Actuarial Loss on Defined Benefit Plans	(1,300,050)	972,178
Revaluation of Property Plant and Equipment	-	-
Income Tax Effect on Other Comprehensive Income		
<b>Other Comprehensive Loss for the Period</b>	(1,300,050)	972,178
<b>Total Comprehensive Income for the Period</b>	<u><u>(3,341,543)</u></u>	<u><u>(508,556)</u></u>

The accounting policies and notes form an integral part of the Financial Statements.

**LANKA GOVERNMENT INFORMATION INFRASTRUCTURE (PVT) LTD**  
**STATEMENT OF FINANCIAL POSITION**

AS AT 31ST DECEMBER 2021

(ALL FIGURES ARE IN SRI LANKAN RUPEES)

	NOTE	2021	2020
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	8	1,142,579	3,997,058
		<u>1,142,579</u>	<u>3,997,058</u>
<b>Current Assets</b>			
Other Receivables	9	1,128,987	558,611
Amounts Due from Related Party	10	44,001,286	44,001,286
Cash & Cash Equivalents	11	370,743	350,743
		<u>45,501,016</u>	<u>44,910,640</u>
<b>Total Assets</b>		<u><b>46,643,595</b></u>	<u><b>48,907,698</b></u>
<b>Equity &amp; Liabilities</b>			
Stated Capital	12	10	10
Revaluation Reserve		9,038,939	13,326,103
Accumulated Surplus		31,932,751	30,987,130
<b>Total Equity</b>		<u>40,971,700</u>	<u>44,313,243</u>
<b>Non-Current Liabilities</b>			
Retirement Benefit	13	4,350,500	3,205,241
Deferred Revenue for Grant Assets	14	318,395	566,414
		<u>4,668,895</u>	<u>3,771,655</u>
<b>Current Liabilities</b>			
Trade & Other Payables	15	1,003,000	822,800
Amounts Due to Related Party	10	-	-
		<u>1,003,000</u>	<u>822,800</u>
<b>Total Equity &amp; Liabilities</b>		<u><b>46,643,595</b></u>	<u><b>48,907,698</b></u>

The Accounting Policies and notes on pages 5 through 19 form an integral part of the Financial Statements.

These Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

.....  
Director Finance

The board of directors is responsible for the preparation and presentation of these Financial Statements.  
Signed and on behalf of the board by;

.....  
Chairman

.....  
Director

21 February 2023



**LANKA GOVERNMENT INFORMATION INFRASTRUCTURE (PVT) LTD**  
**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31ST DECEMBER 2021**  
 (ALL FIGURES ARE IN SRI LANKAN RUPEES)

	<b>Stated Capital</b>	<b>Revaluation Reserve</b>	<b>Accumulated Surplus</b>	<b>Total</b>
As at 31st December 2019	10	13,326,103	31,495,686	44,821,799
Surplus for the Year	-	-	(508,556)	(508,556)
<b>As at 31st December 2020</b>	<b>10</b>	<b>13,326,103</b>	<b>30,987,130</b>	<b>44,313,243</b>
Transfer of Re-valuation Reserve / Disposed assets		(4,287,164)	4,287,164	-
<b>Total Comprehensive Income</b>	<b>-</b>	<b>0</b>	<b>(3,341,543)</b>	<b>(3,341,543)</b>
<b>As at 31st December 2021</b>	<b>10</b>	<b>9,038,939</b>	<b>31,932,751</b>	<b>40,971,700</b>

The accounting policies and notes form an integral part of the Financial Statements.  
 Figures in brackets indicate deductions.

**LANKA GOVERNMENT INFORMATION INFRASTRUCTURE (PVT) LTD**  
**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31ST DECEMBER 2021**

(ALL FIGURES ARE IN SRI LANKAN RUPEES)

	Note	<u>2021</u>	<u>2020</u>
<b>Cash Flows from Operating Activities</b>			
Surplus/(Deficit) for the Year		(2,041,493)	(1,480,734)
<b>Adjustments for;</b>			
Prior Year Adjustment		-	-
Depreciation & Amortization		1,664,271	1,995,349
Retirement Benefits - Current Service Cost		560,790	452,730
Retirement Benefits - Interest Cost		256,419	338,608
Retirement Benefits - Paid		(972,000)	-
Loss on Disposal of Assets		884,653	-
Impairment		296,015	-
Deferred Revenue for Grant Assets Adjustment		(248,019)	(171,845)
Write off - Transfer to Consumable		9,540	-
		<u>410,176</u>	<u>1,134,108</u>
<b>Working Capital Changes</b>			
Decrease/(Increase) in Other Receivables		(570,376)	(281,401)
Decrease/(Increase) in Other Payables		180,200	(626,932)
Decrease/(Increase) in Related Parties		-	-
Net Cash Generated (Used in) from Operating Activities		<u>20,000</u>	<u>225,775</u>
<b>Cash Flows from Investing Activities</b>			
Additions to Property, Plant & Equipment		-	(15,900)
Grant Received (Income Deferred during the Year)		-	-
Net Cash Generated (Used in) from Investing Activities		<u>-</u>	<u>(15,900)</u>
Cash & Cash Equivalents as at the beginning of the Year		350,743	140,868
Net Cash Generated (Used in) during the Year		20,000	209,875
<b>Cash &amp; Cash Equivalents as at the End of the Year</b>		<u><u>370,743</u></u>	<u><u>350,743</u></u>





**LANKA GOVERNMENT INFORMATION INFRASTRUCTURE (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 December 2021**

**1 CORPORATE INFORMATION**

**1.1 General**

Lanka Government Information Infrastructure (Pvt) Ltd. (LGII) was established under company's act of 2007 in July 2011 and operations by this subsidiary started in 2012. The immediate parent of the company is The Information & Communication Technology Agency of Sri Lanka (Private) Limited (ICTA). The registered office of the Company is situated at No 490 R. A. De Mel Mawatha, Colombo 03.

**1.2 Principal Activities and Nature of Operations**

The company Operates and development of the Lanka Government Network (LGN) which is the highly available, secure and reliable underlying information infrastructure backbone that connects government organizations of the Government of Sri Lanka. LGII also facilitates many other IT related services to Sri Lanka government.

**1.3 Date of Authorization for Issue**

The financial statements of Lanka Government Information Infrastructure (Pvt) Ltd For the year ended December 31, 2021 was authorized for issuance by the directors on 21<sup>st</sup> February 2023.

**2 BASIS OF PREPARATION**

The financial statements which have been presented in Sri Lankan Rupees have been prepared on a historical cost basis.

**2.1 Statement of Compliance**

Financial statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards (herein referred to as SLFRSs/LKASs) effective from 1st January 2021, laid down by The Institute of Chartered Accountants of Sri Lanka (ICASL) and the requirements of the Companies Act No. 07 of 2007.

**2.2 Responsibility for financial statements**

The Board of Directors of the Company is responsible for the preparation and fair presentation of the financial statements.

**2.3 Basis of Measurement**

The financial statements have been prepared on the historical cost basis, except assets recorded in Property, Plant & Equipment which are measured at valuation less depreciation and the retirement benefit obligations are measured at the present value of the defined benefit obligation as explained in the respective notes to the financial statements. These financial statements have been prepared on the basis that the Company and the Company would continue as a going concern for the foreseeable future.

**2.4 Functional and presentation currency**

The financial statements are presented in Sri Lankan Rupees, which is the company's functional and presentation currency.





**LANKA GOVERNMENT INFORMATION INFRASTRUCTURE (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 December 2021**

**2.5 Use of Estimates & Judgments and assumptions**

The preparation of financial statements in conformity with Sri Lanka Accounting Standards require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements, is stated below:

**2.5.1 Fair value of non-financial assets**

The fair value used by the Company in the measurement of non-financial assets is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market in the most advantageous market that is accessible by the Company for the asset or liability. The fair value of an asset or a liability is measured using the assumptions that market participants would act in their market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

**2.5.2 Useful lives of depreciable assets**

Management reviews its estimation of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the useful life of certain property, plant and equipment.





**LANKA GOVERNMENT INFORMATION INFRASTRUCTURE (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 December 2021**

**2.5.3 Defined benefit obligation**

Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as mortality rates, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the defined benefit obligation amount and the annual defined benefit expense.

**2.5.4 Fair value of financial instruments**

Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**2.5.5 Measurement of fair values**

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Significant valuation issues are reported to the Company's Audit Committee. When measuring the fair value of an asset or a

liability, the Company uses observable market data as far as possible.

**2.6 Materiality and Aggregation**

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

**2.7 Comparative Information**

The accounting policies have been consistently applied by the Company. Previous year's figures and phrases have been re-arranged wherever necessary, to conform to the current year's presentation.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Foreign Currency Translation**

The financial statements are presented in Sri Lankan Rupees, which is the company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the Statement of Financial Position. All differences are taken to Statement of Comprehensive Income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at dates of the initial translations. Non-monetary items measured at





**LANKA GOVERNMENT INFORMATION INFRASTRUCTURE (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 December 2021**

fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

**3.2 Other Receivables**

Other Receivables and dues from related Parties are recognized at Cost.

**3.3 Cash & Cash Equivalents**

Cash & Cash Equivalents are cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investment with short maturities i.e. three months or less from the date of acquisition is also treated as cash equivalents.

**3.4 Property, plant and equipment**

**3.4.1 Recognition and measurement**

Items of property, plant and equipment other than land and buildings, are measured at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs

directly attributable to bringing the asset to the working condition for its intended use, and borrowing costs if the recognition criteria are met.

This also includes cost of dismantling and removing the items and restoring them in the site on which they are located.

All items of property, plant and equipment are recognised initially at cost and subsequently at cost or at valuation.

Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of assets are recognised in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the income statement, in which case the increase is credited to the income statement to the extent of the decrease previously expensed.

A decrease in the carrying amount arising on a revaluation of land and buildings are recognised in the income statement to the extent that it exceeds the balance, if any, held in the property's revaluation reserve relating to a previous revaluation of the same assets.





**LANKA GOVERNMENT INFORMATION INFRASTRUCTURE (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 December 2021**

Upon disposal, any related revaluation reserve is transferred from the revaluation reserve to retained earnings and is not taken into account in arriving at the gain or loss on disposal.

**3.4.2 Significant components of property plant and equipment**

When parts of an item of property, plant and equipment have different useful lives than the underlying asset, they are identified and accounted separately as major components of property, plant and equipment and depreciated separately based on their useful life.

**3.4.3 Subsequent cost**

The Company recognises in the carrying amount of property, plant and equipment the cost of replacing a part of an item, when it is probable that the future economic benefits embodied in the item will flow to the Company and the cost of the item can be measured reliably. The carrying amounts of the parts that are replaced are recognised from the cost of the asset. The cost of day-to-day servicing of property, plant and equipment are recognised in the income statement as and when incurred.

**3.4.4 Depreciation**

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised in the income statement on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale or on the date that the asset is disposed.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The estimated useful lives of property plant and equipment are as follows:

Furniture Fittings	5 years
Office Equipment	5 years
Computer Hardware	5 years
Electrical installations & fixtures	5 years
ICT infrastructure	5 years

The cost of replacement of components of assets recognised in the carrying amount of property, plant and equipment is depreciated over the balance useful life of the asset.

Depreciation methods, useful lives and the residual values are reviewed at each reporting date and adjusted accordingly.

**3.4.5 De-recognition**

The carrying amount of an item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from de-recognition of an item of





**LANKA GOVERNMENT INFORMATION INFRASTRUCTURE (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 December 2021**

property, plant and equipment is included in profit or loss when item is de-recognised.

**3.5 Leases**

**3.5.1 Finance leases**

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases.

On initial recognition, the leased assets under property, plant and equipment, is measured at an amount equal to the lower of its fair value and the present value of minimum lease payments.

Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate interest on the remaining balance of the liability.

**3.5.2 Operating leases**

Leases where the lessor effectively retains substantially all the risks and rewards of ownership over the assets are classified as operating leases. Payments under operating leases are recognised as an expense in the income statement on a straight-line basis over the term of the lease or any other basis more representative of the time pattern of the benefits derived from the lease.

The initial cost of acquiring a leasehold property treated as an operating lease is recognised as a non-current asset and is amortised over the period of the lease in accordance with the pattern of benefits expected to be derived from the lease. The carrying amount of leasehold property is tested for impairment annually.

**3.6 Intangible assets**

**3.6.1 Initial Recognition and measurement**

The Company recognises intangible assets if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

Separately acquired intangible assets are measured on initial recognition at cost. The cost of such separately acquired intangible assets include the purchase price, import duties, non-refundable purchase taxes and any directly attributable cost of preparing the asset for its intended use.

The cost of intangible assets acquired in a business combination is the fair value of the asset at the date of acquisition.

The cost of an internally generated intangible asset arising from the development phase of an internal project which is capitalised includes all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Management.





**LANKA GOVERNMENT INFORMATION INFRASTRUCTURE (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 December 2021**

Other development expenditure and expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding is expensed in the income statement as and when incurred.

**3.6.2 Subsequent costs**

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

**3.6.3 Subsequent measurement**

After initial recognition an intangible asset is stated at its costs less any accumulated amortisation and any accumulated impairment losses.

The useful economic life of an intangible asset is assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life of the asset. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement. Intangible assets with indefinite useful lives are not amortised, but are tested for

impairment annually, either individually or at the cash-generating unit level.

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

**3.6.4 Intangible assets recognised by the Company**

**Computer software**

All computer software cost incurred and licensed for use by the Company, which does not form an integral part of related hardware, which can be clearly identified and reliably measured with the probability of leading to future economic benefits, are capitalised under intangible assets. The Company amortises computer software over period of 5 years.

**3.7 Impairment – Non-financial assets**

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amounts of such assets are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset Company that generates cash flows that are largely independent from other





**LANKA GOVERNMENT INFORMATION INFRASTRUCTURE (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 December 2021**

assets. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units on acquisition of subsidiaries are allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to reduce the carrying amount of the other assets in the unit (or Company of units) on a pro rata basis.

**3.7.1 Calculation of recoverable amount**

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

**3.7.2 Reversal of impairment**

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss (excluding goodwill impaired previously) is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Reversals of impairment losses are recognised in the income statement.

**3.8 Liabilities and provisions**

Liabilities classified as current liabilities in the statement of financial position are those which fall due for payment on demand of the creditor or within one year of the reporting date. Non-current liabilities are those balances that become repayable after one year from the reporting date.

All known liabilities have been accounted for in preparing the financial statements.

**3.9 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.





**LANKA GOVERNMENT INFORMATION INFRASTRUCTURE (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 December 2021**

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**3.10 Employee benefits**

**3.10.1 Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid in cash as ex-gratia in the short term, if the Company has a present legal or constructive obligation to pay this amount as a result of past service rendered by the employee, and the obligation can be measured reliably.

**3.10.2 Defined contribution plan**

A defined contribution plan is a post-employment benefit plan under which an entity pays a fixed employee benefit contribution into a separate entity and will have no further legal or constructive obligations to pay any additional amounts. Obligations for contributions to a defined contribution plan are recognised as an employee benefit expense in the income statement in the periods during which services are rendered by employees.

**3.10.3 Employee provident fund and Employee trust fund**

The Company contributes a sum not less than 12% of the gross emoluments of employees employed in Sri Lanka as provident fund benefits and 3% as trust fund benefits.

**3.10.4 Defined benefit plan – retiring gratuity**

A defined benefit plan is a postemployment benefit plan other than a defined contribution plan.

The liability recognised in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually using the projected unit credit method by qualified actuary as recommended by LKAS - 19. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms of maturity approximating to the terms of the liability.

Provision has been made in the financial statements for retiring gratuities from the first year of service for all employees.

However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for payment to an employee arises only after the completion of 5 years continued service.

The liability is not externally funded.

Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the statement of other comprehensive income.

**3.11 Revenue Recognition**

In consultation with the Sri Lanka Accounting and Auditing Standards Monitoring Board and





**LANKA GOVERNMENT INFORMATION INFRASTRUCTURE (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 December 2021**

in accordance with the requirements of Accounting for Government Grants and Disclosure of Government Assistance LKAS-20, the company recognized during the year as income and the outlays on project implementation and administration project infrastructure and support services as expenditure.

Grants are recognized where there is reasonable assurance that the grant will be received and all attaching conditions are complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is set up as deferred income. Where the company receives non-monetary grant, the asset and that grant are recorded at nominal amounts and released to the income statement over the expected useful life of the relevant asset by equal installments.

**3.12 Other**

Other income is recognized on accrual basis.

**3.13 Contingencies and capital commitments**

Contingencies are possible assets or obligations that arise from a past event and would be confirmed only on the occurrence or nonoccurrence of uncertain future events, which not wholly within control of the Company.

Commitments and Contingent liabilities are disclosed in Note 19 and 30 to the financial statements.

**3.14 Related party transactions**

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies and decisions of the other, irrespective of whether a price is being charged.

**3.15 Events occurring after the reporting date**

All material post reporting date events have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the financial statements.





**LANKA GOVERNMENT INFORMATION INFRASTRUCTURE (PVT) LTD**  
**NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31ST DECEMBER 2021**

(ALL FIGURES ARE IN SRI LANKAN RUPEES)

	<u>2021</u>	<u>2020</u>
<b>NOTE 04 GRANT INCOME</b>		
Grant Income - Treasury	28,165,469	28,662,442
Deferred Grant Income	594,485	187,745
	<u>28,759,954</u>	<u>28,850,186</u>

<b>NOTE 05 REVENUE</b>		
Sundry Income	-	209,875
	<u>-</u>	<u>209,875</u>

As per the Revenue recognition policy stated in the notes to the financial statements, Grant income was re-classified as revenue of the group and the entity and the income from non-grant activities stated previously under revenue was re-classified as other income.

<b>NOTE 06 PROJECT IMPLEMENTATION EXPENSES</b>		
Salaries and Wages	20,957,265	16,537,883
Intern Allowance	449,665	667,017
<u>Retirement Benefits Obligations</u>		
-Current Service Cost	560,790	452,730
-Interest Cost	256,419	338,608
Loss on Disposal of Assets	884,653	-
Impairment	296,015	-
Depreciation & Amortization	1,664,271	1,995,349
	<u>25,069,078</u>	<u>19,991,587</u>

	<u>2021</u>	<u>2020</u>
<b>NOTE 07 PROJECT INFRASTRUCTURE &amp; SUPPORT SERVICES</b>		
Telephones & ISP Charges	176,959	220,980
Audit Fees	180,200	222,800
Insurance	425,786	767,781
Rent of Premises	4,471,200	8,942,400
Repairs & Maintenance	4,050	36,390
IT Equipment Maintenance	72,540	93,350
Payroll Processing Fee	78,220	121,700
Travelling - Local	5,156	23,685
Stationary & Printing	-	6,860
Meals & Refreshments Expenses	7,606	19,063
Professional Charges	248,000	20,000
Postage	-	675
Office Requisites	-	360
General Administration Expenses	19,744	33,297
Courier Charges	-	6,280
Bank Charges	28,025	-
Drinking Water	14,882	33,588
	<u>5,732,369</u>	<u>10,549,208</u>





**LANKA GOVERNMENT INFORMATION INFRASTRUCTURE (PVT) LTD**  
**NOTES TO THE STATEMENT OF FINANCIAL POSITION**

AS AT 31ST DECEMBER 2021

(ALL FIGURES ARE IN SRI LANKAN RUPEES)

**NOTE 08**

8.1 Company	Furniture & Fittings	Computer & Equipment	Office Equipment	ICT Infrastructure	Balance as at 31.12.2021
<b>At Cost</b>					
Balance as at 01.01.2021	-	270,003	668,720	-	938,723
Additions	-	-	-	-	-
Disposals/ Transfers	-	(15,900)	(454,183)	-	(470,083)
Transfer to Revaluation	-	-	-	-	-
<b>Balance as at 31.12.2021</b>	-	<b>254,103</b>	<b>214,537</b>	-	<b>468,640</b>
<b>Accumulated Depreciation</b>					
Balance as at 01.01.2021	-	104,821	267,488	-	372,309
Charge for the Year	-	49,050	88,326	-	137,375
Disposals/ Transfers	-	(6,360)	(227,091)	-	(233,451)
Transfer to Revaluation	-	-	-	-	-
<b>Balance as at 31.12.2021</b>	-	<b>147,511</b>	<b>128,722</b>	-	<b>276,233</b>
<b>Net Book Value</b>	-	<b>106,592</b>	<b>85,815</b>	-	<b>192,407</b>

8.2 Company	Furniture & Fittings	Computer & Equipment	Office Equipment	ICT Infrastructure	Balance as at 31.12.2021
<b>At Valuation</b>					
Balance as at 01.01.2021	2,134,950	5,237,143	1,665,930	-	9,038,023
De-recognition	-	-	-	-	-
Revaluation	-	-	-	-	-
Impairment	-	(1,443,075)	(37,000)	-	(1,480,075)
Disposals/ Transfers	(1,481,900)	(794,855)	(530,334)	-	(2,807,089)
<b>Balance as at 31.12.2021</b>	<b>653,050</b>	<b>2,999,213</b>	<b>1,098,596</b>	-	<b>4,750,859</b>
<b>Accumulated Depreciation</b>					
Balance as at 01.01.2021	1,280,970	3,193,106	1,133,302	-	5,607,378
Charge for the Year	278,800	967,943	280,153	-	1,526,896
De-recognition	-	-	-	-	-
Impairment	-	(1,154,460)	(29,600)	-	(1,184,060)
Disposals/ Transfers	(1,037,330)	(607,219)	(504,978)	-	(2,149,527)
<b>Balance as at 31.12.2021</b>	<b>522,440</b>	<b>2,399,370</b>	<b>878,877</b>	-	<b>3,800,687</b>
<b>Net Book Value</b>	<b>130,610</b>	<b>599,843</b>	<b>219,719</b>	-	<b>950,172</b>



**LANKA GOVERNMENT INFORMATION INFRASTRUCTURE (PVT) LTD****NOTES TO THE STATEMENT OF FINANCIAL POSITION**

AS AT 31ST DECEMBER 2021

(ALL FIGURES ARE IN SRI LANKAN RUPEES)

	2021	2020
<b>NOTE 09 OTHER RECEIVABLES</b>		
Grant Receivable	1,003,000	384,800
Receivables	-	-
Prepayments	125,987	173,811
Deposits	-	-
	<u>1,128,987</u>	<u>558,611</u>
<b>NOTE 10 AMOUNTS DUE FROM RELATED PARTY</b>		
ICT Agency of Sri Lanka (Pvt) Ltd.	44,001,286	44,001,286
	<u>44,001,286</u>	<u>44,001,286</u>
<b>NOTE 11 CASH AND CASH EQUIVALENTS</b>		
Cash at Bank	370,743	350,743
	<u>370,743</u>	<u>350,743</u>
<b>NOTE 12 STATED CAPITAL</b>		
Fully Paid Ordinary Shares	10	10
	<u>10</u>	<u>10</u>
<b>NOTE 13 RETIREMENT BENEFITS</b>		
Balance as at 01st January	3,205,241	3,386,081
Current Service Cost for the period	560,790	452,730
Interest Cost for the period	256,419	338,608
Payments	(972,000)	-
Actuarial (Gain) / Loss on PV-DBO	1,300,050	(972,178)
Balance as at 31st December	<u>4,350,500</u>	<u>3,205,241</u>

**Description of the valuation method used and the information about the valuer**

LKAS 19 "Employee Benefits" requires the use of actuarial techniques to make a reliable estimate of the amount of retirement benefit that employees have earned in return for their service in the current and prior periods and discount that benefit using the Projected Unit Credit Method in order to determine the present value of the retirement benefit obligations and the current service cost. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates about demographic and financial variables that will influence the cost of the benefit.

The actuarial valuation has been carried out by Actuarial & Management Consultants (Pvt) Ltd.

The following key assumptions were made in arriving the above figure.

Mortality : A 1967/70 Mortality Table

Disability : 10% of Mortality

Discount rate - 11.5% p.a.

Staff Turnover Rates : 8.0% across the board up to age 54 and thereafter zero.

Normal Retirement Age : 60 years (The employee who are aged over the specified retirement age have been assumed to retire on their respective next birthday)

Salary Escalation Rates : Basic Salary : 10.00% p.a. ; Increment are due in January every year

Retiring Gratuity Formula : Half month's Salary for each completed year of service for those with at least 5 years service.

**NOTE 14 DEFERRED LIABILITY FOR GRANT ASSETS**

Balance as at 01st January	566,414	738,258
Income Deferred during the Year	346,465	15,900
Transferred Assets Grant from ICTA	-	-
Transferred to Income Statement	(594,485)	(187,745)
Balance as at 31st December	<u>318,395</u>	<u>566,414</u>





**LANKA GOVERNMENT INFORMATION INFRASTRUCTURE (PVT) LTD**  
**NOTES TO THE STATEMENT OF FINANCIAL POSITION**

AS AT 31ST DECEMBER 2021

(ALL FIGURES ARE IN SRI LANKAN RUPEES)

<b>NOTE 15</b>	<b><u>OTHER PAYABLES</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
	Creditors	-	-
	Other Payables & Accrued Expenses	1,003,000	822,800
		<u>1,003,000</u>	<u>822,800</u>

**NOTE 16** **RELATED PARTY DISCLOSURES**

16.1 Details of significant related party disclosures are as follows:

**Related Party**

ICT Agency of Sri Lanka (Pvt) Ltd

**Relationship**

Parent company

**Nature of Transaction**

Balance as at 01st January	44,001,286	44,001,286
Expenses borne by the company	-	-
Amount received from the related party	-	-
Balance as at 31st December	<u>44,001,286</u>	<u>44,001,286</u>

16.2 Transactions with key management personnel of the company.

According to LKAS 24 'Related Party Disclosures', Key Management personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity.

	<b><u>2021</u></b>	<b><u>2020</u></b>
<b>Key Management Personnel Compensation</b>		
Short-Term Employee Benefits	-	-
	<u>-</u>	<u>-</u>





**LANKA GOVERNMENT INFORMATION INFRASTRUCTURE (PVT) LTD**  
**NOTES TO THE STATEMENT OF FINANCIAL POSITION**

**AS AT 31ST DECEMBER 2021**

(ALL FIGURES ARE IN SRI LANKAN RUPEES)

**NOTE 18   EVENTS OCCURING AFFTER THE REPORTING PERIOD**

There has been no material event occurred after the reporting date that require adjustments to or disclosure of the financial statements.

**NOTE 19   COMMITMENTS AND CONTINGENCIES**

**19.1   Commitments**

There was no capital expenditure or financial commitment outstanding at the reporting date.

**19.2   Contingencies**

There was no significant contingent liability as at reporting date.



# Financial highlights - Five years

	2017	2018	2019	2020 (Restated)	2021
<b>Consolidated statement of Profit or Loss</b>					
Grant Income	736,305,422	3,066,791,552	1,501,126,006	3,505,551,659	2,012,598,997
Other Income	23,359,293	10,166,029	165,465,205	3,660,000	4,024,789
Gain on Disposal of Subsidiaries		(34,335,455)			
<b>Revenue</b>	<b>759,664,715</b>	<b>3,042,622,126</b>	<b>1,666,591,211</b>	<b>3,509,211,659</b>	<b>2,016,623,786</b>
Project Implementation Expenses	2,236,169,502	2,660,535,668	1,968,482,711	1,629,904,055	1,945,078,154
Project Infrastructure & Support Services	148,386,721	89,292,859	70,940,074	59,539,036	115,235,251
<b>Net surplus/(deficit) for the year</b>	<b>(1,624,891,509)</b>	<b>292,793,598</b>	<b>(372,831,575)</b>	<b>1,819,768,568</b>	<b>(43,689,619)</b>
<b>Consolidated Statement of Financial Position</b>					
Non current Assets	296,469,409	42,404,754	42,313,310	29,886,046	277,469,501
Current Assets	58,030,577	281,292,992	285,123,295	242,421,524	589,287,499
Equity	(1,779,884,322)	(1,475,489,156)	(1,843,012,218)	(19,956,689)	(69,014,599)
Non Current Liabilities	348,225,331	33,923,366	31,300,019	111,857,253	390,422,326
Current Liabilities	1,786,158,977	1,765,263,536	2,139,148,804	180,407,006	545,349,274
	-	-	-	-	-
<b>Consolidated Cash flow statement</b>					
Cash Flows from Operating Activities	345,511,457	228,533,698	(3,334,792)	(92,449,117)	367,253,977
Cash Flows from Investing Activities	(321,357,603)	-	(932,323)	(77,225,657)	(277,066,505)
Cash Flows from Financing Activities	-	-	-	-	-





## **Information and Communication Technology Agency**

490, R. A. De Mel Mawatha, Colombo 3  
Tel: 0112 396 099  
E : [info@icta.lk](mailto:info@icta.lk) | W: [www.icta.lk](http://www.icta.lk)