

**To : Hon. Minister of Mass Media and Information**



We, the Chairman and the Members of the Sri Lanka Rupavahini Corporation present herewith the Annual Report for the year 2012, in accordance with Section 14 (1) of the Finance Act No. 38 of 1971, along with the financial reports.

On behalf of the Sri Lanka Rupavahini Corporation.

**Mohan Samaranayake**

Chairman

Sri Lanka Rupavahini Corporation

Independence Square

Colombo 07.



## **Vision**

To be the flagship broadcaster of all Sri Lankans.

## **Mission**

Achieve excellence in creative content and dissemination of timely and valued, educational, entertaining and informative programmes through dedicated team work and state-of-the-art technology to exceed the expectation of Sri Lankans everywhere.

## **Aims**

- To Produce informative, educational and entertaining programmes while maintaining the highest standards and creativity
- To attract maximum number of viewers through excellent transmission
- To achieve financial stability and growth to run as a commercially viable autonomous state enterprise
- To protect the national identity of Sri Lankans the world over



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## Message from the Chairman



For over three decades we have been fulfilling our national obligation while remaining at the forefront of mass communication on behalf of all Sri Lankans. In my capacity as Chairman it is a great pleasure and privilege to present this Annual Report as we complete thirty two years of existence.

The challenges that lie ahead grow ever more complex than those we have left behind. Over two dozen competitors have entered the market where we enjoyed near monopoly thirty years ago. While many private channels resort to extreme commercialism in the midst of intense competition we continue to honour our national responsibility and cater to audiences without compromising good taste and higher standards.

Keeping pace with rapid technological advances in the field is an imperative, and we have been successful in absorbing the very high costs involved in this process by utilizing our own sources of income.

The long list of local as well as international awards and accolades we have won this year is ample proof for the recognition and appreciation of the national duty which we have fulfilled creatively. Overcoming challenges in the market, we have surpassed our projected targets of income, signifying yet another major achievement. We generated an income of Rs. 1825 million from sales of Rupavahini and Channel Eye airtime. The introduction of dubbed versions of high-quality foreign teledrama series such as “Oshin” and “Sujatha Diyani” proved to be a tremendous success in winning massive audiences as well as securing record-breaking income figures for the airtime belt of 6.30 p.m., which previously had no market value. Accomplishing all this while eradicating wasteful practices and financial irregularities was yet another remarkable achievement. With the purchase of essential engineering and studio equipment we have also saved a huge some of money which could have otherwise been spent for outsourcing.

The need for a formal plan to maintain optimum functioning as well as to overcome future challenges has been recognized. Accordingly, we have been able to formulate a Corporate Plan for the time period 2013 – 2017 and commence operations with a view to achieve annual targets.

It was undoubtedly the ample support and commitment by our entire staff including Managers that have made all this possible. In appreciation, it was a great pleasure to felicitate with gold those staff members who have completed 30 years of dedicated service.

We also remember with gratitude the blessings of His Excellency the President, the Hon. Minister of Mass Media and Information, Secretary to the Ministry and the support of our Board of Directors.

Needless to say that the real strength behind our viewers who embraced the national television network throughout these decades. It is with all your support that we continue to strive towards fulfilling your needs while maintaining high standards and developing quality programmes as well as uplifting good taste, ultimately to reach heights of excellence in the field of television broadcasting in Sri Lanka.

**Mohan Samaranayake**

Chairman

Sri Lanka Rupavahini Corporation





### MEMBERS OF THE BOARD FROM JANUARY TO DECEMBER 2012

- |                                  |  |
|----------------------------------|--|
| ▪ Mr. Mohan Samaranayake         | - Chairman                                     |
| ▪ Prof. Rohana Lakshman Piyadasa | - Board Member                                 |
| ▪ Mr. Edward Jayakody            | - Board Member                                 |
| ▪ Mr. Wasantha de Silva          | - Board Member (Only for the<br>Month January) |
| ▪ Mr. Hudson Samarasinghe        | - Board Member                                 |
| ▪ Mr. M.P.D.U.K.Mapa Pathirana   | - Board Member                                 |
| ▪ Mr. Asoka Serasinghe           | - Board Member                                 |

**08 Board meetings were held during the year 2012**



## Senior Management



**Chairman**

**Mr. Mohan Samaranayake**

**Chief Executive Officer**

**Mr. Gamini Somachandra Rasaputhra**

**Deputy Director General (Finance Manager)**

**Mr. V.S.Dharmarathna**

**Deputy Director General (Engineering)**

**Mr. Rohan Perera**

**Deputy Director General (Production Services)**

**Mr. B.G.Sumedha Athulasiri**

**Deputy Director General (Programmes)**

**Mr. Nishantha Ubhayawansa**

**Director (News)**

**Mr. Vijaya Dissanayake**

**Director (Administration)**

**Mr. Palitha K Wijesinghe**

**Acting Director (Marketing)**

**Mr. Sampath Amarasekara**





### Administration Division

Mr. T.M.G.Chandrasekara - Director (Research & Training)  
Mr. Palitha Kulasinghe - Chief Internal Auditor  
Mr. Sunanda Ashoka Mendis - Director (Security Services) – up to 16.09.2012

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### Programme Division

Mr. Athula Ransirilal - Director (Film & Dubbing)  
Mr. Wimalarathna Adhikari - Director (Drama)  
Mr. Palitha Wijesinghe - Director (Educational Programme) – up to 22.08.2012  
Mr. Dayarathna Ratagedara - Director (General Programme)

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### Engineering Division

Mr. Palitha Gallage - Director (Engineering)

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### Production Services Division

Mr. Shirley Anil De Silva - Director (Production Services)  
Mr. Gnasinghe Adhikari - Director (Production Services)

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### Finance Division

Mr. G.P.G.Tissa - Director (Supplies)

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## Programmes that won Local Accolades during 2012



### Sumathi Tele Awards

Programme	Award	Recipient of the Award
Binari Teledrama	Best Lyrics	Ms Suramya Mapitiya
Binari Teledrama	Best Singer	Mr Karunaratne Divulgane
Soiliyas	Best Documentary Programme	Mr. Namal Prasanna
Jathika Pasala A/Level Drama & Theatre	Best Educational Programme	Mr Jayalath Chandrasiri
Cobe Sarisara	Best Sports Programme of the Year	Mrs Kumari Manel
The Best News Reporting	Special Jury Award	SLRC News Division
Sitha Nivana Katha- Poya Teledram	Special Jury Award	Mr Dayaratne Ratagedara

### Raigam Teles Awards

Programme	Award	Recipient of the Award
“Binari” Tele Drama	Best Make up	Mr Manoj Laksiri
“Apuru Iskole Mahatthaya”	Best Documentary Programme	Ms Mayuri Vanaguru
Story of Sri Lanka Test Cricket	Best Sports Programmes of the Year	Mr. Amantha Wijesuriya
	Best Tamil News Reader	Mr Chandra Kirubakaran
“Rise & Shine” Programme	Best Presenter of the Year	Ms Sharone Mashcriniyas
Siyambalanduwe Athage Nikama Yama	Best Current Affairs Programme	Mr Saman Kumara Ramawickrama
“Duli Pintharu” Teledrama	Best Lighting of the year	Mr Somaratne Perera
“Tomiya Kitiyai” Animated Programme	Best Children Programme	Mr Athula Ransirilal

## Signis Tele Awards

Programme	Award	Recipient of the Award
I C C World Cup (2011)	Best 3D Animation	Mr Hasitha Herath
Ath Kanda Lihiniya TD(2011)	Best Trailer	Mr Hasitha Herath
“ Yasa Isuru” Tele Drama	1 Best Singer	Ms. Ishani Yashodha Ranganath, Mr. Saman Lenin, Mr. Amila Sandaruwan, Mr. Jehan Sri Kantha Appuhamy
	2 Best Lyrics	Mr. Gaya Ramya Alwis
	3 Best Music Composer	Mr. Ishani Yashodha Ranganath
“Soliyas” Documentary programme	Special Documentary	Mr Namal Prasanna

## Bunka Awards

Programme	Award	Recipient of the Award
In recognition of the artistic talents contributed through the electronic media	The Best Artist of the Year	Mr Athula Ransirilal

## State Tele Awards

Programme	Award	Recipient of the Award
“Sakvittho” Tele Drama	1. Best Make Up Artist	Mr Manoj Laksiri
	2. Merit Award for Acting	Ms Nadeesha Alahapperuma
“ Yasa Isuru” Tele Drama	1 Best Singer	Ms. Ishani Ranganath, Mr. Saman Lenin, Mr. Amila Sandaruwan, Mr. Jehan Sri Kantha Appuhamy

	2. Best Music Director	Ms. Ishani Yashodha Ranganath
	3. Best Actress	Ms. Malkanthi Jayasinghe
“Soiliyas”	Best Documentary Programme	Mr Namal Prasanna
“Pulathisi Diyaniya”	Merit Award	Ms Sandya Vithanawasam
“Nadunana Minisun” - 2011	Best Documentary Programme	Mr Namal Prasanna
“Mal Gudi Day”	The Best Dubbing Programme	Ms Vajira Kumari Vithanage
Ranga Bhumi	Best Set Designing	Mr Chamila Gamage
	Best News Reader	Mr Chaminda Gunaratne
Pudumaippen	Best Tele drama	Mr S Moses
Manvasenai	Best Educational & Cultural Programme	Mr S Moses
‘Sama Geetha’ – (Peace Songs)	Best Music Programme	Mr B Nithyanathan
‘Film City’ (Film City – Interview with National Short Film Producers)	Best Presenter	Mr R J Pradeep Croosh
Okadin Patangena	Best Trailer	Mr. Sisira Wijesinghe
Best Theme – 27th Rupavahini Anniversary	Best 3D Animation	Mr. Hasitha Herath

### SAARC International Film Festival

Programme	Award	Recipient of the Award
Apuru Iskole Mahattaya	(Best Documentary Honorable Mention)  Special Jury Award for Documentary Programme	Ms Mayuri Wanaguru



### Nominated Programmes at Awards Ceremonies

Programme	Award	Recipient of the Award
<b>ABU Awards Festival -</b>		
‘Manushya’ Single episode tele drama	For Jury Award nominated for the final round	Mr santhusa Liyanage
<b>Raigam Tele Awards</b>		
‘Duli Pintaru’ tele drama	Merit award for Creative directing	Mr santhusa Liyanage
‘Binari’ tele drama	Best supporting Actor	Mr. Wilson Sirimanna
	Best supporting Actress	Ms. Malkanthi Jayasinghe
Sunday Spice	Best programme presenter of the year	Mr Clifford Richardson
‘Thrikonamitiya’ programme – GCE/OL Mathematics	Best Educational programme	Ms. Premani Perera
Delft Dupathe Sancharaya	Best Documentary Programme	Mr Prasanna Jayasinghe
“Soyamu Pilithuru”	Best quiz programme of the year	Ms Kumari Manel
<b>State Tele Awards</b>		
The film ‘Bashu’	Nominated as a Best dubbed programme	
“Sakvittho” Tele Drama	1. Best Supporting Actor	Mr Somadasa Suriyaarachchi
	2. Best Editing	Mr Pujitha Kanchana Amarathunga
“Yasa Isuru” tele drama	Nominated for Best Actor	Mr. Suminda Sirisena
“Eberthu Etha” Tele Drama	Best Tele Drama	Eberthu Etha (Jathika Rupavahiniya)
	Best Tele Drama Director	Mr. Janaka Suranjith
	Best Actor	Mr. Roshan Raveendra
	Best Singer	Mr. Samantha Perera

## Sumathi Tele Awards

Programme	Award	Recipient of the Award
Story of Cricket Sri Lanka	Best Sport Programme	Mr Amantha Wijesooriya
Amla Bashma & Lavana Programme(GCE/OL) Science	Best Education Programme	Ms Nilufa Mohotti
Binari tele drama	Best up coming Actor	Mr. Achala Walpola
	Best up coming Actress	Ms. Thanuja Dilhani
Ranga Boomi	Best Documentary	Mr. Nalin Mapitiya





### Drama Unit

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Focusing attention on capturing a large number of viewers, this unit produced many entertainment and single episode Teledramas on varied themes. Whilst producing these Teledramas the unit maintained high standards from the inception of Teledrama production and this is considered as a great achievement. It is important to note that the Teledramas produced during this year won many accolades and were able to capture the intended target audience. In times when viewers were inclined to raise questions about the quality of the present day's Mega Teledramas, this unit was able to introduce a novel concept to Mega Teledramas with the production of "Isiwara Ranakeli" which is a long running Teledrama. In turn, this captured the attention of a vast number of viewers and proved to be a turning point in the Mega Teledrama culture.

### Special projects carried out in 2012

- The Teledrama titled "**Dooli Pintharu**" was telecast from 18.09.2011 to 27.05.2012.
- Two single episode Teledramas titled "**Siriduwa Wedida**" and "**Manushya**" were telecast to commemorate **Vesak**.
- During this year, the editing of "**Salmal Landa**" and "**Ransirimal**" Teledramas were completed and telecast.
- Two single episode Teledramas title "**Boralu Para**" and '**Vijjakaraya**' were telecast to commemorate the **World Children's and Elder's Day**.
- The single episode Teledrama titled '**Yali Pibidee**' was telecast to commemorate Christmas.
- '**Batahira Ahasa**' (**Adaraneeya Yavvanaya**) live programme was telecast on every Tuesday up to July 2012.
- The Programme titled '**Angili Salakuna**' (**'Finger Print'**) was telecast at 11.30 pm on every Thursday night up to October 2012.



- The programme ‘**Sunday Ayubowan**’ was telecast on the first Sunday of every month.
- The Educational and Documentary programme titled ‘**Ranga Bhoomi**’ was telecast on the second and fourth Sundays of every month from December 2011 to September 2012.
- The live telecast of ‘**Poson Poya Day**’ and the live telecast of “**Esala Poya Day**” were carried out from **Thanthirimale** and Somawathiya respectively.
- The programme ‘**Salalihini Rupa Kavya**’ was telecast to commemorate SLRC’s **30<sup>th</sup> Anniversary**.
- The programme titled ‘**Saddharma Makaranda**’ was telecast daily from 1<sup>st</sup> September 2012 to 31<sup>st</sup> December 2012.
- The religious programme ‘**Sanskara**’ (**Thunthara Bodhiya**) was telecast every Poya Day.
- “**Sumathi Tele-Awards Ceremony**” and Rupavahini State Award Ceremony were two other significant programme telecast within this time period.
- The programme titled ‘**Jana Niyamuwano**’ was telecast to comomorate 12<sup>th</sup> Anniversary of Dharmasiri Senanayake.
- The programme ‘**Daha Ata Sanniya**’ Shanthi Karmaya was produced and telecast to mark SLBC’s 87th Anniversary.

The programme “Ranga Bhoomi” was nominated as the Best Documentary programme at Sumathi Tele Awards in 2011. The Teledrama “Binari” was nominated for 02 awards for best upcoming Actor and Actress and at the Raigam Awards “Binari” was nominated for two more awards the Best Supporting Actor and Actress.

## Music Unit

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Keeping in mind that musical programs are among the most popular out of all daily televised programs, the Music Unit of the SLRC produced quality musical programs whilst maintaining the highest standards of Sinhala music with the participation of creative veteran and novice music artists for the entertainment of our viewers. The Music Unit took

steps to introduce many lyricists, composers, music directors and singers to the industry and took steps to show the musical programs over the internet.

The SLRC's Music Unit serves the nation by telecasting the State Music Festival, telecasting sponsors' musical events which were covering external musical shows of popular local music Artists and other musical shows which feature the creations of foreign musicians.

Among its main aims, the SLRC's Music Unit also organises felicitation programs to honour veteran and novice Music Artists.

### **Programs produced and Telecast by the SLRC Music Unit in 2012**

- Kunkuma Pottu (Popular Tamil Chart Show)
- Ridee Tharaka (Popular Sinhala Chart Show)
- Wednesday Nugasevana
- “Rhythm Chat”( Entertaining Music Programme)
- Gee Sara
- Sanda Diya Dothak (A conversational programme with musicians)
- Sanda Ranga Madala
- Sunday Ayubowan Live Telecast

### **Religious & Timely Music Programmes**

Lamayinta Vesak (Vesak for Children), Pasku (Easter), Pasku Gee, Paramitha (live telecast), Saman Devalaye Perahera (Live telecast), Poya Day Live Telecast, Christmas Songs, Janapathi Seth Pirith, Avurudu Udanaya

### **Special Programmes produced**

Sisindra Show, Prathibha Prabha, Anula Gee Sara, Bunka Awards, Miyasi Visaka, Gusi Peace award (Special Documentary programme of Deepika Priyadharshani), Rajathasara Programme.



## Sports Unit

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### Programs produced and Telecast by the SLRC Sports Unit in 2012

- The “Kreedha Visithuru” Programme (National & International sports events) was telecast every week.
- The Dialog Kit Sports programme (as a co-production with T 1 Organization) was telecast every Tuesday.
- The World Sports Programme (featuring international events and was conducted in English) was telecast weekly on Channel Eye.

### Live programs telecast by the sports unit of SLRC in 2012

- London Olympic 2012
- The Air Force Cycle Race (Guwavn Hamuda Papedi Savariya)
- Bradby Shield Rugby Encounter
- Mahaweli Games
- 15<sup>th</sup> Asian Junior Athletic Championship
- Celvary Super Cross, Rotherham Circuit Meet, Gunner Super Cross, Gajaba Super Cross, Walava Super Cross, Sigiriya Rally
- Munchee Gluco Fit Sixers Cricket Tournament
- Youth Games
- FIFA Club World Cup
- Rupavahini Volley Ball Tournament (Tharuna Seva Volleyball 2012)
- Sports Flash Back

The Sports Unit of SLRC telecast 582.5 hours sports programs over Channel Eye and 109.3 hours over Rupavahini Channel, totalling to 691.8 hours of air time on the Channels during the year 2012.



## Films and Dubbing Unit

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During 2012, the Dubbing Unit produced and telecast 684 programs. 632 programmes out of these were repeat telecast, majority of which drew the attraction of viewers.

In recognition of the service rendered towards the field of art through electronic media, Hosono Bunka Institute in Japan nominated the film 'Bashu' as one of the best dubbed film.

The opening of 2D & 3D Animation Studio which was donated by JAICA Institute by Hon. Keheliya Rambukwella, Minister of Mass Media and Information, and Ambassador of Japan Mr Nobuhitho Hobo, was a huge success.

In addition, programmes obtained through the Unit's co-ordination with the Embassy of Japan and the High Commission of India as gifts are among the Unit's successes in the year 2012.

The Dubbing Unit also produced a monthly item for the 'Sunday Ayubowan' programme and presented its many viewers attractive programmes which were yet another great achievement.

The Oshin Teledrama series obtained free of charge Japanese Foundation and telecast at 6.30p.m.,. Was established as the highest recorded viewership belt and brought an income of Rs. 250 million.

The Korean Teledrama series 'Jewel in the Palace', which was a gift from the Korean Embassy, was dubbed in Sinhala and named as 'Sujatha Diyani'. The series was telecast in 2012. This specific Teledrama series placed a record income as the best time belt compared to the other rival channels and attracted the highest viewership.

Other highlights of the Dubbing Unit include: the cartoon series 'Dunu Waliga Vanduru Raja' been dubbed into Sinhala due to the undertaking of the dubbing work for ITN; programmes obtained from the Japanese foundation; and a programme titled as 'Tomiya Kitiyai' a production of the 2D-3D Animation studio. telecast weekly. Also, as a proposal

from the Director of Dubbing , the “Three Language” project, with has an approximately value of Rs. 2,000 million, has been submitted to Japan.

## **Program Administration Unit**

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The main responsibility of this unit is to review cost estimates pertaining to the programs of all Divisions and Units of SLRC, and to provide administrative services required from issuing of file numbers for each production in order to co-ordinate all other services until the production process of a program is completed.

The Program Administration Unit has opened 2005 program record files for the year 2012.

**These files have been classified as follows:**

General Programs Division	-	540
Educational Programs Division	-	596
News and Current Affairs Division	-	298
Marketing Division	-	30
NTV	-	08
Channel Eye	-	<u>533</u>
<b>Total</b>	-	<b><u>2005</u></b>

## **Special Unit**

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Programmes produced and telecast during the year 2012:

- “Panam Patthuwa” – This programme depicted the awakening of the lives of the people in Northern & Eastern areas after defeating terrorism, the awakening of tourism and about the places of worship that were isolated for almost 30 years.
- “Yodha Wawa” - This programme highlighted the project of Yodha Wewa in the Northern and Eastern areas. Post-war progress has allowed paddy cultivation to resume successfully.
- “Vasthra” - The contribution that the State provided to sustain the country’s local textile industry and the story of the workers’ efforts in every valuable task.

- “Mahavil Ara” – This programme depicts the freedom enjoyed by the people who live in Eastern Province after the war and their involvement in cultivation.
- “Wana Vaduna Wanaman” – This programme depicts the attempts by the primitive folks to sustain their traditional life style once again and their formation at the modern society and the country’s war.
- “Rambaken Oya” Project –The Government’s initiative to mobilize local and foreign institutions without acquiring foreign aids to uplift the life style of Daduru Oya people who were distressed due to illiteracy and poverty.
- “Unu Kirigal Kanden Rukul Pojjata” - A little from the autobiography of the world’s oldest primitive man, Henanigala, the chief of Vaddahs.
- “Waw Pokuna” - The strategies adopted by the Government to develop the life styles of village communities and the tanks as well as the change of the rural artistic affairs.
- “Kachchathiv” – A documentary programme on Kachchativ Island produced to depict the extensive freedom for travelling within the territory of Sri Lanka, after regaining unity.

The documentary programme “Travelling on Delft island” produced by the Special Unit was nominated at the Raigam Tele Award Ceremony in 2012.

## **Youth Programmes and Performing Arts Unit**

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This unit carries out their duties under the supervision of Deputy Director General (Programmes) and Director (General Programmes).

Programmes produced and telecast by the Unit during the year 2012.

1. ‘Thala’ – Channa & Upuli dancing concert live telecast from Lotus Theatre.
2. Kapilawasthu Tooth Relic take in procession live telecast from Katunayake.
3. Kapilawasthu Tooth Relic take in procession live telecast from Agrabodhi Temple Kanthale.
4. Cremation of Ven Wevaldeniya Medhalnkara Thero, live telecast from Meerigama.
5. Kapilawasthu Tooth Relic take in procession live telecast from Tissa Maharamaya.

6. Handa Mama Golden Jubilee programme live telecast from Sri Lanka Broadcasting Corporation.
7. Buddhist News – Poya Day – telecasting islandwide Buddhist news.
8. Alakamandawa – A programme which reveals autobiographies of artists who contributed immensely to the field of art.
9. Sunday Ayubowan.
10. Eye Tune - English songs telecast through Channel Eye and NTV Channel.
11. Sitha Nivana Katha, Single episode Tele Drama – telecast every Poya Day.
12. Batahira Ahasa – Live Magazine Programme.
13. Suhani Rath - Presented with an introductory for Hindi Songs fans.
14. Vasuliya – magazine programme aimed at youth.
15. Nugasevana - Programmes on Mondays and Thursdays were allocated for this unit

## **Program Presentation Unit**

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This unit ensures that the daily transmission of all programs on the National Channel, Nethra, Channel Eye and NTV channels run smoothly and provides a balanced line up of programs to viewers. It is this unit's responsibility to compare the program line ups scheduled with those of the other television stations and present the programs in an appropriate manner and also enter the programs to the line up that are suitable for family viewing.



## **Educational Programs Division**

### **Education Services Unit**

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The Education Services Unit has the task of producing formal and non- formal educational programs that are helped to improve the knowledge of the children of the nation.

- “Rupavahini Jathika Pasala” commenced in 2011 and was telecast continuously throughout 2012, is a formal educational program produced by the unit and was dedicated to students sitting for G.C.E. (A/L). It has currently produced 500 programmes by covering 18 subjects.
- In addition, formal educational programs for G.C.E. (O/L) students were also telecast continuously under the theme of “Jathika Pasala”. A series of workshops on “Rupavahini Jathika Pasala – G.C.E. (O/L)” have been conducted to coincide with the ‘Dayata Kirula 2013’ which was held in the Ampara District. 04 schools were selected from difficult areas and a series of workshops was conducted for which more than 3000 students participated.

“Nana Mihira” program which is an educational support program for students sitting the Grade 5 Scholarship Examination became popular amongst the students. The main reason for the popularity of the ‘Nana Mihira paper sets’ was that airing the Nana Mihira programme coincide with the Gr 5 scholarship. 20 workshops were conducted for the students who sat for the Grade 5 scholarship in 2012 all over the island with an overall participation of 25,000 students. Ms Anjali Upeksha Maduwanthi who came 1<sup>st</sup> in the island from the Grade 5 scholarships 2012 had also watched the programme series continuously and the speciality was that she also participated at the workshop held at Kandy.

The programme ‘Ranga Bhoomy’ aiming the students who follow Drama and Aesthetic education was telecast throughout the year 2012 on Sundays.

A quiz program titled “Dhamma Gaveshi” aiming to enhance the Dhamma knowledge of students attending Dhamma schools around the island ended in December. The Team

representing Badulla District won the 1<sup>st</sup> Place at the competition consisting of 23 programmes.

The programme ‘U & I’ commenced with the intention of promoting the English language was yet another popular programme among the viewers.

A significant programme called ‘Rividina Arunella’ was produced with the national objective of motivating the community to the field of agriculture and was launched as a Web Cast. Live telecast of “Rividina Arunella” was commenced from December in the new plot within the Sri Lanka Rupavahini Corporation premises. Another speciality of this programme was the Agriculturist, Mr Udaya Silva, interacting with the viewers’ questions via the phone during the live telecasts.

## **Children’s Unit**

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The Children Unit telecast its programmes under themes of ‘Siyapathvila’ and ‘Minipahan Weta’. Under the promotion of children’s drama project, the program “Supipi Piyum” which was produced by Mr. Suranimala Jinendrasinghe was telecast over on NHK Channel, in Japan on August 2012. This program was produced by the Sri Lanka Rupavahini Corporation in collaboration with Asia Broadcasting Union, Malaysia, under the Children’s Drama Promotion Project for the 4<sup>th</sup> consecutive year.

## **Documentary Unit**

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The key function of this unit is producing documentary programmes and other related programmes as well. Out of these programmes, the unit mainly focus on, live telecasts; quiz programs, health programs, and formal and informal educational programs.

A weekly time slot has already been maintained titled ‘Dhara’ to televise Documentary Programmes at 7.30 p.m. on Sundays. Many documentary programs were produced and telecast under the various topics on Nature, Personalities, History, Archaeology and Human Life. All the producers in the unit made their contribution by producing programs

for the time belt ‘Dhara’. The high quality popular programs made by the producers of the Documentary Unit won the Best Awards for the Documentary Programmes category at Sumathi, Raigam and State Awards Ceremonies. It was a great achievement that all the nominations for the documentary programs were from the SLRC Documentary Unit at the Award Ceremonies. Our target was to set the above record in the year 2011. However, we were able to fulfill our determination in the year 2012. The aim of this Unit is to bring glory to SLRC by winning all nominations in the documentary category in all future Award Ceremonies too.

The quiz program titled “Suwa Nena” was produced in collaboration with Ministry of Education coinciding with the “World AIDS Day”. The telecast of the series of program continued until the year 2012.

Apart from the production of these programs, religious programs were also produced by the Documentary Unit. The production and supervision of religious programs was assigned to General Programmes Division from June 2012. However, the Christian and Catholic religious programs, Supuwatha and the magazine programme Sudasuna, were produced under supervision of Documentary Unit along with the live telecast of Easter & Christmas Divine Service.

The program project carried out on behalf of the Exhibition Dayata Kirula 2012 held at Oya Maduwa, Anuradhapura was also conducted under the supervision of Educational Programmes Division. At this exhibition, SLRC had a stall attracting the general public to purchase posters and DVDs. The main responsibility of the project had to be taken over by the Documentary Unit. Moreover, as part of this exhibition, a new programme titled ‘Dayata Kirula Gee Taruwa’ was commenced in order to showcase the hidden singing talents of children in the area from which 05 talented children were selected as finalists and graded as “A” Grade singers of SLBC.

The Documentary Unit is also given the responsibility of producing the “Sunday Ayubowan” program televised on every third Sunday of the month. This program televised



under the theme “Sathara Diganthe” is produced at external locations focusing on the tourism industry.

Apart from the responsibilities held by the producers of the Documentary Unit, they provide assistance for the ETV Unit project under the theme of “Jathika Pasala” where they assisted in producing 08 programs.

A magazine titled Salalihini Watha, released in order to mark the 30<sup>th</sup> anniversary of SLRC was a special contribution for the year 2012 by the Documentary Unit. It indicates the articles of the history of SLRC almost 30 years, present states and the future vision.

### **Introducing New Programs**

The magazine programmes which were off air for quite some time, re-commenced under the theme of “Aruma Puduma Roda Hathara” by Mr Namal Suriyabandara and Mr Chandana Seneviratne. This program was among the Top 20 programs of SLRC since the first telecast and was maintained until the end of year.

With the intention to elevate health programs, a magazine program was commenced under the theme of “Ayubowewa” by the Producer Ms Sandya Vithanawasam.

For the first time in history, a Live “Pirith Chanting” was telecast at the Sacred Sri Pada. The Corporation generated additional income by entering into sponsorship agreements with various institutions to produce such programs. These were produced and telecast in 2012 and continuing in 2013.

For the first time in the sports history of Sri Lanka, an exhilarating water sport was introduced when the “White Water Rafting Competition” was held as an event in the Sinhala and Tamil New Year 2012.



‘Sarisara’ –The Beach Traveller is a popular documentary programme series produced Mr Kanchana Marasinghe. This series depicts the beaches around the island and its main objective is to promote tourism.

Books were introduced to the public through the programs ‘Dharana’, ‘Dina Asiriya’ and ‘Sagna Puwath’.

Mr Athula Dissanayake, Producer of Documentary Unit, under went three months training in Educational Programmes at RNTC in the Netherlands.





The News and Current Affairs Division makes a great contribution continually to produce daily news, disseminating accurate information to the viewers. News is daily telecast in Sinhala, English and Tamil from 7.55 a.m. to 10.10 p.m.

### **Sinhala**

- 7.55 a.m. to 5.55 p.m. – Hourly News (local and international)
- 12.30 p.m. to 1.00 p.m. - Rupavahini Diva Puwath
- 08.00 p.m. to 08.30 p.m – Main Sinhala News

### **Tamil**

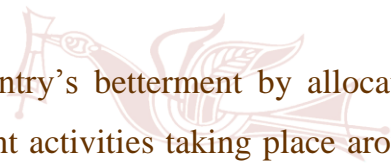
- 8.25 a.m. to 5.25 p.m. – Hourly News
- 1.30 p.m. to 1.45 p.m. - Diva Puwath
- 7.00 p.m. to 7.30 p.m. - Main Tamil News

The News Division was able to give a comprehensive coverage at the Provincial Council Election held in East, North Central and Sabaragamuwa provinces, covering the respective districts from the pre publicity to issuing of final results. With the fullest support from the IT Unit, the News Division was able to telecast the election results successfully.

The media coverage of the London Olympics from the 24<sup>th</sup> of June to the 15<sup>th</sup> of August 2012 was carried out with great responsibility. Ms Nimali Makumbura along with a Production Team from the News Division took part at the London Olympics media coverage and the News Division was able to air a special coverage of London Olympics through an hourly and main news telecast.

The News Division played a significant role by telecasting live coverage of Dayata Kirula, Vesak and Poson festival.

The News Division rendered a great service for the country's betterment by allocating more time to televise the excellent progress of development activities taking place around the country and disseminate the information to the public.



The time slot allocated in Rupavahini Channel and Channel Eye are as follows:

- The main News telecast in Sinhala, English and Tamil -3 ½ hours per day totalling to 105 hours per month.
- Sinhala hourly news - 01 hour per day totalling to 30 per month.
- For Tamil news same as Sinhala hourly news

Breaking news was telecast in three languages, Sinhala, English and Tamil. Moreover, Sivudesa Foreign News commentary was telecast daily from 6.00 a.m. to 6.25 a.m.

This year too, News Division which comes under the purview of the News and Current Affairs rendered notable service to SLRC by providing accurate information to the viewers. This unit is responsible for producing and telecasting programs such as hourly news, 8.00 p.m. main news, 10.00 p.m. Sinhala News, English News and Main Tamil News. The Camera Unit of the News Division provided a significant contribution to cover both local and international news.

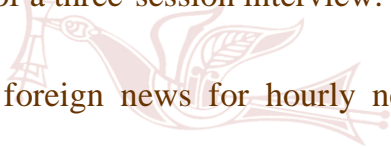
The Graphic Unit attached to the News Division played a substantial role to telecast the news. The themes required for news, including all the graphic dealings, are performed by the Graphic Unit. Apart from that, the Graphic Unit supports the functions that belong to the Current Affairs Unit and create the graphics for programs as well.

Moreover, the editing of the visuals gathered through internet by the F T P technique and the CG that is required for News also complies with the unit.

The network of Correspondents has also become stronger than before. The contribution of Correspondents was also a great influence for the production of news. More scope was provided for Correspondence at the 10.00 p.m. news and the hourly news.

54 Correspondents were recruited in the year 2013 by way of a three-session interview.

Asia Vision Unit also played a vital role by providing foreign news for hourly news telecast and main news as well.



In addition, this unit is responsible for the President's coverage including local and international official tours of the President; the provision of technical assistance for the usage of the Teleprompter at the speeches given by the President in special occasions; televising the development activities taking place around the country; and the excellent progress of these development projects, telecasting News Alerts.

## **Current Affairs Unit**

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The Current Affairs Unit comes under the supervision of News and Current Affairs Division comprising Sinhala and Tamil sections.

In the year 2012, this unit has produced a considerable amount of programmes. Among those, the current political programmes are considered as major programmes. In relation to this, every Monday, a time period of 02 hours has been allocated for the programmes 'Vedikava' and 'Haraskada'.

In addition to this, the unit has produced quite a number of programs that were telecast on a weekly basis such as 'Friday's Nugasevana', 'Saturday Ayubowan', 'Thirasara', 'Rasa Mohootha' and 'Ayubowewa'. Through these programmes an attempt was taken to provide assistance to fulfil the existing needs.

The live telecast of News Headling from 5.55a.m. to 6.25a.m. is also a another production of this unit.

This unit was responsible for producing and telecasting the live program 'Amadam Sisilasa' which was telecast on every Poya Day from 9.00a.m. to 10.00a.m. Under the leadership of the President. The Current Affairs Units also undertook the live coverages of H. E. the President's arrival at special occasions.

Other programs the unit produced are the Magazine Programme 'Thirasara' which promoted education, 'Wiyaparika Lokaya', 'Theveni Asa' (a documentary series on the Government's development drive) and 'Rasa Mohootha' daily, on weekdays.

In addition to the above, this unit also produced special programs on national importance, such as the National Independence Day, Victory day, collecting the New Harvest Festival (‘Aluth Sahal Mangalya’) and the Sinhala –Hindu New Year, Parliament programme.

The first ever military reality musical program in the world titled “Ranaviru Real Star” was supervised and produced throughout the year 2012 successfully by this unit.

The Tamil Unit of the News & Current Affairs Division produced and telecast ‘Naledugali Indru’– News paper Headlines, ‘Ahiviriththu Pthyali’ - Government development drive, ‘Vidyalai Noki’ discussion on Govnment development drive, ‘Kandathum Katathum’ weekly magazine programme, ‘Ulagavalam’ world political programme, over channel Eye in Tamil medium. In addition to the above programs, ‘Sadurangam’ a one hour political conference program, ‘Vilayattu Manjari’ the sports program, and overseas tours of H.E. the President and special programs in Tamil medium were also telecast.

This unit consists of 05 Producers and 10 Production Assistants.





The Production Services Division takes the forefront in providing creative services required for all productions of SLRC both in studio and at external locations. The Production Services Division consists of 11 units.

- Camera Unit
- Recording (Sound Management) and Multi Camera Unit
- Lighting Unit
- Make - up Unit
- Graphics and Animation Unit
- Special Graphics and Animation Unit
- Set & Props Unit
- E.F.P. Equipment Unit
- Rajatha Studio
- E.F.P Support Unit
- Library

This Unit is managed by the Deputy Director General (Production Services) who is also responsible for the administration and supervision of the Channel Eye, Nethra and NTV channels.

The expenses for transport and electricity was brought down directly by using the Rajatha Studio for studio program productions and live program productions up to some extent. Steps have already been taken to transform the studio within the year 2012.

SLRC was able to make considerable savings by purchasing new Jib Arm equipment, eliminating the necessity to hire from external parties. The production team was able to carry out their work more conveniently.

Additionally, we were able to add a high standard visual quality for drama and musical productions as we purchased a special effect filter and a Clay box.



During the year 2012 this unit has contributed its service in more than 2165 field programmes, over 6750 studio productions and 400 outdoor broadcasting programs.

This unit comprises a staff with 30 years' experience that could maintain quality and technically high standard of the programs and provide service on shift duty basis continuously.

From December 2012, the Multi Camera Unit commenced its field service and was able to curtail the number of staff involved at a production. This helped in lowering the budget of program production during the year 2012. Through the successful and efficient contribution of the existing small external recording vehicles, 66 recordings and live telecasts were made during the year 2012.

## **Make - up Unit**

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The Make-up Unit of the SLRC has given their unstinted support to all productions done by the Corporation.

This unit undertakes the necessary make up for an average of 75 – 100 artists who participate in-studio recordings daily between 5.30 a.m. and 10.30 .pm. In addition, make up is done every week for over 100 artistes who take part in various live programmes telecast in the night and also in children's programmes.

The unit contributed a great deal by undertaking the make up for the “Ranaviru Real Star” reality TV program in 2012. In addition, this unit involve with the make up for politicians, foreign dignitaries, scholars and artists from many different fields.

The Make-up Unit contributed their services for “Ransirimal”, “Salmal Landa”, and ‘Nirsathvayo’ which were new Tele Dramas produced by the Drama Unit. Further they rendered their fullest services to all other external productions of SLRC.

Other than dramas, the Make-up Unit provided their service to the other station productions such as New Year live programs, Vesak & Poson Poya Live programs, Vesak Tele Drama



and carols, Monthly Poya live programs, ‘Sitha Nivana Katha’ tele series, Dayata Kirula, Documentary programs, Educational programs, Catholic Programs, Christmas Tele Dramas and carols.

The Assistant Director and the staff (14) of Make-up Unit have provided tremendous service for the above programmes including daily Lottery programs.

## Graphics and Animation Unit

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The staff of the Graphics and Animation Unit rendered remarkable service by creating Graphic and Animations for ‘Ranaviru Real Star’ program and creating graphics and lettering for all educational programs and studio editings as same.

The 3D and 2D Graphics and the creativities the staff provided for the programs have helped to up lift the quality of the programs and were able to obtain the highest ratings for the programs as same.

## Set and Props Unit

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The number of Projects and activities that the Set Department fulfilled in 2012 are as follows.

New Sets	- 42
Single episode Tele Dramas	- 06
Tele Drama series	- 04
Poya Live telecast	- 03 (Outstation)

Set Designers	Programme commended	Institute
Mr Kokila Wijesundar	New Year Greeting Cards The Best Creation	SLRC

Mr Prageeth Ratnayake	Ranaviru Real Star II	Dialog
Mr Nishantha Rathnayake	Ranaviru Real Star II	Dialog
Mr Prasad Weerasinghe	‘Manushya’ Single Episode Drama	SLRC
Mr Chandrasiri Kodithuwakku	‘Hurubuhuti’ Children’s Prog	SLRC

The staff of the Set Department contributed their services for quiet number of programmes such as, 2012 Provincial Election, Dayata Kirula 2012 Anuradhapuraya, 2012 Anniversry Pirith Mandapaya, 2012 Annivesry programme, Jana Madhya Hamuwa – 30<sup>th</sup> Anniversry, Avurudu Udanaya- Monaragala (covering 09 provinces), Avurudu Udanaya Studio 4, Buddhabhi Vandana (Nelum Pokuna), Sinhala News Set, Bunka Awards, Poson Live Telecast- Thanthirimale, London Olympic 2012, Sihina Hathak, Nugasevana New Set, Jathika Pasala, Aruma Puduma Roda Hathara, ‘Vedikawa’ Special programme, Kapilawasthu Tooth Relic Pradarshanaya, International Book Exhibition, D A Rajapaksha Commemoration Programme - Thangalle, Deepavali & Threethal musical programmes, World Children’s Day Programme set, Oshin inauguration event, Ranaviru Real Star – Final Programme’s set, Sunday Ayubowan 09 sets, Tamil Function Musical, Christmas Night 2012, Film City 2012 – season 02, Batahira Ahasa (Aththidiya), Special Christmas telecast, Christmas Carol (Tamil) & Street Drama, Dhamma Gaveshi Programme -05, Our Hour Programmes – 08, Poya Live Programmes – 03(Outstation), Newspaper Headlines, Busines World, Hiru Viyana, Pahasaraniya, Lotteries, Huru Bhuty, Sign News,, Ayubowewa, Channel Eye Programmes, Tamil Unit Programmes, Ru Ra, Sanda Ranga Madala, Sanda Diya Dothak, Rajatha Sara, Jathika Pasala.

### Teledrama Series

Nirsathvayo, Salmal Landa, Ran Sirimal, Vishva Gaveshi.

### Single Episode

Sitha Nivana Katha – 10, Avururdu Teledrama – 01, Vesak Teledrama -01, Tamil Tele Drama – 01, Children Teledrama - 01



## Library

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The Library is considered as one of the main units of the SLRC under the supervision of Programme Production Service. This unit consists of 19 staff members and they render a great service towards the program production. The unit's involvement begins from the production of programs to be televised until the archive stage. The speciality of the SLRC library is the way it is maintaining the information both in print and visual media for program productions.

## Special Projects

Under the new digitalization project, a special project was commenced this year in the library, preserving U-Matic cassettes and preparations to preserve cassettes using XD CAM technology. The advantage of this preserving system is that the visuals copied in that format will be preserved for nearly 50 years without harming its technical qualities. Rest of the advantages include the ability to store within only a very small space and protecting the cassettes from fungus and other damages.

## Channel EYE

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At a time when all other English channels in the country televise programs that have foreign influence, Channel Eye of SLRC was able to deviate from this path and televise English programs with a local flavour. As the sister channel of Rupavahini which celebrates its 30<sup>th</sup> year in operation, Channel Eye is proud to state that it was able to present to its viewers meaningful and quality programs.

### The programs telecast on Channel Eye are

- “Rise & Shine - Variety program, live telecast daily
- “Eye- Shuffle” – Western Music program, new songs, live telecast
- “Cafe Classics” – Music program, old hits, live telecast
- “Sunday Spice” – Variety program on meeting artists
- “Merry Christmas” – Special Christmas music program



- “Poya Discussion” – Poya Discussion program
- Discussions - current affairs

## **Tamil Program Unit - Nethra TV**

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The Tamil Program Unit caters to Tamil speaking viewers of the country, focusing on Tamil Language programs.

**The programs telecast on Nethra TV are,**

- |                       |   |
|-----------------------|---|
| • Vanakkam Nethra     | - Discussion programme, weekly live telecast          |
| • Udaya Dharshanam    | - Magazine programme, weekly live telecast            |
| • Lunch Time Music    | - Live music programme                                |
| • Education programme | - Daily live telecast for G.C.E. (O/L & A/L) students |
| • Saivaneedi          | - Hindu religious program                             |
| • Pattam Pudukalai    | - Children entertainment program                      |
| • Pudam Puthu Kalai   | - Magazine program, weekend, live telecast            |
| • M9.30               | - Music program                                       |
| • Jaikkalam Vanga     | - Talent Show   |
| • Kodei malei         | - Magazine music program                              |
| • Natya               | - Tamil Local Tele Drama                              |
| • Sattam              | - Sri Lankan Law related program                      |
| • E-channeling        | - Medical program                                     |
| • Samayal Galary      | - Cooking program                                     |
| • Kodei Vasandam      | - Magazine program                                    |
| • Brindawani          | - Classical music program                             |
| • Film City           | - Local short film making programme                   |
| • Desheeya Tele Natya | - Tamil local Tele Drama                              |
| • Kaveetha Talent     | - Talent Show, sponsored by Higher Education Ministry |
| • Udira Pukkal        | - Sine Zone Magazine program                          |



### **Other Special Programs**

New Year and Nethra Anniversary

Thai Pongal - Special live cultural & traditional program

Thaipongal special Tele Drama

Thaipongal special musical program

Matale Theru Festival

Maha Shiva Rathri Day

Sinhala & Hindu New Year

Vesak Celebration

Poson Celebration

Nallur Annual Theru Celebration

World Children's Day

Deepavalee Celebration

Christmas program

### **Muslim Programs Unit**

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The Muslim Programs Unit is attached to the Production Services Division. This unit consists of a Assistant Director, 02 producers, 01 production assistant and a typist clerk. This unit produces programs catering to Muslim viewers under religious, cultural and traditional themes enabling the Muslim community to be in touch with their religion and culture.

Following are the programs telecast by the Muslim Unit in Tamil medium and when required those programs were telecast in Sinhala & English medium as well.

- Namma Saunday
- Nethra Express
- Talk Show
- Musical, Children's , Youth and Women's programs
- Programs to mark special occasions and festivals like Ramazan, Hajj and Milad-un-Nabi





The Engineering Division contributes directly to maintaining the Corporation's technical standards in programme production and transmission at international standards. This division consists of the Master Control Room, Studios, Transmission, Maintenance, Information & Communication Technology, Power and Air Conditioning and Civil Engineering units which are further divided in to sub units based on their responsibilities. The Maintenance unit is divided in to Basic Maintenance and ENG Maintenance sub units. The Studio Unit is sub divided in to Outdoor Studios, Indoor Studio and Outdoor Telecast sub-units. Various Projects are also undertaken in addition to these.

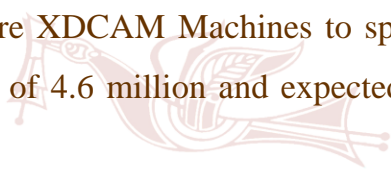
5 studios and 3 outdoor transmission vehicles are utilized in the programme production process while 13 transmission stations established around the country are utilized in process. They are, Pidurutalagala, Deniyaya, Sooriyakanda, Hanthana, Primrose, Kirimatiya-kanda, Namunukula, Palali, Padagala, Hingulakanda, Kokavil, Bambalapitiya and Torrington Transmission station.

The various services rendered by the units and sub-units of this Division over this year have also been given in summary from below. This Division is supervised by the Deputy Director General (Engineering).

### **Main Control Room**

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- During 2012 MCR received 02 NLE Adobe CS 6.0 work stations for drama editing.
- MCR old ceiling removed and new metal ceiling installed.
- During Olympic 2012 St 111 Lobby was taken as expanded dubbing studio and provides same facilities.
- Digital archiving of old programmes with two new XDCAM PDW 1500 machines installed in MCR. There were 50,000 hours of Rupavahini Productions & National events to be archived, and planned to purchase more XDCAM Machines to speed the process. This Project was commenced at a cost of 4.6 million and expected to expand urgently.



## Studios and Outdoor Telecasts

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As in the previous years, Studio 1, Studio 2, Studio 3 and Rajatha outdoor studio were facilitated to produce variety of programmes in both live telecasts and recordings. Deputy Director Engineer (Studios and Outside Broadcasting) is responsible for the Management, Operations, Maintenance and Developments of Studios under the direction of DDG (E). In Studios and Outside Broadcasting unit, 05 nos. of Assistant Directors (Engineering), 36 nos. of Technical Officers and 12 nos. of Studio and Outside Broadcast Assistants have been employed in 2012.

In this year, following programmes were produced as block bookings using studio facilities.

**Studio 1** - “Dawase Paththara”, “Vinivida”, “Nugasevana”, “Development Lottery Draw”, “Saturday Ayubowan”, “Hiru Viyana”, “Business World”, “Jathika Pasala”, “Ranga Bhoomi”, “Gee Sara”, “Sandurangam”, “Malima/Brinthavani”, “Sunday Spice/Eye Shuffle/Café Classis”, “Film City”.

**Studio 2** - “All News Bulletins”, “Tamil Paper Headlines”, “Lama Puwath”, “Siwudesa”, “Buddhist News”, “Vanakkam Nethra”, “Udhaya Darisanam”, “Arivoli”, “Asi Disi Puwath”, “Dina Asiriya”, “Ulaha Valem”, “E-Mithuro”, “Thirasara”, “Namma Sunday”, “Vilayattu Manjari”, “Kreeda Visithuru”, “M 9’30”

**Studio 3** - “Rise and Shine”, “Pehasaraniya”, “Sunday Ayubowan”, “Haraskada”, “National Lottery Board Draw”, “Rajathasara”, “Sanda Diya Dothak”, “7 Dreams”, “Ira Andurupata”, “Gee Muthu”, “Hurubuhuti”, “Patam Poochigal”, “Puththam Putu Kaalai”, “Raga Maydai”, “Pirai Nila”, “Muthuhara”, “Ridi Tharaka”, “Rhythm Chat”.

In addition “Rasi Manjari”, “Nana Mihira”, “Yathirai”, “Sanda ranga Mandala”, “Daham Bima”, “Paramitha”, “Diriyata Saviyak”, “U & I English Programme” were produced as normal booking in Studios.

In 2012, the modified mini crane was installed in Studio No.3 and started its operations putting 5<sup>th</sup> camera which was purchased for jib operations in Studios. After installing this jib crane system, outsourcing of jimmy jibs from outside has been stopped. This jib crane system was repaired and modified by Mr. Upali Devaraja, retired cameraman working in camera unit. This has been utilized successfully and it save remarkable cash out avoiding the outsourcing of jimmy jib systems from outside suppliers. And also, after installing this, there are 05 nos. of camera has been facilitated in Studio No. 3 for programme productions.

## **Outside Broadcasting**

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OB facilities were also operated by the supervision and the direction of Deputy Director (Studio and Outside Broadcasting) under the direction of Deputy Director General (Engineering).

In 2012 also, there were lot of outside broadcasting events covered by using OB 1 and OB 2. There are 66 OB events have been covered by using OB 1 and OB 2 facilities. Out of them 45 OBs have been covered by using OB 2.

Following are the main OB events covered by outside broadcasting unit in 2012.

- Ranaviru Real Star
- Amadam Sisilasa
- Sunday Ayubowan
- Nawam Perahera
- Sport Live Programmes – “Sigiriya Super Cross”, “Vijayaba Motor Race”, “Air Force Motor Race”, “Fox Hill Super Cross”, “Calvary Super Cross”, “Asian Athletic Champion Ship”, “Bradby Shueld”, “Walawa Super Cross”, “Gajaba Super Cross”, “Katukurunda Motor Races”, “Gluko Six Cricket Tournament”, “Youth Games”, “Rupavahini Volleball”.
- Musical Programmes – “SMIB Samarusara Musical”, “Isisara Musical”, “Thala”, “NLB Musical Show”, “Mahaweli Musical Show”, “Kavita”, “Christmas Musical Show”, “Rukantha Musical Show”.
- Independence Day Live



- Sinhala and Tamil New year live
- Buddhabivanda vesak Programme
- Nawagamuwa Perahera
- Janapathi Jana Hamuwa
- Children's Day
- Christmas Mid Night Mass
- Miss Ceylinco VIP
- Deyata Kirula
- Election Result Telecast
- Poya Programme

## **Transmission Unit**

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The following pertaining to Transmission section is as follows;

1. Completed installation, testing and commissioning of digital TV transmission project for the Northern Province on February 2012.
2. Provided live linking facilities for 120 nos. of outside broadcast events across the country. This includes the providing of live linking facilities for Air Force Cycle Race 2012 from 15 locations for 03 days including the start and finish.
3. Produced a Digital Satellite news Gathering (DSNG) system for the use of satellite linking technology for outside broadcast events and the DSNG is being used for outside Broadcast events since November 2012.

## **Maintenance Unit 1**

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Training Programmes;

- Overseas - Maintenance & Quality Management of Digital Broadcasting equipment for long lasting operation (Japan) – 01 Participant. Received the Special recognition award by Sony Corporation.
- Domestic - IT Essentials for Broadcasting



- “Fluke” Technical Seminar & Demonstration for the testing & Measuring instruments by Marlbo Trading Company
- Modern Electronic Test & Measuring Instruments with Digital Emphasis by Arthur C Clarke Institute for Modern Technologies.
- H E The President Teleprompter Duties - 92  
(This includes foreign tours – Pakistan, Iran, Qatar, Brazil, Cuba, Indonesia, Singapore, Kuwait, South Korea, United Kingdom, Kazakhstan and Thailand)
- Major Equipment repairs - 157
- Miscellaneous duties - 532
- OB Duties - 54  
Including major OBs with Slow-motion facilities for Air Force Race, Independence Ceremony, Sigiriya Super Cross, Boyagane Motor Cross, Airforce Cycle Race, New Year OB Monaragala, Foxhill Super Cross, Pangolla Motor Cross, Bradby Shield Rugby, Junior Asian Games, Walave Super Cross, Minneriya Super Cross, Gajaba Super Cross, Katukurunda Motor Cross, Sumathi tele Awards, National Youth Games etc.
- Corrected Telephone Faults - 177
- New Telephone installations
- Special Assignments carried out during the year 2012  
Exhibition Stall at Dayata Kirula Anuradhapura, Special studio preparation for Olympic in Studio 111.
- Provided the following technical facilities for studio and outside productions.  
PA System Setups, Video Projector Facilities, Scan Converter Facilities, Timer & Beeper setups for Quiz Programmes.

## **Maintenance Unit 11**

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Following operations were carried out.

- Camcorders
- Preventive Maintenance - 70
- Special Maintenance - 05
- Fault repairs - 60



➤ Portable VCRs	
Preventive Maintenance	- 10
Special Maintenance	- 02
Fault repairs	- 02
➤ Camera Lenses	
Fault repairs	- 12
➤ Video Monitors	
Fault repairs	- 15
➤ Audio Monitors	
Fault repairs	- 05
➤ Camera Power Adaptor /Chargers	
Fault repairs	- 04
➤ Light Equipment	
Fault repairs	- 25
➤ Specification Preparations	- 07
➤ Tender Evaluation	- 06
➤ Acceptance Tests	- 21

## Information and Communication Technology Unit

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Information and Communication Technology Unit managing SLRC LAN with active & passive components including 290 computers with 90 printers with 15 servers including web server, Mail Server (with 1000 email accounts), Application Servers, Time & Attendance Server etc. Computer hardware Maintenance, SLRC web side ([www.rupavahini.lk](http://www.rupavahini.lk)) development and maintenance and in-house software application development carried out by ICT staff. Apart from that development & operations of computer graphics for the live sport events and Quiz programmes, Election results displays aalso done by the ICT staff.

- Upgrade the 2Mbps internet leased line to 4 Mbps.
- Re-launch the [www.rupavahini.lk](http://www.rupavahini.lk) web site.
- On demand video streaming started with Tele Drama, News Sinhala & Tamil musical programme and special events with high quality video. Five different geographical locations mirror servers ensure the fast content delivery to the whole world with zero down time.
- Real time video streaming of Rupavahini channel throughout the transmission.
- Real time video streaming of Channel Eye channel on important events.
- m.rupavahini.lk new web site for mobile devices.
- Refurbish of ICT unit started.
- Provided technical facilities for the Time & Attendance system running with Bio-Metric devices.
- SLRC LAN fiber ring upgrade as a phase.
- User training on Microsoft Office 2010.
- New FTP facility to news room with Sri Lanka Telecom shared 100 GB disk space and point to point leased line from SLT to SLRC news room.

## **Power and Air Conditioning Unit**

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This unit carried out preventive maintenance work of following systems monthly, quarterly and annually.

- Central AC Systems with related motors and power panel in ST-1 & 2 project & ST – 3 project.
- Electrical & generator in OB-1 bus, etc.
- Power panel (L-panel, B – panel & UPS – panel)
- UPSs (100 KVA, 60KVA, 40KVA, 30KVA)
- Diesel Generator (1250KVA, 250KVA & Radio room Generates)
- In addition to that attend OB coverage, Tele Drama & Break Downs.
- Carried out following UPS repair  
Deniyaya 60KVA (MGE) UPS.
- Electrical installation for new A/C plant (single phase, 3 phase)



- Illumination work (Anniversary, Wesak)

### **Air Condition Unit**

- Both central AC systems with related equipment in studio 1 & 2 and studio 3 complexes.
- Ventilation systems in the above complexes.
- AC systems in out broadcasting vehicles, OB – 1, OB -2, Head line van & slow motion bus etc.
- 181 numbers of split AC units in the SLRC premises and transmission stations.
- Refrigeration equipment in staff canteen.
- Electronic air cleaners.
- In addition to that attend 197 numbers of break downs of AC units and related equipment.
- Lay down new drain lines for each split AC units around the buildings due to request by anti dengue campaign.
- Carried out the following installations.  
Book Library, Preview Room (ETV), Music Unit, News section, Marketing Division, UPS room in Deniyaya Tx.Station, Drivers room in Kokavil Tx. Station, 2D & 3D Animation studio and control room



## Civil Engineering Unit

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### The following projects were carried out during 2012

- Rebuilt the toilet of Engineering Division
- Repaired the drains of Studio complex
- Supplied furniture to the Maintenance Unit
- Renovated the Main Control Room
- Renovated the 2D & 3D Animation Studio
- Supplied Furniture to 2D & 3D Animation Studio
- Supplied furniture to Music Unit
- Fixed the ceiling of Make-up Unit
- Renovated IT Unit
- Repaired inner roads of SLRC premises



## Marketing Division



The Marketing Division operates under the purview of Deputy Director General (Marketing) and in order to carry out its functions efficiently, the Marketing Division is divided into following main units:

- Administration
- Marketing
- Scheduling
- Marketing Promotion
- Recovery
- Publicity and Media
- Commercial Production

In 2012 the Marketing Division generated Rs. 1,825 million by exceeding the expected revenue by selling air time on Rupavahini and Channel Eye. The cash inflow was Rs. 1,823 million approximately.

**The following special programs were instrumental in the increase in earnings in 2012**

- Sinhala & Hindu New Year programs
- Vesak /Poson Celebrations
- Women's Day program
- Oshin
- Sujatha Diyaniya
- Children's Day
- The Ranaviru Real Star reality TV program
- Motor Racing Events



Out of the above programs, Oshin and Sujatha Diyaniya achieved the highest income record.

- Oshin (May 2012 – October 2012) - Rs. 11.9 million
- Sujatha Diyaniya (October 2012 – December 2012) - Rs. 16.8 million

The unit was able to generate additional income as indicated below by organizing and telecasting promotional programs for clients and also from various sponsorships.

- Sinhala & Hindu New Year Programme - Rs. 50,705,640.06
- Vesak - Rs. 7,643,909.71
- Poson - Rs. 9,274,000.00
- Dayata Kirula - Rs. 3,902,661.06
- Women's Day - Rs. 1,050,000.00
- Ramazan - Rs. 1,400,000.00
- Nallur - Rs. 2,100,000.00
- Children's Day - Rs. 5,150,000.00

The annual income earned from sales of Rupavahini Programs on DVDs and VCDs amounted to Rs. 5 million this year. The income generated by selling 'Nana Mihira' Paper Sets which were printed aiming Grade 5 Scholarship totalled to Rs. 330,625.50.

This year too, the print media was used to promote all channels and also to give publicity to various programs being telecast, through the Publicity and Media Unit. The services of Lake House, Upali Newspapers, Sumathi Newspapers, and Rivira Media (Pvt) Ltd. were engaged for this purpose on contract basis.

Aiming at increasing the viewership, advertisements were published through these organisations according to a proper plan, throughout the year in Sinhala, Tamil and English languages.





The Scheduling Unit supports the Marketing Division to fulfil their income targets by proper scheduling and telecasting of advertisements obtained from clients through healthy relationships. The Scheduling Unit has scheduled 389,879 commercials during 2012.

The Marketing Programs Production Unit continued to produce the popular Lotteries Program, “Hiru Wiyana”, and other promotional programs for its clients while producing trailers and commercial tagging in order to give publicity for programs. Further, the Marketing Production Unit was responsible for producing national events and musical programs on client base. The number of Lottery Draw programs produced daily by the unit was 1404 annually.

In the year 2012, the Sinhala & Hindu New Year event was held covering (09 provinces) the entire island and it included cycling, Avurudu Kumari contest and Elle as well. The final event was held under the theme ‘Sirilaka Piri Avurudu Siri Rupavahini Avurudu Udanaya 2012’ in Monaragala and captured the highest viewership in comparison with the events organized by the other channels during the April season. This was recorded in the television history as the first ever program that covered all 09 provinces of the island.



## Administration Division



In 2012, all administrative functions of the SLRC were carried out by the Administration Division under the guidance and direction of the SLRC Chairman, and the Division was headed by the Director (Administration).

### The Division consists of

- Administration Unit
  - Public Relations Unit
  - Reception Unit
  - Record Room
  - Transport Unit
  - Security Unit
  - Research and Training Unit
  - Legal Administration Unit
  - Internal Audit Unit
- } These Units come under the direct purview of Director General

### The details of the employees at the end of 2012 is as follows

Category of Employees	No of Employees
Permanent Staff	807
Employees work on Contract Basis	113
Employees work on Assignment Basis	33
Total employees	953
<b>Approved No of Employees</b>	<b>985</b>



### **The recruitments were done in 2012**

On permanent basis	-
On contract basis	03
Total no of Recruited	03

### **The number of employees retired in 2012**

Number of employees retired	02
Number of employees resigned	15

### **Insurance Covers**

The SLRC entered into an agreement with the Sri Lanka Insurance Corporation to cover the Medical Insurance, Fire Insurance, and all Accidental Insurance Schemes From 1<sup>st</sup> January 2012 to 31<sup>st</sup> December 2012. Under this Insurance Agreement the followings were covered:

- Hospitalization and Surgery Insurance Covers (Bills issued for hospitalization, spectacles and OPD consultations were paid)
- Serious Illness Insurance
- Accident Insurance
- Fire and all other Risk Insurance

### **The official overseas tours took part by the employees of SLRC in 2012**

<b>Purpose of the foreign tour</b>	<b>No. of Participants</b>
Training programs	20
Meetings and Seminars	18
Official tours and Head of States event coverages	57



## **Special Projects in 2012**

- A scheme to restructure the SLRC organization was undertaken in order to streamline the recruitment process and the promotion scheme.
- Organizing of the “Sewa Prabha 2012” ceremony which was held to appreciate and felicitate the SLRC employees who won awards at the National and International Television Award Ceremonies.
- The project of Corporate Plan for the period of year 2013 – 2017 was successfully completed and released.

## **Anniversary Celebrations and Events**

- Organized an Awarding Ceremony for the staff of SLRC who completed service for more than 25 years at SLRC’s 30<sup>th</sup> Anniversary.
- Organized the Annual Pirith Ceremony and the Alms Giving on 14<sup>th</sup> and 15<sup>th</sup> February as part of the Anniversary Celebrations.
- Employees who completed 20 years of service at the SLRC were presented with gold tokens of appreciation on 2<sup>nd</sup> May 2012.
- Joining with the Recreation Club of SLRC, organized the Annual New Year Festival for SLRC Staff.

## **Public Relations and Reception Unit**

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This Unit help school children who visit SLRC to gain knowledge regarding program recording and the studios, and posted letters to school principals about program details in order to increase the popularity of SLRC among schools. The number of letters posted to schools within this year totalled to 709.



The programs organized by the Public Relations Unit include:

- A medical camp with specialists (Doctors) for the SLRC Staff in association with Colombo General Hospital and Health Ministry.
- An Ayurvedic medical camp for SLRC staff in association with Ministry of Indigenous Medicines.
- Special projects conducted to destroy mosquito breeding grounds in association with Colombo Municipal Council.
- A clinic to distribute spectacles among the staff free of charge ( a fee was claimed only for lenses)
- A series of musical shows conducted without using money from the Welfare fund in order to strengthen the Welfare fund and each show generated Rs. 150,000/-
- The opening of Milco Rupavahini Welfare outlet.  
(This project was put into action under the assistance of Chairman of Milco and intervention of SLRC Welfare Society. This outlet was opened as another canteen where the staff could buy milk, shorteats and other similar food items.)

The duties entrusted to this unit include the welcoming of the general public and guests and directing them to relevant departments, helping them to get their work done and supporting the general and welfare activities of the SLRC.

Further this Unit contributed to the general functions of the SLRC by organizing general improvement activities and health camps.

## **Transport Unit**

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Providing transport as requested by news and program recordings, visiting locations and visiting relay centres outside Colombo and providing transport for other daily duties of the SLRC are the main functions of this unit.



59 employees are attached to this unit which is managed by two Transport Officers. Along with the 43 vehicles which belong to the SLRC fleet, another 10 more vehicles were hired to ensure uninterrupted service.

The total mileage of travel undertaken by the SLRC Transport Unit in the year 2012 was 1,579,976 km. out of which 1,178,120 km were covered by Corporation's vehicles, and 401,856 km were covered by the hired vehicles. When compared to the mileage of last year, this year shows a deduction of 79145 km.

The Corporation has spent Rs. 16,187,435.03 to pump fuel to the 43 vehicles in the corporation fleet and spent a further Rs. 15,805,019.73 as rent for the 10 hired vehicles.

80% of vehicle repairs were successfully completed within the SLRC garages which ensured that the repairs were done properly while saving costs. 03 employees were newly recruited for the Garage.

## **Security Unit**

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To provide the security services to secure the SLRC Staff and the properties of the corporation and to keep the disciplinary procedure properly are the main responsibilities of this unit. The service of the Army forces, private security as well as the security officers of SLRC is taken to fulfil the services.

Also this unit has the responsibility to keep the premises clean with the assistance of BMES institute.

## **Legal Administration Unit**

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Number of cases filed by SLRC during the year 2012.

- |                             |     |
|-----------------------------|-----|
| 1. Commercial High Court    | -02 |
| 2. High Court Civil Appeals | -01 |
| 3. District Court           | -23 |
| 4. Magistrate Court         | -09 |



Number of cases filed against SLRC during the year 2012.

1. Supreme Court	-08
2. Commercial High Court	-02
3. District Court	-04
4. Labour Commissioner	-01

The progress the SLRC achieved during the year 2012

- Some of the cases filed against SLRC were settled. The SLRC was able to obtain the telecast rights of the film Gamini by defeating the case HC (Civil)/34/IP/12 in the Commercial High Court which was filed by Mr Upali Rajapaksha in order to prevent telecasting.
- Some of the cases which were filed by the Legal Unit against the clients in order to recover the debts were settled by recovering money. By filing cases SLRC was able to recover Rs. 2,461,016/-.
- In addition, advertisers such as Admasters, Prime Ads, Grassroot (Pvt) Ltd and Srimal advertising came to an agreement with SLRC to settle the money they owed on instalment basis.
- The major challenge was to secure the exclusive rights of the 2012 London Olympics of SLRC from MTV Network as they had made an attempt to grab the rights from the exclusive right holders of SLRC. In order to secure the exclusive rights the SLRC had to take legal action in the Commercial High Courts against ABU Institute and MBC network. In these cases an enjoining order was given initially and later on an injunction order was instituted as the verdict in favour of the SLRC.

## Internal Audit Unit

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The duties covered during the year 2012

- Number of Audit checks conducted 12
- Number of Audit reports submitted 10



- Number of special reports submitted to Chairman 24
- Emergency & localise inspections
  - Petty Cash
  - Fuel stock
  - Ru-entertainment stock
  - Corporation Dometry
  - Attendance of employees

## **Research and Training Unit**

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The Research & Training Unit perform their duties under the direct supervision of Director General and its administration handled by the Administration Unit.

At a time when there is challenging competition among the rival television stations to capture the highest possible viewership it is very important to produce quality programs in order to increase the revenue. The Research and Training Unit is responsible for providing the training required to develop the Corporation's human resources and technological abilities.

### **Details of the training programs conducted in 2012**

<b>Training programs</b>	<b>No.of Programs</b>	<b>No. of Participants</b>
<b>Local – Training Programs</b>	15	<b>501</b>
<b>Local – External Training Programs</b>	26	<b>70</b>
<b>Training programs conducted in collaboration with foreign training institutions</b>	<b>03</b>	<b>39</b>

As per the agreement between CFI institute and the SLRC, it was initially scheduled to provide expertise only for 02 workshops. However due to our special request from us, the number of workshops were increased to 03. Accordingly a 02 week workshop for children's programs was organized after 20 years and all the staff of children's unit took



part in it. This is a fulfilment of the Corporation's objective for Children's programs in 2013.

## **Research**

Several numbers of Special surveys were done despite the data analysis of LMRB. In this context it is prominent that we gather the ideas from the staff members as a solution for the problems such as the strategies taken for program standardization, identifying the problems experiencing by the management as well as the staff members and planning the remedies in order to solve such problems in future. The collected ideas had been considered for the 05 year action plan.

Another special survey was done on children programmes of SLRC based on World Children's Day. Although here was 91.5% tremendous growth of the viewership for the children programs, according to the results of the survey, it is very clear this growth depended on cartoons & dubbed programs. It was also revealed that children did not possess any specific program of any channel in their mind as preference.

Other tasks that the Unit furnishes are the air time analysis for programs (commercial & sponsored program airtimes) and the categorizing of programs that telecast in both Channels (Rupavahini & Channel eye /Nethra).

Allocation is classifying as programs, commercials and sponsorships.

## **Air Time Analysis**

The total airtime that the National Channel telecast in 2012 amounted to 7283.7 hours. From this amount 6014.3 hours were used for programs while 1269.5 hours of airtime was used to telecast advertisements. The total telecast hours over the Channel Eye was 5624.3h, of which 5276.1 hours of airtime was allocated to telecast programs over the channel. The telecast hours of advertisements were 348.2h.

The table below is a breakdown of the airtime that SLRC Channels were telecast over in the year 2012.



## Airtime Analysis for programmes – 2012

Categorization of Programmes	Rupavahini – National Channel		Channel Eye	
	hours	%	hours	%
<b>Information Programmes</b>				
News	797.8	13.3	373.9	7.1
Political	207.3	3.4	0.1	0.0
Economic } Current Affairs	171.8	2.9	-	-
Social	331.4	5.5	240.7	4.6
Ayuvowan	139.1	2.3	263.5	5.0
	<b>1647.4</b>	<b>27.4</b>	<b>878.2</b>	<b>16.7</b>
<b>Educational Programmes</b>				
Education	592.8	9.9	169.8	3.2
Documentary	193.3	3.2	78.0	1.5
Agriculture	45.0	0.7	-	-
Quiz	-	-	-	-
IT	34.0	0.6	-	-
Magazine	-	-	352.2	6.2
	<b>865.1</b>	<b>14.4</b>	<b>600.0</b>	<b>10.9</b>
<b>Children Programmes</b>				
Children	300.5	5.0	104.9	2.0
Cartoon	99.9	1.7	69.4	1.3
	<b>400.4</b>	<b>6.7</b>	<b>174.3</b>	<b>3.3</b>

<b>Youth Programmes</b>				
Youth	99.2	1.6	-	-
<b>Women Programmes</b>				
Nugasevana	582.1	9.7	-	-
Women	-	-	27.6	0.5
<b>Cultural &amp; Religious Programmes</b>				
Cultural	71.0	1.2	7.8	0.1
Religious	288.9	4.8	149.4	2.8
	<b>359.9</b>	<b>6.0</b>	<b>157.2</b>	<b>2.9</b>
<b>Entertainment Programmes</b>				
Drama	625.9	10.4	591.5	11.3
Series	99.5	1.7	23.5	0.4
Film	165.4	2.8	878.0	16.7
Music	744.4	12.4	331.4	6.3
Variety	86.1	1.5	-	-
Entertainment	125.7	2.1	858.1	16.3
	<b>1760.9</b>	<b>29.4</b>	<b>2682.5</b>	<b>51.0</b>
<b>Sports Programmes</b>				
Sports	109.3	1.8	582.5	11.1
<b>Publicity Programmes</b>				
Publicity	165.6	2.8	156.5	3.2

<b>Other Programmes</b>				
Other	24.4	0.4	17.3	0.4
<b>Total</b>	<b>6014.3</b>	<b>100</b>	<b>5279.1</b>	<b>100</b>

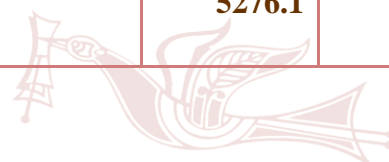
### Commercial Air Time - 2012

Categorization of Programmes	Rupavahini – National Channel		Channel Eye	
	Hours	%	Hours	%
Paid Advertisements of Sponsors	1247.4	98.3	341.0	97.9
Non-Sponsored Advertisements	22.1	1.7	7.3	2.1
<b>Total</b>	<b>1269.5</b>	<b>100.0</b>	<b>348.3</b>	<b>100.0</b>

### Sponsorships

47.3% of the National Channel's airtime was received on sponsorship, which amounted to 2845.5 hours, while 25% (1321.0 hours) of the Channel Eye airtime gained sponsorship in 2012.

Categorization of Programmes	Rupavahini – National Channel		Channel Eye	
	Hours	%	Hours	%
<b>Sponsored</b>	2845.5	47.3	1321.0	25
<b>Non-Sponsored</b>	3168.7	52.7	3955.1	75
<b>Total</b>	<b>6014.2</b>		<b>5276.1</b>	



## Scheduled Programmes by Language

Language	Rupavahini – National Channel		Channel Eye	
	Hours	%	Hours	%
<b>Sinhala</b>	5587.9	92.9	331.1	6.3
<b>Tamil</b>	-	-	3556.1	67.4
<b>English</b>	367.8	6.1	1283.6	24.3
<b>Other</b>	58.5	1.0	105.3	2.0
<b>Total</b>	<b>6014.2</b>	<b>100.0</b>	<b>5276.1</b>	<b>100.0</b>

## International Relations Unit

The International Relations Unit operates under the pureview of Administration Division. In 2012 this Unit directly contributed its service for special activities in addition to its normal activities.

### Special activities

- The Teledrama ‘Jewell in the Palace’ produced by MBC (Munhwa Broadcasting Corporation) was obtained by SLRC as a complimentary item under the patronage of Korean Embassy of Sri Lanka. The Teledrama series which consisted of 54 episodes was dubbed into Sinhala under the title of ‘Sujatha Diyaniya’ and gained the highest viewership becoming most popular Teledrama.
- The musical show ‘Vienna Philharmonic New Year Concert’ which was a live telecast from Vienna, Austria was obtained free of charge through the Sattelite. This was recorded live and later on telecast. Further this unit was able to obtain documentary programs from China & Korea at no cost under the patronage of relevant Embassies.

- Another duty entrusted to this unit is to enter the high-standard programs made by various SLRC Producers or International Competitions and Award Ceremonies. Accordingly in 2012, entries were sent in for international competitions such as Prix Jeunesse International in Germany, ABU Prize 2012 in Malaysia, World TV Awards in Thailand, U R I T Grand Prix Author's Documentary in France, Japan Prize 2012 in Tokyo, Japan. The programme 'The Great School Teacher' which was produced by Ms Mayuri Wanaguru, producer, was selected for the final round under the educational programmes category at the Japan competition and the single episode Teledrama 'Manushya' by producer Mr Santhusa Liyanage, being selected for the final round of ABU competition, was a great achievement to SLRC.
- The international educational tours which were provided directly to the IR Unit were offered to a producer for Siyol – Korea, 02 producers for China, and 02 producers for Shanghai – China under the Chairman's approval.
- The High Commissioners and Ambassadors in diverse countries make statements for their respective countries, celebrating National and Republican Days. Those statements were recorded by the SLRC. The coordination part of this was handled by the IR Unit.

## **Record Room**

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The Record Room discharges the essential function of storing, preserving and archiving important documents and files of various divisions and units of SLRC. Furthermore, the Record Room has continued to issue those documents and files to the relevant Divisions and Units for official purposes. Systematic disposal documents and files were also done by the Record Room. Other tasks include:

- Supporting the staff to prevent piling up documents unnecessarily in the Divisions.
- Ability to provide space, tidiness and attractiveness in the Divisions.
- Providing opportunity to the staff members to carry out daily activities without any interruption as they are free from unnecessary obstacles.

- Providing files promptly at the request of officers for purpose of administrative, legal or any other official matter.
- A methodical document disposal system by covering the office staff on obligatory instructions for a Government corporation in the Archives Act 48 of 1973 and arranging the list of disposal documents accordingly.
- Archiving the files which are essential to the Corporation.





The Finance Division is organized around the functions of Revenue, Payments, Salaries, Book-Keeping and the Costing Unit. The Supplies Unit too comes under the purview of the Finance Division. The Division primarily carries out the functions of financial management and financial reporting of the Corporation.

Each of the units of the Finance Division discharged its duties during the year 2012 efficiently, effectively and economically to bring about the optimum returns to the Corporation. All financial transactions that passed through these units were executed with integrity, transparency and objectivity. Payments on all programme files were made in accordance with applicable regulations and to support programme production and broadcasting. The division all took the initiative to follow up on all due payments of completed programmes and met the payment obligations by the respective deadlines.

Staff salaries and all other staff benefits were paid without any delay and statutory deductions were remitted to the respective institutions on or before the deadline.

Primary income generated from the sale of airtime and other peripheral incomes were recorded in conformity with applicable accounting principles and standards.

The Supplies Unit, coming under the preview of the Finance Division, procured all the necessary items (both capital and non-capital goods and services) to support the production, direction and telecast of programmes on the main channel Rupavahini, Chanel Eye/ Nethra and NTV.

Accurate and timely financial and management reports, generated in accordance with accounting principles and standards and were submitted to other divisions and the Board of Directors to take informed and responsive decisions. Accordingly, both routine and ad-hoc (on demand) reports were compiled to meet requirements.





All major financial decisions were subjected to several reviews and the resulting conclusions formed the basis of the legal and authorized decisions made for the Corporation. In comparison with other state sector institutions the Corporation has not relied on any long term loans to finance its operations. Moreover, it has maintained reliance on short term loans and borrowings at minimum levels.

Given the current commercial and economic conditions, good financial management is indeed a challenging task. However the division has been successful in directing the Corporation's financial management so as to safeguard the financial stability and financial independence of the Corporation.



## Statement of Director's Responsibility



The Finance Act No.38 of 1971 and the Sri Lanka Rupavahini Corporation Act No.6 of 1982 require the Directors to prepare financial statements for each financial year giving a true and fair view of the state of affairs of Sri Lanka Rupavahini Corporation (hereinafter referred to as the "Corporation").

The Directors confirm that in preparing the financial statements of the Corporation, appropriate Accounting Policies and Standards have been selected, consistently applied and supported by responsible and prudent judgments and estimates. Any material departures have been disclosed and explained in the financial statements.

Having reviewed the Corporation's future financial projections, cash flows and current performance, the Directors consider that the Corporation has adequate resources to continue operations. The Directors have thus adopted a going concern basis in preparing financial statements.

The Directors have taken the responsibility to ensure that the Corporation maintains accounting records that disclose with responsible accuracy the financial position of the Corporation as required by Sri Lanka Rupavahini Corporation Act No. 38 of 1971 and Sri Lanka Accounting Standards.

The Directors have taken responsible measures to safeguard the assets of the Corporation and to establish appropriate systems of internal controls in order to prevent and detect fraud and other irregularities.

The Directors also confirm that to the best of their knowledge all taxes and levies payable by the Corporation, all contributions, levies and taxes payable on behalf of and in respect



of the employees and all other known statutory obligations including retirement gratuities as were due as at the Balance Sheet date have been either duly paid or appropriately provided in the financial statements.

On behalf of the Board of Directors.

**Mohan Samaranayake**

Chairman

Sri Lanka Rupavahini Corporation



**Sri Lanka Rupavahini Corporation**  
**Statement of financial position**

**Rs. '000**

	<b>Note</b>	<b>31 December 2012</b>	<b>31 December 2011</b>	<b>1 January 2011</b>
<b>Assets</b>				
Non – Current assets				
Property, plant and equipment	8	642,551	543,910	545,788
Intangible asset	9	213,464	193,172	10,317
Available for sale financial asset		1,104	1,104	1,104
Deferred income tax asset		19,944	32,137	30,737
Tsunami fund		1,022	1,007	2,771
Held to maturity financial assets	10	172,121	160,941	34,875
		<b>1,050,206</b>	<b>932,271</b>	<b>625,592</b>
<b>Current assets</b>				
Inventories	11	206,874	207,562	211,725
Trade receivables	12	527,300	470,330	491,520
Loans & receivables	13	463,514	542,168	733,368
Other receivables	14	118,001	164,449	123,495
Prepayments		907	3,058	10,166
Cash and cash equivalents	15	7,333	27,369	1,424
		<b>1,323,929</b>	<b>1,414,936</b>	<b>1,571,698</b>
<b>Total assets</b>		<b>2,374,135</b>	<b>2,347,207</b>	<b>2,197,290</b>
<b>Equity and Liabilities</b>				
Capital and reserves				
Stated capital		537,743	537,743	537,743
Accumulated profit / (loss)		1,204,351	1,186,711	1,089,375
		<b>1,742,094</b>	<b>1,724,454</b>	<b>1,627,118</b>
Non- current liabilities				
Government grant for capital items	16	9,000	20,000	31,000
Foreign aid		122,089	58,147	60,742
Tsunami fund payable		1,022	1,007	2,771
Defined benefit obligations	17	139,640	141,628	133,308
Finance leases payable non-current portion	22.2	27,743	41,003	6,312
		<b>299,494</b>	<b>261,785</b>	<b>234,133</b>

<b>Current liabilities</b>				
Trade payables	18	105,133	137,126	130,959
Other financial liabilities	19	133,378	150,641	91,222
Other payables	20	32,767	59,941	43,449
Finance leases payable current portion	22.1	13,260	13,260	1,646
Bank overdraft	21	48,009	-	68,763
		332,547	360,968	336,039
Total liabilities		632,041	622,753	570,172
<b>Total equity and liabilities</b>		<b>2,374,135</b>	<b>2,347,207</b>	<b>2,197,290</b>

The fiancé manager certifies that the financial statements have been prepared in compliance with the requirements of the Sri Lanka Financial Reporting Standards as laid down by the Institute of Chartered Accountants of Sri Lanka, finance act no. 38 of 1971 & Sri lanka Rupavahini Corporation act of no. 06 of 1982.

Mr. Varuna Sanjaya Dharmaratna

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Deputy Director General / Finance Manager

Date

The board of directors is responsible for the preparation and presentation of these financial statements. These financial statements were authorized for issue by board of directors on 2<sup>nd</sup> April 2013.

Mr. Mohan Samaranayake

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Chairman

Director

.....

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Date

Date

The notes on pages 6 to 41 from an integral part of these financial statements.



**Sri Lanka Rupavahini Corporation**  
**Comprehensive income statement**

**Rs.'000**

	<b>Note</b>	<b>31 December 2012</b>	<b>2011</b>
Sales	1	1,858,029	2,290,407
Cost of sales	3	(1,292,122)	(1,526,539)
<b>Gross Profit</b>		<b>565,907</b>	<b>763,868</b>
Other operating income	2	168,728	129,427
Distribution costs	4	(259,829)	(315,359)
Administrative expenses	5	(411,979)	(394,601)
<b>Operating Profit</b>		<b>62,827</b>	<b>183,335</b>
Finance costs	6	(15,349)	(11,256)
<b>Profit before income tax</b>		<b>47,478</b>	<b>172,079</b>
Income tax expenses	7	(29,045)	(40,751)
<b>Total comprehensive income for the period</b>		<b>18,433</b>	<b>131,328</b>

The notes pages 6 to 41 from an integral part of these financial statements.



## Sri Lanka Rupavahini Corporation

### Statement of changes in equity

**Rs.'000**

	Retained earnings	Government Contribution	Total
Balance at 1 January 2011	1,041,041	537,743	1,578,784
Prior year adjustments deferred tax	30,737	-	30,737
Changes in accounting policies –			
Adjustment in debtor provision	17,597	-	17,597
<b>Balance at 01 January 2011</b>	<b>1,089,375</b>	<b>537,743</b>	<b>1,627,118</b>
Balance at 1 January 2011	1,089,375	537,743	1,627,118
Prior year adjustments deferred tax	1,400	-	1,400
Comprehensive income for the year	131,328	-	131,328
Dividend declared to government (25%)	(32,498)	-	(32,498)
Impairment of housing loan	757	-	757
Changes in accounting policies –			
Adjustment in debtor provision	(3,651)	-	(3,651)
<b>Balance at 31 December 2011</b>	<b>1,186,711</b>	<b>537,743</b>	<b>1,724,454</b>
Balance at 1 January 2012	1,186,711	537,743	1,724,454
Comprehensive income for the period	18,433	-	18,433
Adjustment in deemed dividend 2011	129	-	129
Dividend declared to government (5%)	(922)	-	(922)
<b>Balance at 31 December 2012</b>	<b>1,204,351</b>	<b>537,743</b>	<b>1,742,094</b>

The notes pages 6 to 41 from an integral part of these financial statements.



# Sri Lanka Rupavahini Corporation

## Statement of cash flows

Rs.'000

	31 December 2012	31 December 2011	01 January 2011
<b>Cash flows from operating activities</b>			
Cash generated from operations	23,798	163,393	96,008
Interest paid	(1,261)	(1,268)	(3,897)
Interest received	50,096	37,768	60,913
Defined benefits obligations paid	(1,988)	(13,647)	(14,221)
Taxes paid	(40,751)	(23,860)	(25,708)
<b>Net cash (used in)/generated from operating activities</b>	<b>29,894</b>	<b>161,486</b>	<b>113,095</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant & equipment	(179,746)	(112,937)	(182,791)
Proceeds from disposal of property, plant & equipment	4,090	98	1,419
Investment in subsidiary	90,975	58,713	7,809
<b>Net cash used in investing activities</b>	<b>(84,681)</b>	<b>(54,126)</b>	<b>(173,563)</b>
<b>Cash flows from financial activities</b>			
Contribution to consolidated fund	-	-	(19,321)
Dividends paid	-	-	(1,183)
Financial lease principle payments	(13,260)	(12,649)	-
<b>Net cash generated from /(used in) financing activities</b>	<b>(13,260)</b>	<b>(12,649)</b>	<b>(20,504)</b>
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(68,047)</b>	<b>94,711</b>	<b>(80,972)</b>
<b>Movement in cash and cash equivalents</b>			
At beginning of year			
(Decrease)/ increase	27,318	(67,393)	13,579
<b>At end of period / year</b>	<b>(40,729)</b>	<b>27,318</b>	<b>(67,393)</b>

The notes pages 6 to 41 from an integral part of these financial statements.



## **Sri Lanka Rupavahini Corporation**

### **Notes to the financial statements**

#### **1. General Information**

Sri Lanka Rupavahini Corporation (hereinafter referred to as the “Corporation”) was incorporated under the Sri Lanka Rupavahini Corporation Act. No. 6 of 1982. The Corporation operates as the National Television Broadcaster in Sri Lanka with the prime objectives of providing education, entertainment & information to a multi ethnic & multi religious Sri Lankan society.

Total number of employees of the Corporation as at 31<sup>st</sup> December 2012 was 1006 (Permanent, Contract & Casual grades).

The Financial Statements of the Corporation for the year ended 31<sup>st</sup> December 2012 were authorized for issue by the Board of Directors on 2<sup>nd</sup> April 2013.

#### **2. Basis of preparation and adoption of Sri Lanka Financial Reporting Standards (‘SLFRS’)**

The Corporation prepares its financial statements in accordance with the Sri Lanka Accounting Standards (‘SLFRS’) issued by the Institute of Chartered Accountants of Sri Lanka and the requirements of Sri Lanka and the requirements of Sri Lanka Accounting and Auditing Standards Act No. 19 of 1995.

The institute of Chartered Accountants of Sri Lanka issued a new volume of Sri Lanka Accounting Standards (‘SLFRS’) and to require enterprises to apply these standards effective for years beginning on or after 1 January 2012.

The financial statements have been prepared in compliance with SLFRS, subject to certain transition elections and exceptions disclosed in note 8.



### **3. Summary of significant accounting policies**

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

#### **3.1 Basis of preparation**

The financial statements of the corporation have been prepared in accordance with Sri Lanka Financial Reporting Standards ('SLFRS'). The financial statements have been prepared under the historical cost convention.

No adjustments have been made for inflationary factors affecting the financial statements. The financial statements are presented in Sri Lankan rupees rounded to the nearest thousand.

The preparation of financial statements in conformity with SLFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Corporation's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 6.

Changes in new standards, amendments and interpretation issued but not effective for the financial year beginning 1 January 2012 and not early adopted.

- (1) SLFRS 13, 'Fair Value Measurement' aims to improve consistency and reduce complexity by providing a precise definition of fair value and a signal source of fair value measurement and disclosure requirements for use across SLFRSs.
- (11) SLFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. SLFRS 9 replaces the parts of LKAS 39 that relate to the classification and measurement of financial instruments.

SLFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business mode for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the LKAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Corporation is yet to assess SLFRS 9's full impact.

## **3.2 Foreign currencies**

### **(a) Functional and presentation currency**

Items included in the financial statements of the Corporation are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Sri Lankan Rupees, which is the Corporation's functional currency.

### **(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Foreign exchange gains and losses that relate to borrowings and cash and equivalents are presented in the statement of comprehensive income within 'finance income or cost'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other (losses) /Gains'.



### 3.3 Property, plant and equipment

Land and buildings comprise transmission stations and head offices. All the property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the corporation and the cost of the item can be measured reliably. The carrying amount of replaced parts are derecognized. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

**Table - 1 – Depreciation Rates of PPE**

The principal depreciation rates used for this purpose are:

	<b>Rates</b>
Buildings	2%
Computers	20%
Furniture and Fittings	10%
Electronic equipment	20%
Motor Vehicles	25%
Office equipment	20%
Library Stock	20%
TV Sets	20%
Other Assets	20%



### **3.4 Financial Instruments**

#### **(a) Financial Assets**

##### **3.4.1 Classification**

The Corporation classifies its financial assets in the following categories: at Held to maturity, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

#### **(a) Held to maturity**

Held-to-maturity investments of fixed deposits which are non- derivative financial assets with fixed or determinable payments and fixed maturities that The Corporation's management has the positive intention and ability to hold to maturity (See note 10).

#### **(b) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets as maturities are lower than 12 months after the end of the reporting period. The Corporation's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet (see Note 13).

#### **(c) Available –for-sale financial assets**

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it with 12 months of the end of the reporting period. These consist of investment in unquoted shares in Lanka Puwath (Private) Limited.



## **(b) Financial Liabilities**

Liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss or other liabilities, as appropriate.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

## **3.5 Inventories**

Inventories of the corporation consist of consumable stock (Stock held for the use of the Corporation & not for sale). Therefore inventories are valued at their cost. Stock valuation is done on a first-in-first-out (FIFO) basis.

## **3.6 Leases**

Leases of property, plant and equipment when the Corporation has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

In the past 2 years three (03) Cars & six (06) Vans were obtained on a finance lease, which effectively transfer the Corporation substantially all the risk and benefits incidental to ownership of the leased items, are capitalized and disclosed as finance lease at their cash price and depreciated over the period the Corporation is expected to benefit from the use of the leased assets.

The lease principal amount payable to the lessor (Bank of Ceylon) is shown as a non-current liability & current liability (base on the time analysis of lease payment). Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the outstanding balance of the liability. The interest payable over the period (5 years) of the lease is transferred to an interest in suspense account. The interest element of the rental obligations pertaining to each financial year is charged to the income statement over the period of lease.



**Table 2 – The Time Analysis of Lease payments**

The following table shows the finance lease obligation that falls due one year & more than one year.

<b>In Rs.' 000</b>	<b>Less than 1 year</b>	<b>More than I year</b>
Interest	3,700	3,476
Capital	9,560	24,267
<b>Lease Creditor – Bank of Ceylon</b>	<b>13,260</b>	<b>27,743</b>

### 3.7 Trade Receivables

#### 3.7.1 Provisions – Trade receivables /Client Debtor

Trade receivables are carried at anticipated realizable value. A provision for impairment of trade receivables is established when there is objective evidence that the Corporation will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization and default payments are considered indicators that the trade receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the statement of comprehensive income within distribution cost. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivable. Subsequent recoveries of amounts previously written-off are against distribution cost in the income statement.

**Table 3 – The Client Debtors Provision as at 31/12/2012**

	<b>Rs.' 000</b>
Provision as at 01/01/2012	119,705
Charge for the year 2012	6,641
<b>Provision as at 31/12/2012</b>	<b>126,346</b>



### 3.7.2 Provisions – Sundry Debtor

**Table 4 – The Sundry Debtors Provision as at 31/12/2012**

	<b>Rs.' 000</b>
Provision as at 01/01/2012	18,833
Charges for the year 2012	(5)
<b>Provision as at 01/01/2012</b>	<b>18,828</b>

### 3.7.3 Provisions – Other Receivables

#### 3.7.3.1 Employee Loans

Employee Loans constitute amounts granted to eligible employees under the following categories:

- 1 Distress loan
- 11 Special loan
- 111 Transport loan
- 1V Housing loan
- V Other loan

The provision for bad debts for Employee Loans has been made only for the outstanding amounts with respect to employees who are no longer in service (either retired or resigned) with Sri Lanka Rupavahini Corporation.

**Table 5 – The Employee Loan provision as at 31/12/2012**

	<b>Rs.' 000</b>
Provision as at 01/01/2012	156
Charge for the year 2012	(7)
Write – off for the year 2012	(73)
<b>Provision as at 31/12 2012</b>	<b>76</b>

#### 3.7.3 2 ) Employee Advances

Employee advances constitute amounts under the following categories:

- Advance for Programme Production





- Advance for Employees (Miscellaneous)
- Advance for Foreign Travel
- Advance for Room Charges

The provision for bad debts for employee advances has been made to reflect the amounts outstanding with respect to employees who are no longer in service (either retired or resigned) with Sri Lanka Rupavahini Corporation.

### **3.8 Cash and cash equivalents**

In the statement of cash flows, cash and cash equivalents includes cash in hand & bank current account balance. In the statement of financial position, bank overdrafts are within borrowing in current liabilities.

### **3.9 Trade payables / Liabilities**

Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

### **3.10 Current and deferred income tax**

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the provision of Inland Revenue Act No. 10 of 2006 & subsequent amendments. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions here appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the



financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where is an intention to settle the balances on a net basis.

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

### **3.11 Contingent Liabilities**

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

A total of 07 cases have been filed against the Corporation. The estimated compensation for the plaintiffs in the event of a court ruling against the corporation for all the 07 cases is Rs. 2,052 million. This disclosure is made to be in compliance with SLAS 36 (Provisions, contingent liabilities & contingent assets). Contingent liabilities are disclosed in notes to the financial statements.

### **3.12 Retirement Benefit Liabilities**

Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period, together with adjustments for recognized past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds as no active market for high-quality corporate bonds in Sri Lanka.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognized immediately in income, unless the changes to the pension plan are conditional on the employee remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortized on a straight-line basis over the vesting period.

### **3.13 Defined contribution plans**

All employees of the Corporation are members of the Employees' Provident Fund (EPF) and Employees' Trust Fund (ETF), to contribute 15% and 3% respectively of such employees' basic salary or wages, cost of living and meal allowance (non executive employees).

Corporation's contribution to the defined contribution plans are recognized as an expense in the income statement when incurrent.

### **3.14 Grants**

Grants relating to property, plant and equipment are included in non-current liabilities as deferred grants and are credited to the statement of comprehensive income on a straight-line basis the expected lives of the related assets.

### **3.14 – 1 Local Grants**

The grants have been amortized at the rate of 20% per annum.

### **3.14 – 2 Foreign Grants**

The Corporation has received foreign grants amounting to Rs. 654,665,339 in the of equipment. This amount has been amortized over the useful life of the equipment and the relevant amount for the year 2012 is Rs. 2,596,040. This is shown separately under the item “amortization of foreign aid” in the notes to the income statement.

A foreign grant for equipment to the value Rs.66,773,684.69 was received on 27/12/2012 from the government of Japan through JICA Sri Lanka. These equipment will give the corporation the editing to create 2D & 3D animations. The amount would be amortized over its useful life (5 years) beginning from year 2013.

### **3.15 Revenue**

Revenue of the Corporation is accounted for on an accrual basis. Interest income on investment is also recognized in the same basis.

Revenue is measured at the value of the consideration receivable. The corporation recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the corporation.

The primary source of revenue is derived from Sale of airtime. Other sources of income recognized in the income statement are given as a note to the income statement.

### **3.16 Accounting for Expenditure**

Expenditure of the Corporation is accounted for on accrual basis, charging all expenses incurred in the day to day operations of the business and in maintaining the property, plant & equipment in a state of efficiency.

Over draft interest cost is charged to the Income Statement under financial charges as an when it is incurred.

### 3.17 Cash Flow Statement

The Cash Flow Statement has been prepared using the indirect method. Cash and cash equivalents consists of cash in hand and bank current account balance.

### 3.18 Events after the Balance Sheet Date

All material post balance sheet events have been considered and disclosed or adjusted, where applicable.

### 3.19 Rupavahini Social Welfare Fund-(Tsunami)

The source of these funds was from the general public, in response to various campaigns carried out by the corporation aftermath the Tsunami catastrophe, in the year 2004.

The Account balance is given in the table below.

Table 6 – Social Welfare Fund Balance as at 31/12/2012

	Rs.' 000
Balance as at 01/01/2012	1,007
Interest earned for the period	15
<b>Fund Balance at the end of the year 2012</b>	<b>1,022</b>

The Social Welfare Fund is an integrated part of statement of financial position.

## 4. Intangible Asset (Copyright fees paid)

Copyright fees paid to acquire telecast rights of programmes (either local or foreign) & cost of produced programmes (teledramas, motion pictures, films & etc) that meet the triple criteria of identifiability, control & existence of future economic benefits as defined in LKAS 38 (Intangible Assets) have been mortised based on the following policy of the corporation.



Table 7 – a) the policy for amortization of acquired (or procured) programmes and in-house produced programmes.

<b>Category</b>	<b>Amortization Policy</b>
Acquired (or Produced) local teledramas and films	<b>Number of runs,</b> If the number of runs are not exhausted as defined in the contract within the contract period then to recognize the balance amount capitalized as expenditure at the end of the contract.
Acquired (or Produced) local programmes (other than local teledramas and films)	<b>Number of runs,</b> If the number of runs are not exhausted as defined in the contract within the contract period then to recognize the remaining capitalized amount as an expenditure at the end of the contract..
Acquired (or Produced) foreign films/Soap operas	<b>Number of runs,</b> If the number of runs are not exhausted as defined in the contract within the contract period then to recognize the balance capitalized as an expenditure at the end of the contract..
Acquired (or Produced) foreign programmes (other than foreign films /Soap operas)	<b>Number of runs,</b> If the number of runs are not exhausted as defined in the contract within the contract period then to recognize the remaining capitalized amount as an expenditure at the end of the contract
In-house productions - teledramas	50% in the 1 <sup>st</sup> run and to mortise the balance 50% for 10 years in equal amount.
In-house productions – programmes other than teledramas	50% in the 1 <sup>st</sup> run and to mortise the balance 50% for 10 years in equal amount.
Acquired (or Produced) foreign film and Soap operas that grant rights indefinitely.	50% in the 1 <sup>st</sup> run and to mortise the balance 50% for 10 years in equal amount.

Acquired (or Produced) programmes other than films or Soap operas that grant rights indefinitely.	.50% in the 1 <sup>st</sup> run and to mortise the balance 50% for 10 years in equal amount
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In the case a programme does not meet one or more of the triple criteria (identifiability, control & existence of future economic benefits) then the total cost associated with the programme has been recognized as an expense in the first run.

**Table 7 – b) Copyright Fee**

Rs.' 000	Purchase of Tele drama	Procurement of Foreign Programme	In-house Produced Tele drama	Local Programme not-telecast	WIP Local Programme	In-house Production Others
Balance as at 01/01/2010	-	-	-	-	-	-
Balance as at 01/01/2011	-	-	-	-	-	-
Addition	169,008	-	-	-	-	-
Balance as at 01/01/2012	169,008	-	-	-	-	-
Addition	81,051	12,101	23,290	5,811	3,824	11,747
Amortized for the year 2012	(93,368)	-	-	-	-	-
	<b>156,691</b>	<b>12,101</b>	<b>23,290</b>	<b>5,811</b>	<b>3,824</b>	<b>11,747</b>

## 5. Investment Income

Tables 8 – Amounts of Investment Income in the year 2012

Type of Investment	Amount
Treasury Bill (Bank of Ceylon)	28,184
Fixed Deposits (Bank of Ceylon)	16,532
SMIB Fixed Deposit (State Mortgage & Investment Bank)	1,364
State Super trust Fund	3,820

Special Housing Loan Scheme (State Mortgage & Investment Bank)	194
Savinga Account (Bank of Ceylon)	2
<b>Total Investment Income</b>	<b>50,096</b>

## 9. Related party disclosures

The Corporation Carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard 24 “Related Party disclosures”, the details of which are reported below.

No	Name	Designation	Nature of the related party transaction	Address
01	Mr.Mohan Samaranayake	Chairman	No related party transaction	No. 75/852, Susithapura, Malabe.
02	Mr.Edward Jayakody	Board Member Asst.Director Ministry of Education	1. As the Member of the Judge Board – Ranaviru Real Star Musical Programme Rs. 1,480,000/- 2. As the Artist of the Manchee Samaga Nomini Reyak, Ayrudu Udanaya 2012, Rupavahini 30 <sup>th</sup> Aniversar , Wesak Udnaya 2012 Kumara Gee, Daham Bima, JICA Volanteer Service ii, Sanda Ranga Madala, Christmas Musical Show Rs. 97,000/-	52, Ariyadasa Peiris Mw, Nugegoda
03	Prof.Rohana Laxman Piyadasa	Board Member Senior Lecture	As a Director General of the Centre for Media & for copyrights “Ramanya Nikaya” Short Documentary Amount Received Rs. 100,000/-	37, 1 <sup>st</sup> Lane, Aruppola, Kandy.



04	Mr.M.P.D.U.K. Mapa Pathirana	Board Member Director General (Ministry of Finance & Planning)	No related party transaction	34/1, Praja Road, Madiwela, Kotte.
05	Mr.Hudson Samarasinghe	Board Member Chairman – Sri Lanka Broadcasting Corporation	No related party transaction	No.255/B11,Torrington Garden, Torrington Avenue, Colombo 07
06	Mr.Asoka Serasinghe	Board Member Chairman – National Film Corporation	1.As the Artist of Vinivida & Ira Andurupata Rs. 65,195	No. 30, School Avenue, Kalubowila.
07	Mr.Gamini Somachandra Rasaputthra	Chief Executive Officer	No related party transaction	“Wanamalee”, Old Road, Barawakumbuka.
08	Mr.Rohan Sarathchandra Perera	Deputy Director General (Engineering)	No related party transaction	24, Sri Sumangala Road, Ratmalana
09	Mr. B. C. A. T. W. M. R. Varuna Sanjaya Dharmarathna	Deputy Director General (Finance Manager)	No related party transaction	No. 200/5, Sri Rahula Mawatha, Katubedda, Moratuwa.
10	Mr.Sumedha Athulasiri	Deputy Director General (Production Service)	No related party transaction	295/1A, Mahawatta Road, Kottikawatta.
11	Mr.Nisantha Ubayawansa	Deputy Director General (Programme)	No related party transaction	71E,Ihalagama, Gampaha
12	Mr.palitha Kusumsiri Wijesinghe	Director (Administration)	No related party transaction	125,Mahawatta, Wewalduwa, Kalaniya.
13	Mr.Wijaya Dissanayake	Director (News & Current Affairs)	As the Artist of Sivdesa Rs. 268,000/-	55, Meegahawatta, Delgoda.
14	Mr. A M Sampath Rohitha Amarasekara	Acting Director (Marketing Manager)	No related party transaction	No.534,Bevilgamuwa, Pothuhara.



**Sri Lanka Rupavahini Corporation**  
**Notes to the financial statements**

Rs.'000

Note	31 December 2012	31 December 2011
<b>01. Revenue</b>		
Sale of TV time – channel 1	1,525,847	1,340,696
Sale of TV time – channel Eye	216,408	853,798
Sale of TV time – contra deal	86,591	58,009
N.B.T on sale of TV time	29,183	37,904
<b>Total Revenue</b>	<b>1,858,029</b>	<b>2,290,407</b>
<b>02. Other operating income</b>		
Production income	45,436	46,671
Investment income (Please refer table 8)	50,096	37,768
Transfer fees	945	932
Profit on disposal property plant & equipment	4,082	31
Rent from canteen	37	28
Departmental fines	1,020	493
Interest on loans to employees	6,233	6,160
Miscellaneous income	26,058	4,916
Amortization of foreign aid	2,596	2,596
Non-refundable tender deposits	257	500
Registration fees	147	190
Sales of programme material	2,526	5,052
Registration fee – TV dealers	14	18
Utilization of SLRC facilities (foreign)	546	1,788
Utilization of SLRC facilities (local)	13,437	10,574
AIBD training course income	-	96
Income from Diploma course	-	214
Loan impairment gain	648	-
Sale of magazine	147	-
Commercial promotional income	2,732	-

Other charges - clients	771	400
Government grant	11,000	11,000
<b>Total other operating income</b>	<b>168,728</b>	<b>129,427</b>
<b>3. Cost of sales</b>		
<b>3.1 Educational Programme expenses</b>		
Artiste fees	8,808	6,929
Refreshments	2,765	1,938
Make-up materials	212	512
Incidental expenses	1,067	598
Graphic material	16	79
Stage design	852	387
Video cassettes & tapes	601	1,213
Hire of transport facilities	159	47
Hire of equipment facilities	1,151	3,034
Hire of facilities (Theatre / Audio)	3,169	3,328
Hire of sound equipment	148	94
Electricity	29	29
Lodging	2,729	1,739
Still photographs	20	11
Travelling & subsistence	1,610	1,789
Purchase of copy/production/TV right	8,933	3,067
Premises	70	116
Special event	537	804
Channel Eye		
Artiste fees	3,988	3,026
Previewing & monitoring chargers	10	-
Refreshment	143	60
Hire of equipment/ transport	111	545
Hire of transport	40	2
Hire of sound equipment		31
Electricity	24	4
Incidental expenses	302	139
Travelling & subsistence	475	184
Still photographs	-	2

Procurement of programme material - foreign	8,335	14,648
Lodging	524	202
Video cassettes & tapes	110	98
Stage design /sets	76	108
Hire of facilities (Theatre / Audio)	-	224
Premises	24	8
Make-up materials	-	270
	<b>47,038</b>	<b>45,265</b>
<b>3.2 General Programme expenses</b>		
Artiste fees	20,276	21,635
Previewing & monitoring charges	521	485
Refreshment allowance	3,420	3,426
Purchase of copy /Production TV right	162,738	344,579
Stage & design / sets/ props	1,007	1,605
Make-up materials	211	1,457
Video cassettes & tapes	2,686	2,761
Graphic & animation materials	20	84
Still photographs	48	31
Hire of equipment facilities	9,023	18,559
Incidental expenses	2,165	1,968
Procurement programme materials - foreign	4,207	1,396
Travelling & subsistence	3,498	3,011
Special event	482	1,280
Lodging	4,321	4,454
Electricity	583	130
Hire of facilities (Theatre / Audio)	481	726
Hire of sound equipment	616	906
Hire of transport	1,094	1,328
Premises	531	501
Satellite cost	2	-
NTV channel		
Expenses for NTV channel (block vote)	-	1,040
Rent of antenna tower at SLBC	3,478	3,672
Reimbursement of electricity charges SLBC	966	867

Artistes fees	47	106
Refreshments	27	106
Lodging	-	11
Travelling & subsistence	-	24
Hire of transport facilities	-	6
Hire of equipment facilities	-	46
Hire of facilities (theatre /Audio)	60	210
Electricity	-	1
Video cassettes & tapes	20	373
Stage design / sets	-	5
	<b>222,528</b>	<b>416,789</b>
<b>3.3 News Programme expenses</b>		
Payments to news readers / editors	6,486	6,194
News gathering - local	15,931	16,602
News gathering - foreign	4,974	4,863
Incidental expenses	235	984
Satellite & related charges - local	230	1,691
Satellite & related charges - foreign	1,188	4,311
ABU's fixed & variable charges	5,027	5,515
Current affairs (block vote)	16	77
Transport news vehicle	11,335	8,119
Web streaming service	938	4,580
Video cassettes & tapes	794	1,189
Refreshment allowances	3,063	1,903
Design / news sets	-	-
Artistes fees	29,145	24,144
Hire of equipment facilities	32,439	36,570
Hire of sound equipment	3,410	966
Travelling & subsistence	2,097	2,403
Lodging	2,387	2,269
Sets / props (current affairs)	3,534	6,101
Hire of transport facilities (current affairs)	50	16
Hire of facilities (Theatre/Audio)(current affairs)	5,416	50
Still photographs (current affairs)	200	110

Electricity	27	14
Live streaming	1,656	-
On demand video streaming	900	-
Special events	-	12,813
	<b>131,478</b>	<b>141,484</b>
<b>3.4 Commercial production expenses</b>		
Artistes fees	2,629	2,236
Refreshment allowances	612	422
Stage & design /sets/props	516	-
Hire of transport facilities	71	39
Hire of equipment facilities	5,796	1,470
Incidental expenses	190	212
Travelling & subsistence	630	133
Lodging & premises	1,333	309
Hire of sound equipment	-	12
Video cassettes & tapes	237	94
Make-up materials	-	135
Stationery	-	4
Still photographs	80	-
<b>Commercial production expenses</b>	<b>12,094</b>	<b>5,066</b>
<b>3.5 Other production expenses</b>		
Salaries & other allowances (for production staff)		
Salaries/allowances – Permanent Staff	272,711	243,312
Salaries/allowances – Contract Staff	20,100	31,885
Salaries/allowances – Relief Staff	15,101	11,122
Overtime	111,259	119,804
Corporation share of EPF	42,161	42,146
Corporation share of ETF	8,432	8,429
Holiday pay	27,882	28,282
Week-end payment for executive	4,534	5,820
Hardship/altitude /heavy duty	5,271	5,441
Duty officers/engineering fees	1,155	1,243
Incentive allowance	25,325	27,640
Meal allowance – Non executive	8,293	8,282

Transport allowance	16,099	13,530
Enhancement medical leave	16,959	17,000
Bonus	36,405	37,092
	<b>611,687</b>	<b>601,028</b>
Electricity – Tx station	29,596	27,659
Electricity – Head office (75%)	53,016	43,942
Fuel for generator	1,779	997
Running expenses (75%)	14,175	10,529
Rental for Tx stations	714	-
Repairs & maintenance - Equipment	9,901	21,861
Tax on foreign programmes	989	2,724
Commercial contra expenses	36,223	65,996
Frequency chargers	5,250	3,130
Leasing of satellite band with 9 MHZ	-	112
Colombo – Palali link for video transmission	1,291	4,073
Rental for fiber optic link	433	3,609
Hiring of third party infrastructure	2,500	3,786
	<b>767,554</b>	<b>789,446</b>
<b>3.6 Depreciation</b>	111,430	128,489
Depreciation	<b>111,430</b>	<b>128,489</b>
Total cost of sales	<b>1,292,122</b>	<b>1,526,539</b>
<b>4. Distribution expenses</b>		
Agency commission	235,919	300,058
Promotional expenses	17,281	4,182
Bad debts provision	-	-
Employee	(7)	69
Sundry	(5)	(229)
Clients	6,641	11,279
Distribution Expenses	<b>259,829</b>	<b>315,359</b>
<b>5. Administrative expenses</b>		
Members remuneration	1,435	1,262
Salaries /allowances – Permanent Staff	55,764	51,121
Salaries /allowances – Contract Staff	8,417	7,300

Salaries /allowances – relief Staff	1,725	711
Overtime	34,048	23,603
Corporation share of EPF	10,119	9,129
Corporation share of ETF	2,019	1,830
Holiday pay	7,916	5,885
Week-end payment for executive	1,608	925
Hardship/altitude /heavy duty	636	1,201
Duty officers/engineering fees	406	423
Membership fees for professional executives	42	134
Contribution for pension & W & O.P	42	99
Incentive allowance	7,638	5,484
Meal allowance – Non executive	1,486	1,552
Transport allowance	3,448	3,248
Enhancement medical leave	3,100	2,999
Incentive gratuity & compensation	315	1,785
Bonus	6,807	6,761
Staff welfare	139	-
Recreation	702	146
Uniform to staff	263	138
Premium – medical insurance scheme	21,282	8,902
Premium for accident & life insurance	5	39
Traveling & subsidence - Local	2,442	2,857
Traveling & subsidence – Mileage allowance	3,744	3,710
Traveling & subsidence - foreign	9,822	8,831
Incidental expenses – Foreign travel	1,465	480
Corporation refreshment / entertainment	1,965	2,226
Rent, rates & taxes	18,071	20,901
Electricity & power	19,673	16,753
Telephone including rental	8,620	11,054
Security service	10,929	11,647
Postage	560	580
Printing & stationary	8,226	8,973
Newspapers & periodicals	1,506	1,429
Office requisites	716	1,026



Losses on disposal –property plant & equipment	90	56
Exchange losses	396	71
Sundry expenses	9,772	7,008
Advertisement – Tender & recruitment	1,101	1,330
Compensation for court cases	-	272
Running expenses of motor vehicles	4,726	3,510
Hire of motor vehicles	8,154	13,019
Insurance – building & other assets	5,437	3,274
License & insurance motor vehicles	1,464	1,382
Repairs & maintenance – building	10,636	12,160
Repairs & maintenance – Garden	1,094	1,186
Repairs & maintenance – Other assets	780	844
Water	3,194	3,071
Web hosting /Internet lease line	4,307	4,931
Computer requisites	-	1
License fee for Microsoft product & other expenses	86	300
Seminar & training programme - General	610	268
Anniversary celebration	9,216	665
Public addressing system charges /rental	56	79
Repairs of motor vehicles	8,531	6,284
Publicity & propaganda	2,526	1,538
Training expenditure – internal	1,901	1,617
Survey & research expenses	1,306	1,092
Donation	905	1,359
Public relation	-	16
National events	69	1,453
Expenses for elections - Presidential	-	102
ABU training expenses	-	475
Subscription fees	3,7719	3,384
Depreciation	37,643	30,935
N.B.T	37,159	45,808
	<b>411,979</b>	<b>372,634</b>
Retirement benefit obligation	-	21,967
<b>Administrative expenses</b>	<b>411,979</b>	<b>394,601</b>

<b>6. Financial &amp; other charges</b>		
Bank charges	567	1,160
Bank interest	1,261	2,168
Lease interest (Vehicle loan)	4,807	5,039
Audit fees	350	350
Legal fees	3,122	2,496
Stamp duty	49	43
Financial & other write offs	193	-
Special levy - Treasury	5,000	-
<b>Financial &amp; other charges</b>	<b>15,349</b>	<b>11,256</b>
<b>7. Taxation</b>		
Profit /(loss) for the year ending	47,478	172,079
Depreciation	149,073	159,424
Interest paid	6,068	7,207
Corporation entertainment	1,965	2,226
Donations	905	1,359
Publicity & propaganda (25%)	632	384
Commercial promotional expenses (25%)	4,320	1,045
Contra expenses (50%)	18,111	32,998
Profit / loss on disposal	(3,992)	26
Tax gain / loss	3,905	(26)
Anniversary celebration	9,216	665
Provisions for gratuity	-	21,967
Gratuity paid	(2,448)	(13,646)
Provisions for bad debts - Sundry	(5)	(228)
Provisions for bad debts – Clients	6,641	11,279
Provisions for bad debts - Employees	(7)	69
Specific bad debts write off	193	(85)
Interest income	(50,096)	(37,768)
Other income	(51,841)	(30,430)
Grant for capital items	(11,000)	(11,000)
Capital allowances	(186,908)	(144,220)
Amortization of foreign aid	(2,596)	(2,596)
<b>Business profit / (loss)</b>	<b>(60,386)</b>	<b>170,729</b>

Interest income	50,096	37,768
Other income	51,841	30,430
<b>Total statutory income</b>	<b>101,937</b>	<b>238,927</b>
35% from net profit allowable losses b/f	(35,678)	(83,624)
Interest paid	(6,068)	(7,207)
<b>Assessable income</b>	<b>60,191</b>	<b>148,096</b>
Qualifying payments	(5)	-
<b>Taxable income</b>	<b>60,186</b>	<b>148,096</b>
Tax amount (28%)	16,852	41,467
SLR 1.5% from income tax	-	622
Income tax liability	16,852	42,089
Deferred tax	12,193	-
Income tax over provision for the year 2010	-	(1,338)
<b>Income tax</b>	<b>29,045</b>	<b>40,751</b>

### Property, Plant & equipment

**Rs. '000**

Note	Balance as at 01.01.2012.	Additions	Disposals	Balance as at 31.12.2012
Land	7,660	-	-	7,660
Building	238,050	7,809	-	245,859
Furniture & Fittings	42,691	2,762	-	45,453
Plant & Equipment	2,564,123	148,447	(986)	2,711,584
Office Equipment	47,861	1,492	-	49,353
Electrical Equipment	7,340	140	-	7,480
TV Sets	22,134	913	(365)	22,682
Library Stocks	2,040	84	-	2,124
Loose Tools & Accessories	3,486	147	(7)	3,626
Computer	70,622	16,307	-	86,929
Other Assets	3,299	433	-	3,732
Accounting Software	7,496	975	-	8,471
Equipments for NTV	33	-	-	33

Motor Vehicle	111,464	-	(8,052)	103,412
Musical Instrument	170	-	-	170
Caravan Equipment	162	-	-	162
Security Equipment	2,170	-	-	2,170
JICA Project	-	66,774	-	66,774
<b>Total Value of Assets</b>	<b>3,130,801</b>	<b>246,283</b>	<b>(9,410)</b>	<b>3,367,674</b>

## Depreciation

Rs. '000

Note	Balance as at 01.01.2012	Additions	Disposals	Balance as at 31.12.2012
Land	-	-	-	-
Building	95,134	4,794	-	99,928
Furniture & Fittings	21,217	3,539	-	24,756
Plant & Equipment	2,270,522	111,429	(974)	2,380,977
Equipment for NTV	13	7	-	20
Office Equipment	41,142	2,398	-	43,540
Electrical Equipment	7,313	51	-	7,364
TV Sets	17,187	2,561	(282)	19,466
Library Stocks	1,903	87	-	1,990
Loose Tools & Accessories	2,034	405	(5)	2,434
Computer	54,093	9,334	-	63,427
Other Assets	2,254	508	-	2,762
Accounting Software	3,156	1,566	-	4,722
Motor Vehicle	70,401	12,394	(8,052)	74,743
Musical Instrument	170	-	-	170
Caravan Equipment	162	-	-	162
Security Equipment	2,170	-	-	2,170
JICA Project	-	66,774	-	66,774
<b>Total Depreciation</b>	<b>2,588,871</b>	<b>149,073</b>	<b>(9,313)</b>	<b>2,728,631</b>

## 1. Net book value of assets

Rs. '000

Note	Balance as at 01. 01. 2012	Balance as at 31. 12. 2012
At Cost	3,130,801	3,367,674
Depreciation	(2,588,871)	(2,728,631)
<b>Total Carrying amount of Property, Plant &amp; Equipment</b>	<b>541,930</b>	<b>639,043</b>

Rs. '000

Note	Balance as at 01. 01. 2012	Additions	Transfers	Balance as at 31. 12. 2012
<b>Work- in progress</b>	1,980	11,582	10,054	3,508

Rs. '000

Note	Balance as at 01.01.2012	Balance as at 31.12.2012
Total Carrying amount of Property, Plant & Equipment	541,930	639,043
Work – in Progress	1,980	3,508
<b>Total</b>	<b>543,910</b>	<b>642,551</b>



# Sri Lanka Rupavahini Corporation

## Notes to the financial statements

Rs. '000

Note	2012.12.31	2011.12.31	2011.01.01
<b>9. Intangible assets</b>			
Purchase of teledrama	156,691	169,008	-
In-house production teledrama	23,290	-	-
In-house production - others	11,747	-	-
Programe material foreign	12,101	2,544	3,697
Local Programmes (Not telecast)	5,811	14,196	1,212
Local Programmes (Work-In Progress)	3,824	7,424	5,408
<b>Intangible assets</b>	<b>213,464</b>	<b>193,172</b>	<b>10,317</b>
<b>10. Held to maturity financial assets</b>			
Fixed deposits (Bank Of Ceylon)	157,090	147,000	22,000
Fixed deposit (State Mortgage & Investment Progress)	15,031	13,941	12,875
	<b>172,121</b>	<b>160,941</b>	<b>34,875</b>
<b>11. Stocks</b>			
Printing & stationary	3,169	4,263	3,151
Spare parts – ENG 1	18,053	18,053	18,053
Spare parts – ENG 11	177,950	176,851	175,960
Graphics material	201	214	217
Make-up material	118	649	3,285
Building material	38	64	80
Motor vehicle material	1,908	2,002	1,268
Diesel stocks	1,622	1,179	900
Office requisites (exuding printing & stationary)	37	29	25
Miscellaneous items	181	548	206
Cassettes & tapes (bank) in main stores	414	2,930	8,023
Electrical consumables	2,042	348	234
Cassettes & tapes (library)	717	178	150

Recorded cassettes	216	170	170
Loose tools	-	1	3
TV Sets	-	83	-
Printer	23	-	-
Magazine	185	-	-
Stocks	<b>206,874</b>	<b>207,562</b>	<b>211,725</b>
<b>12. Trade receivables</b>			
Client debtors	653,646	590,035	596,893
Less: Impairment of client debtors	(126,346)	(119,705)	(105,373)
Trade receivables	<b>527,300</b>	<b>470,330</b>	<b>491,520</b>
<b>13. Loans &amp; other receivables</b>			
<b>13.1 Treasury bills</b>			
Treasury bills	254,895	357,050	541,831
Treasury bills	<b>254,895</b>	<b>357,050</b>	<b>541,831</b>
<b>13.2 Debtors - Employee</b>			
TV loan - others	44	45	47
Distress loan	95,179	76,825	78,496
Festival advance	409	379	379
Transport loan	43,680	44,290	48,544
Special loan	20,361	17,555	19,371
Textile loan	2,970	2,697	2,473
Other loan	67	413	249
Housing loan	21,682	22,401	24,425
Housing loan prepayments	24,303	20,669	17,669
Debtors - Employee	<b>208,695</b>	<b>185,274</b>	<b>191,653</b>
Less : Impairment of loan debtors	(76)	(156)	(116)
	<b>208,619</b>	<b>185,118</b>	<b>191,537</b>
Loan & other receivable	<b>463,514</b>	<b>542,168</b>	<b>733,368</b>
<b>14. Other receivables</b>			
<b>14.1 Advance &amp; deposits</b>			
State Mortgage & Investment Bank (Housing loan fund)	8,647	9,766	8,831
Goods in transit	14,327	33,079	108

Advance on L C	-	-	40
Advance to suppliers – local purchase (Institute)	910	263	295
Advance to suppliers – For programme production	-	303	188
Advance to employees – Miscellaneous	234	601	314
Advance to employees - Programme	6,341	1,582	5,428
Advance to Artistes	250	250	300
Deposits for services - Refundable	5,060	2,291	2,340
Travelling advance - Local	11	-	2
Advance for room charges	275	382	143
Advance on foreign purchase – spares parts	-	4,016	2,867
Advance to contractors	671	450	858
Advance to employees - Purchase	418	526	399
Travelling advance - Foreign	-	-	241
Advance – Social welfare fund	-	1,845	-
Stamp IMP – Administration Division	68	68	-
Withholding tax (WHT) deducted at source	33,368	40,840	47,170
Tax – Economic Service Charge (ESC)	13,810	26,906	17,011
<b>Advance &amp; deposits</b>	<b>84,390</b>	<b>123,168</b>	<b>86,535</b>
<b>14.2 Sundry debtors</b>			
Miscellaneous debtors	376	513	708
Recoverable from retired /resigned employees	112	112	150
Income receivables (from inland revenue & other)	22,856	28,182	31,387
Income receivable – Investment income	21,436	15,497	20,212
Staff debtors - Sundries	47	67	66
Insurance corporation medical scheme	419	3,742	866
Con adjustment	18	18	19
Lease interest suspense A/C	7,176	11,983	2,072
<b>Sundry debtors</b>	<b>52,440</b>	<b>60,114</b>	<b>55,480</b>
<b>Less: Impairment of sundry debtors</b>	<b>(18,829)</b>	<b>(18,833)</b>	<b>(18,520)</b>
	33,611	41,281	36,960
<b>Other receivables</b>	<b>118,001</b>	<b>164,449</b>	<b>123,495</b>



<b>15. Cash , bank balance &amp; deposits as call</b>			
BOC saving A/C	53	51	49
Cash in hand	-	-	-
Bank balance BOC corporate Branch	-	-	5
Bank balance BOC Torrington Branch	7,280	27,277	1,370
Cash , bank balance & deposits as call	<b>7,333</b>	<b>27,369</b>	<b>1,424</b>
<b>16 Government grant for capital items</b>			
Government grant for capital items	9,000	20,000	31,000
Government grant for capital items	<b>9,000</b>	<b>20,000</b>	<b>31,000</b>
<b>17 Retirement benefit obligation - Gratuity</b>			
Retirement benefit obligation - Gratuity	139,640	141,628	133,308
Retirement benefit obligation - Gratuity	<b>139,640</b>	<b>141,628</b>	<b>133,308</b>
<b>18 Trade payables</b>			
Creditors client	48,736	88,824	72,535
Agency commission payable	55,713	48,302	57,436
Client transfer / refunds	684	-	988
Trade payables	<b>105,133</b>	<b>137,126</b>	<b>130,959</b>
<b>19 Other financial liabilities</b>			
Accrued expenses	50,964	65,715	46,416
Unclaimed salaries & wages	244	173	100
Retention - contract	498	796	1,436
Security – contract & suppliers	1,719	1,719	1,719
Creditors control	3,821	6,697	2,644
Cancelled cheques - corporate	253	546	308
Artistes fee payable (cancelled cheques)	467	401	320
Retention – SLRC employees	7	955	967
SLBC	1	-	14
Prereceipts	1,369	1,855	1,398
Tender deposits (refundable)	378	507	435
Salaries payable	39,375	37,987	34,786
Fund for Rupavahini museum	10	10	10
CIR stamp duty	106	104	100
Ministry of state	728	530	418

Provision for fine on gratuity	74	75	78
Miscellaneous payable – Suwa sahana	74	74	73
Provision for dividend (to the government)	33,290	32,369	-
Other financial liabilities	<b>133,378</b>	<b>150,513</b>	<b>91,222</b>
<b>20 Other payables</b>			
Retention with holding tax	1,548	1,548	3,424
Provision for income tax	16,852	42,089	25,198
VAT control A/C	13,164	15,225	11,989
Retention with holding turnover tax	4	4	4
PATE tax	1,199	1,075	2,834
Other payables	<b>32,767</b>	<b>59,941</b>	<b>43,449</b>
<b>21 Bank overdraft – BOC corporate branch</b>			
Bank overdraft – BOC corporate branch	48,009	-	68,763
Bank overdraft – BOC corporate branch	<b>48,009</b>	<b>-</b>	<b>68,763</b>
<b>22 Finance leases</b>			
<b>22.1</b> Finance leases payable current portion	13,260	13,260	1,646
<b>22.2</b> Finance leases payable non-current portion	27,743	41,003	6,312
Finance leases	<b>41,003</b>	<b>54,263</b>	<b>7,958</b>



February 2014

The Chairman,  
Sri Lanka Rupavahini Corporation

**Report of the Auditor General on the Financial Statements of the Sri Lanka Rupavahini Corporation for the year ended 31 December 2012 in terms of Section 14 (2) (c) of the Finance Act No. 38 of 1971**

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The audit of financial statements of the Sri Lanka Rupavahini Corporation for the year ended 31 December 2012 comprising the statement of financial position as at 31 December 2012 and the comprehensive income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, 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 Section 13(1) of the Finance Act, No. 38 of 1971 and Section 16(3) of the Sri Lanka Rupavahini Corporation Act, No. 6 of 1982. My comments and observations which I consider should be published with the annual report of the Corporation in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed report in terms of Section 13(7)(a) of the Finance Act was issued to the Chairman of the Corporation on 15 August 2013.

**1.2 Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.



### **1.3 Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the financial statements 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 Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Sub-sections (3) and (4) of the Section 13 of the Finance Act, No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

### **1.4 Basis for Qualified Audit Opinion**

My opinion is qualified based on the matters described in paragraph 2.2 of this report.



## **2. Financial Statements**

### **2.1 Qualified Opinion**

In my opinion, except for the effects of the matters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the Sri Lanka Rupavahini Corporation as at 31 December 2012 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

### **2.2 Comments on Financial Statements**

#### **2.2.1 Sri Lanka Accounting Standards**

A sum of Rs. 648,000 had been included in operational income and a sum of Rs. 757,000 had been included in changes of equity as loan impairment gain with regard to staff loans contrary to Sri Lanka Accounting Standard 36.

#### **2.2.2 Accounting Deficiencies**

The following observations are made.

(a) Though the paid taxes for the year under review were Rs. 21,520,839, Rs. 40,751,000 had been shown in the cash flow statement thus resulting in an overstatement of Rs. 19,230,161.

(b) Income from contra agreements of the year under review had been overstated by a sum of Rs. 19,632,842 by adjusting the creditors balances generated from contra agreements in previous years as income from contra agreements in the year under review.

#### **2.2.3 Accounts Receivables and Payables**

The following observations are made.

##### **(a) Client Debtors**

The following observations are made.



- (i) The provision for doubtful debts as at 31 December 2012 amounted to Rs. 126,345,830 or 19 per cent of the client debtors amounting to Rs. 653,646,346.
- (ii) The client debtors are generated at the time of supplying the air time on credit basis by the Corporation. Though the credit period is limited to one month according to the credit policy, the debtors older than one month amounted to 76 per cent or Rs. 494,197,047. Out of that debtors older than 3 months amounted to 34 per cent or Rs. 224,558,218 and debtors older than 3 years amounted to Rs. 130,092,778 or 20 per cent.
- (iii) Out of the clients debtor balances debts valued at Rs. 146,549,495 or 22 per cent were due from Government institutions. Out of these debtors a sum of Rs. 9,229,054 is subject to prescription.
- (iv) Out of the client debtor balances 6 per cent or Rs. 42,147,586 were due from political parties and the entire balance had been recognized as irrecoverable debts.
- (v) The debtors balances relating to 2 agreements without the name of clients amounting to Rs. 320,600 had been existing over periods ranging from 15 to 17 years.
- (vi) The policy of the Corporation for collection of cash for general trade agreements is collection by issuing invoices after the supply of the agreed air time. It was observed that this policy had adversely affected the debt recovery of the Corporation.

**(b) Sundry Debtors**

Out of the total of sundry debtors of the Corporation amounting to Rs. 52,440,000 at the end of the year under review, the provision for doubtful debts amounted to Rs.

18,578,707 or 35 per cent. This balance included a sum of Rs. 248,545 receivable from persons, a sum of Rs.542,554 receivable from foreign TV Institutions, a sum of Rs.17,858,971 recoverable from the Department of Inland Revenue, reimbursable electricity charges of Rs. 609,497 and a balance of Rs.621,033 receivable from Insurance Companies in respect of reimbursement of medical bills existing over periods exceeding 02 years. In view of making 35 per cent provision for doubtful debtors out of the sundry debtors amounting to the 52,440,000 it was observed that the debt recovery control of the Corporation had been at a weak level.

(c) **Grant and Settlement of Advances**

The following observations are made.

- (i) An advance of Rs. 250,000 granted in the year 2010 to an external individual for the production of programs had not been settled even by 31 December 2012.
- (ii) Even though a sum of Rs. 450,000 had been paid to a contractor in the year 2008 for computer programs and related activities that work had not been completed even by the end of the current year.

**2.2.4 Lack of Evidence for Audit**

- (a) The evidence indicated against the following items appearing in the financial statements had not been furnished to audit.

	<b>Item</b>	<b>Value</b>	<b>Documentary Evidence not Made available</b>
	-----	-----	-----
		<b>Rs.</b>	
(i)	Debtors	653,646,346	Classification Schedules in terms Of new Accounting Standards
(ii)	Cash flows generated from Operating activities	23,798,000	Details of Calculations
(iii)	Impairment Gain	648,000	Schedules/Details of Calculations
(iv)	Programs, Publicity and Purchase Expenses	162,733,993	Schedules/Details of Calculations

(v)	Investments – Lanka Puwath	1,104,000	Ownership Certificates
(vi)	Work-in-progress	132,125	Schedules
(vii)	Information on Frauds	Cannot be Calculated	Information requested for audit
(viii)	Land of the Corporation and Lands of Transmitting Stations (Rates value)	46,018,720	Legal Evidence (Title Deeds, Vesting Documents, Gazette Notifications)
Total		<b><u>888,081,184</u></b>	

(b) The criteria adopted in deciding on the price per film purchased by the Corporation under the contra agreements had not been furnished to audit. As such those could not be satisfactorily vouched.

### **2.2.5 Non-compliance with Laws, Rules, Regulations and Management Decisions**

Non-compliance with the following laws, rules, regulations and management decisions were observed.

#### **Reference to Laws, Rules, Regulations and Management Decisions**

#### **Non-compliance**

- a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka and Public Enterprises Circular PED/12 of 02 June 2003

Even though the prior authority of the Deputy Secretary to the Treasury should be obtained for the creation of new allowances and revision irrespective of the source of funds, fuel and transport allowances amounting to Rs.19,546,793 had been paid in the year 2012 without taking action accordingly.

- b) Letter No. M/TR/1/2005 of Secretary to the Ministry of Finance dated 28 March 2003

Over payment of Rs.4,020,000 exceeding the maximum monthly hire had been paid for hired vehicle and for fuel.



- |  |  |
|--|--|
| c) Section 6.5.1 of Public Enterprises Circular No. PED/12 of 02 June 2003   | The draft annual report for the year 2012 had not been furnished to the Auditor General within 60 days after the close of the financial year.  |
| d) Public Enterprises Circular No. PED/50 of 28 July 2008 and Public Administration Circular No.22/99 of 08 October 1999 | Transport allowance of Rs. 17,733,961 had been paid to 77 officers of MM salary scale and 96 officers of JM and MA salary scale contrary to the provisions by stating as the entitlement of senior officers. |
| e) Public Enterprises Circular No. 13/2008 (ii) of 24 March 2009   | Value of fuel provided exceeding the liters entitled per month to two officers amounted to Rs. 747,600.  |

### **3. Financial Review**

#### **3.1 Financial Results**

According to the financial statements presented the pre-tax profit for the year ended 31 December 2012 amounted to Rs. 47,478,000 as compared with the pre-tax profit of Rs. 172,079,000 for the preceding year. Thus a decrease of Rs. 124,601,000 was observed in the pre-tax profit of the year. Decrease of Channel Eye income during the year by more than 75 per cent or Rs.637,390,000 as compared with the preceding year had been the main reason for this decrease.

#### **3.2 Analytical Financial Review**

Although a sum of Rs. 47,478,000 was shown in accounts as pre-tax profit of the Corporation, it was observed that the profit would be converted to a loss of Rs. 8,309,895 after adjusting the effects of amortization value of Rs. 13,596,000 relating to foreign and local grants, loan impairment gain of Rs.648,000, the credit balances in debtors accounts amounting to Rs. 21,911,053 and the value of Rs.19,632,842 in the contra agreements of preceding years not used by external parties added to the profit.

### 3.3 Legal Action instituted against / by the Institute

Eleven cases had been filed against the Corporation by external parties and 05 cases had been filed by the employees of the Corporation as at 31 December 2012. Two cases had been finalized during the year under review. A sum of Rs. 6,913,073 had been paid as lawyers fees to the outside Lawyers on these cases. The compensation claimed by the complainants relating to the 7 cases filed by the external parties amounted to Rs. 1,012,400,000 and U.S. Dollars 250,000. Similarly the Rupavahini Corporation had filed 25 cases against the external parties and expected to recover a sum of Rs.116,961,735 from those parties. Of those, 3 cases had been finalized during the year under review and a sum of Rs. 375,000 had been recovered. Lawyers fees paid to external lawyers for those cases amounted to Rs. 1,449,340. The amount disclosed in the notes to the financial statements as contingent liability amounted to Rs. 2,052,000,000.

### 3.4 Unusual Increases in Expenses

The following observations are made.

- (a) The following item of expenditure for the year under review as compared with the expenditure for the preceding year had increased unusually.

Expenditure Item	Expenses		Increase over the previous year	Per centage of increase over the previous year
	2012	2011		
	Rs	Rs	Rs	%
Anniversary Celebration Expenses	9,898,686	665,000	9,233,686	1388
Deyata Kirula				
- Artiste's Fees	579,600	213,000	366,600	172
- Loading Charges	1,050,912	305,000	745,912	245
- Sundry Expenses	76,393	23,000	53,393	232

- (b) The increase in the sundry expenses of the Ranavwiru Real Star program in the year 2012 as compared with year 2011 ranged between 58 per cent to 183 per cent. The loss incurred by the Corporation from Ranawiru Real Star II program amounted to Rs. 34,612,395.

#### **4. Operating Review**

##### **4.1 Management Inefficiencies**

The following observations are made.

- (a) Although the Corporation had entered into contra agreement with Newspaper Institutions to obtain advertisements, a sum of Rs. 1,565,000 had been spent on Newspaper Institutions for advertisements on anniversary publicity without utilizing the said facilities. But facilities of Rs. 27,373,291 from contra agreements entered into had not been utilized as at 31 December 2012.

##### **(b) Contra Agreements**

The following observations are made.

- (i) The value of air time given for contra agreements in the year 2012 amounted to Rs. 66,958,158 and the value of services obtained by the Corporation in this regard amounted to Rs. 36,223,000. Thus the loss incurred by the Corporation amounted to Rs. 30,735,158.
- (ii) The balances of contra agreements existing over 07 to 12 years for which air time of the Corporation had been given, without obtaining a service to the Corporation amounted to Rs. 6,403,762 and the value of air time of the Corporation supplied in the year 2003, 2004, and 2005 without signing agreements amounted to Rs. 6,680,112. Action had not been taken even by 30 June 2013 to recover this amount in cash or to get the service in lieu thereof.



- (iii) The Corporation entered into contra agrrmnts for a film in the year 2012. Though the said film should have been given to the Corporation on the date of entering into the agreement, it had not been so done. The delay up to 30 June 2013 had been 17 months. The value of the air time provided for this film by the Corporation amounted to Rs. 13,144,000.
- (iv) The value of the services that could have been obtained but not obtained by the Corporation in relation to the contra agreements in the year 2012 amounted to Rs. 27,373,291.
- (v) Even though 125 air tickets valued at Rs. 4,600,000 should have been given to the Corporation in connection will a contra agreement, the Corporation had not taken action to obtain them.

(c) **Purchase of Teledramas**

The following observations are made.

- (i) The Corporation had incurred a loss of Rs. 1,569,545 from telecasting a teledrama purchased at a cost of Rs. 4,375,000 without following the internal control methodology for the purchase of teledramas introduced by the Corporation.
- (ii) Although 50 or more evaluation marks of the Teledrama Preview Panel should be obtained to qualify a teledrama for telecasting, contrary to that two teledramas valued at Rs. 27,775,000 had been purchased.
- (iii) Even though the evaluation marks of the Teledrama Preview Panel are a primary factor considered in determining the amount payable for a teledrama, out of 10 teledramas subjected to a test check that factor had not been considered in the purchase of 04 teledramas valued at Rs. 54,290,000.
- (iv) The income generated deducting agency commission from advertising a program purchased for Rs. 22,518,080 by supplying free air time valued at

Rs. 10,000,000 amounted to Rs. 24,093,647. As such the Corporation had incurred a loss of Rs. 8,424,433 from telecasting that program.

**(d) Investments**

The following observations are made.

- (i) Even though a sum of Rs. 1,104,000 had been invested in Lanka Puwath Institution in the years 1985 and 1992, any dividend income had not been received and that investment had been maintained as it is.
- (ii) The fixed deposits of Rs. 22,000,000 in the Bank of Ceylon placed as security to obtain a Bank overdraft had not been disclosed in the notes to the accounts. The Bank overdraft interest incurred in year 2012 amounted to Rs. 1,260,957.

**4.2 Operating Inefficiencies**

The expenditure incurred from 2009 to 2012 on the NTV Channel which commenced transmissions in 2009 without a feasibility study amounted to Rs. 18,186,000, while no income had been generated. Though payments had been made for the use of transmission tower of a private company for expanding the transmission, the attention of the Corporation had not been paid to gather information and follow-up action to examine whether the quality and progress had been achieved in the area covered.

**4.3 Transaction of Contentious Nature**

The following observations are made.

- (a) A sum of Rs. 3,743,720 had been paid as salaries, overtime and bonus for the year 2012 by the Corporation for 05 officers recruited on contract basis and released from Corporation service. The overtime paid to those 05 officers included in the above sum amounted to Rs. 1,458,892.

- (b) A Consultant had been selected to prepare the Corporate Plan without the prior approval of the Board of Directors and without following the procedures in the Government Procurement Guidelines and a sum of Rs. 600,000 had been spent in that connection. In addition, a sum of Rs. 129,811 had been spent on the final session held in that connection and that represented 22 per cent of the consultancy fee.
- (c) The receivables of the Corporation as at 30 June 2013 from a film for which nearly 50 per cent trade discount of the specified air time and credit period of one month had been allowed without formal authority amounted to Rs. 743,633 and the delay in the payment of money had been 14 months. Agency commission amounting to Rs. 154,780 had been paid to a publicity agency owned by the client.
- (d) A special discount of 50 per cent of the value of the specified air time and free air time valued at Rs. 6,982,000 had been given for a publicity advertisement of a film. Contrary to the agreement 3 additional programs had been televised. The Corporation had incurred a loss of Rs. 9,982,000 from the publicity advertisement while agency commission amounting to Rs. 792,900 had been to an Agency owned by the co-producer of the film.
- (e) An additional cost of Rs. 900,000 had been incurred on two motor vehicles procured on hire basis for allocation to officers entitled to the allocation of motor vehicle for official travelling, without an evaluation of the number of entitled kilometers in terms of the Public Administration Circular No. 22/99.
- (f) A sum of Rs. 33,700 had been overpaid as payment had been made at the specified number of kilometers per month instead of paying for the number of kilometers run. This had resulted from parking the motor vehicle not used for running in the premises of the Corporation without being released for use.

- (g) Action had not been taken to obtain reimbursement of expenditure of Rs. 188,140 incurred on hired motor vehicle released for official purposes of the Chairman of the Television Training Institute.

#### **4.4 Idle and Underutilized Assets**

The following observations are made.

- (a) Several parts of the Automated Barcode Solution System and the EAS System purchased in the year 2005 at a cost of Rs. 1,734,000 with the objective of computerizing and improving the activities of the Television Audio Visual Library for its proper and efficient operation had not been made use of and lying idle even by the end of June 2013. The existence of the antennas had not been disclosed in the annual stocks verification.
- (b) Spare parts of the Engineering Division valued at Rs. 18,053,000 remained as non-moving stocks.

#### **4.5 Identified Losses**

The following observations are made.

- (a) Adequate steps had not be taken for the recovery of a sum of Rs. 187,500 paid to a contractor in the year 2010 for services not procured from the party concerned or the parties responsible for the payment.
- (b) Action had not been taken to settle the advances amounting to Rs. 78,050 obtained by officers in the years 2006 and 2007 for production of programs. Instead of recovering the money from the officers responsible, the advances had been written off from the books in the year under review.



#### **4.6 Delayed Projects**

Even though a sum of Rs. 183,051 had been spent in the years 2005 and 2006 as consultancy fees and testing of soil samples in connection with construction work of the News Division, construction work had not been commenced. In addition, an unidentified balance of Rs. 132,125 had been included in the Work-in progress Account.

#### **4.7 Staff Administration**

The approved staff of the Corporation as at 30 June 2012 had been 985 whereas the actual staff had been, 1,007, thus indicating an excess staff of 22.

#### **4.8 Motor Vehicles Utilization**

The motor vehicles fleet of the Corporation consisted of 53 motor vehicles and that included 10 motor vehicles procured on hire basis and 06 assigned motor vehicles. The total number of kilometers run in the year 2012 had been 1,579,976 comprising 1,178,120 kilometers run by the Corporation motor vehicles and 401,856 kilometers run by motor vehicles procured on hire basis. The expenditure incurred on maintenance and fuel amounted to the Rs. 8,531,196 and Rs. 15,805,019 respectively. As such the expenditure on maintenance and fuel per kilometer amounted to Rs. 7.24 and Rs. 13.74 respectively.

### **5. Accountability and Good Governance**

#### **5.1 Preparation of Financial Statements**

Even though financial statements should be presented to the Auditor General within 60 days after the close of the financial year in terms of the Public Enterprises Circular No. PED/12 of 02 June 2003, the financial statements for the year under review had been presented by the Corporation only on 15 May 2013, that is, after a delay of 76 days.



## **5.2 Action Plan**

The following observations are made.

- (a) Bids had been invited in the year 2012 for an activity valued at Rs. 50 million not included in the Action Plan and the budget.
- (b) The total value of 05 projects included in the Action Plan of the year 2012 and provision made in the annual budget estimates but not implemented amounted to Rs. 77.5 million.
- (c) The value of 6 projects implemented without making provisions in the budget for the year 2012 amounted to Rs. 150.6 million.

## **5.3 Internal Audit**

The cadre of the Internal Audit Unit of the Corporation comprised a permanent Internal Auditor and 06 other staff. Twenty two internal audit queries in the first half of the year and 4 internal audit queries in the second half of the year had been issued.

## **5.4 Strategic Marketing Plan**

A Strategic Marketing Plan designed for marketing promotion profitable for the Corporation through the identification of its strengths, weaknesses, opportunities and threats had not been prepared for the year 2012.

## **5.5 Audit Committee**

Even though the Audit Committee should meet at least once in three months in terms of the public Enterprises Circular No. PED/31 of 01 July 2005, only two meetings had been held in the year 2012.



## **5.6 Budgetary Control**

Income had not been estimated properly and as such increase of income of certain items against the budget ranging from 25 per cent to 44 per cent as well as decrease in the income ranging from 33 per cent to 1062 per cent were observed. Similarly, increase in expenditure by 117 per cent as well as decrease in expenditure ranging from 14 per cent to 65 per cent due to the failure to prepare expenditure estimates properly were observed. As such as the budget for the year 2012 had not been made use of as an effective instrument of management control.

## **6. Systems and Controls**

Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Chairman of the Corporation from time to time. Special attention is needed in respect of the following areas of control.

- (a) Debtors / Creditors Control
- (b) Budgetary Control
- (c) Staff Loans Control
- (d) Advances Settlement Control
- (e) Contra Agreements
- (f) Collection of Air Time Income
- (g) Accounting

**W.P.C. Wickramaratne**

Acting Auditor General



