Annual Report 2014/15

CONTENTS

CORPORATE INFORMATION

Name of the Company

E-Channelling PLC

Legal Form

Quoted Public Limited Company incorporated in Sri Lanka in 2000.

Ordinary shares of the company is listed on the Diri Savi Board of the Colombo Stock Exchange.

Company Registration Number

PQ 205

Board of Directors

Mr. Tatsuya Koike – Chairman/CEO
Mr. Tetsuya Sekimoto
Ms. Abulaiti Gulimire
Mr. S.A. Hettiarachchi
Mr. D.J Stephen
Mr. Tsutomu Nobunage

Secretaries of the Company

S.S.P. Corporate Services (Private) Limited
No: 101, Inner Flower Road, Colombo 03.
Tel. 2573894/ 2576871
Contact Person: Mr. Lalindra Abeysekera

Auditors

KPMG
Chartered Accountants,
No: 32A, Sir Mohamed Macan Marker Mawatha, P.O. Box 186,
Colombo 03.

Lawyer

D. L. & F. De Saram
No: 47, Alexandra Place,
Colombo 07.

Bankers

Sampath Bank PLC
Nations Trust Bank PLC
People's Bank
Commercial Bank of Ceylon PLC
Bank of Ceylon
Seylan Bank PLC

Registered Office of the Company

Suncity Towers, Mezzanine Floor, No. 18,
St. Anthony's Mawatha, Colombo 03.

Contact Details

Telephone No: (+94 11) 7 600500
Fax No: (+94 11) 2 370979
Website: www.echannelling.com
E-mail:info@echannelling.com

Message from the Chairman / CEO

Under the new management and leadership, E-Channelling PLC has successfully concluded another year. I am delighted on assuming the Chairmanship and Chief Executive Office of the Company. On behalf of E-Channelling PLC, with deep sense of pride and accomplishment, I present you the annual report of the Company.

The Group has recorded another year of stable growth. Profit before tax (PBT) for the financial year (FY) ended 31st March 2015 was Rs. 130 Million, an increase of 82 per cent over the PBT of Rs. 71 Million recorded in the previous financial year. Profit after tax (PAT) reached Rs. 87 Million, an increase of 76 per cent comparing to FY 2013/14.

Under the new strategy, our island-wide footprint was extended further during the year. The number of hospitals acquired as of 31st March 2015 was 62, a significant increase comparing to 35 recorded for FY 2013/14. We have started to penetrate into Ayurveda hospitals and anticipating a significant increase in the number of Ayurveda hospitals using our service over the next financial year.

We have been continuously keen on providing value added services to our clients. Followed by Doctor Notification, we have launched ambulance booking service with Falck Sri Lanka and started the development of other value added services to be launched in FY 2015/16

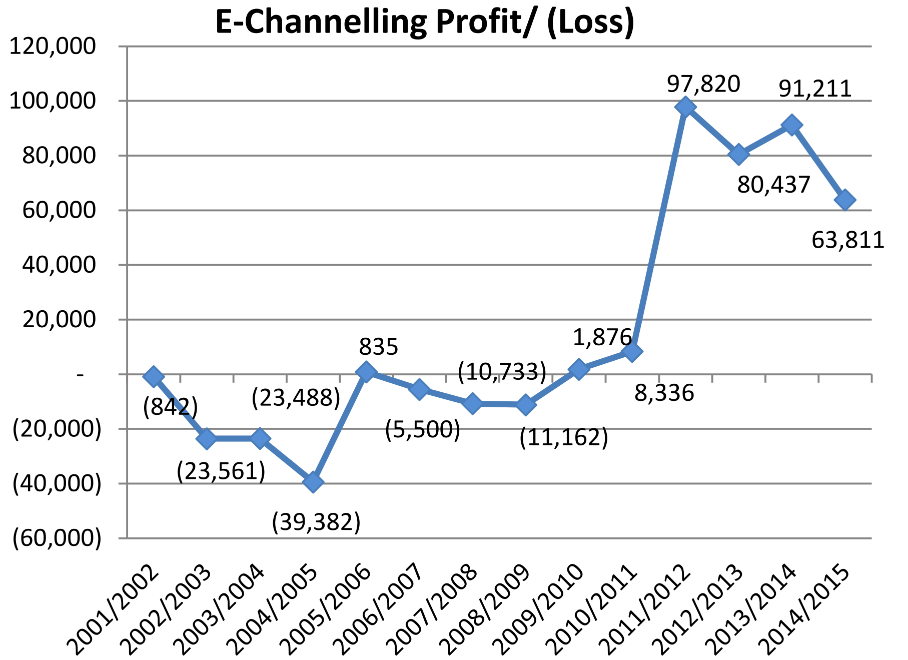
With the strong performance and growth in FY 2014/15, as well as with our solid strategy, we expect to see continued significant growth and success for the next financial year. In FY 2015/16 we will continue to address untapped opportunities to extend our doctor channeling service and at the same time explore new business opportunities in other sectors of healthcare industry.

I wish to express my sincere thanks to the Board of Directors of the Company and the Staff at all level for their valuable contribution and active participation in supporting the vision of the Company. I wish to extend my sincere gratitude to Mr. Kotaro Umeoka, who resigned from the Board in January 2015, for his valued contribution. I warmly welcome Ms. Abulaiti Gulimire to the Board. Her management expertise and international experience will be invaluable in guiding the Company.

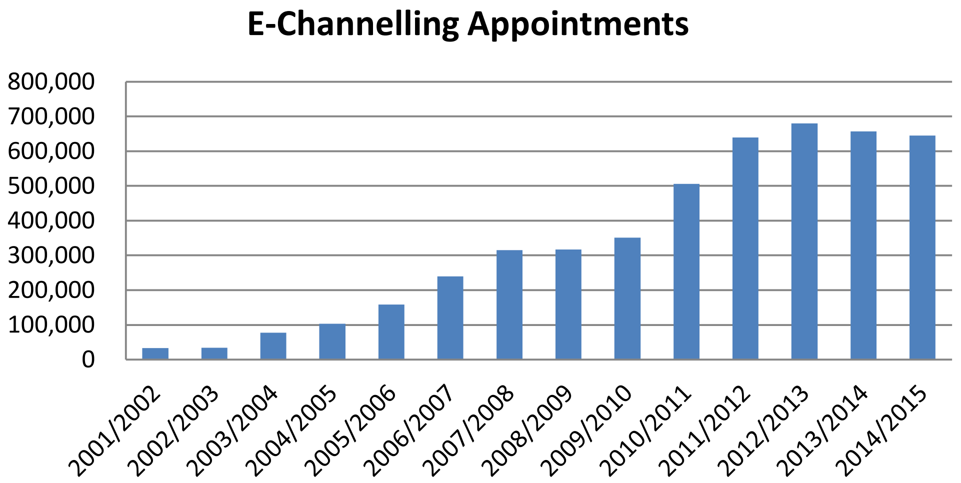
Tatsuya Koike
Chairman/Chief Executive Officer
27 July 2015

E-CHANNELLING PERFORMANCE CHARTS

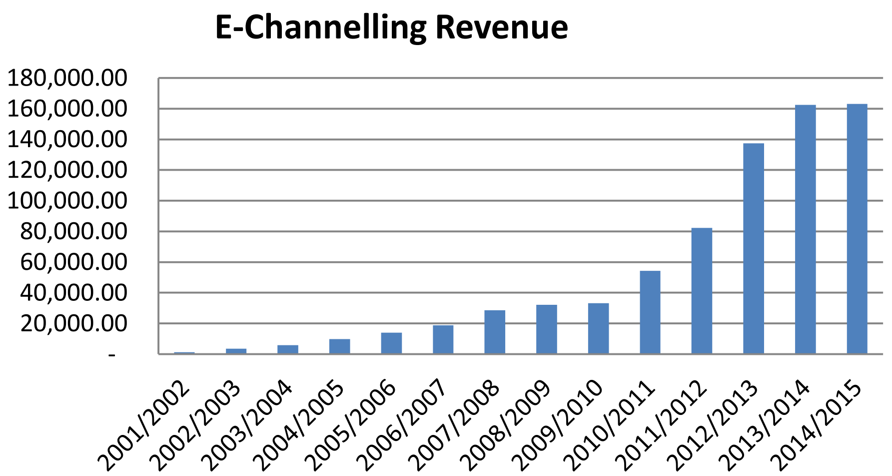
Profit / (Loss) of the Organisation since Launch RS '000



Number of Appointments Made through our network



Revenue Generated from E-Channelling Appointments Rs '000



Mr. Tatsuya Koike
B.Sc. Chemistry
Non-Independent, Executive Director, CEO and Chairman

Mr. Tatsuya Koike was appointed to the Board of E-Channelling PLC on 16th April 2014. He worked as the Business Manager, Overseas Business Development Division of SMS Co. Ltd., since 2013. SMS Co. Ltd., has 100% ownership of Senior Marketing System Asia Pte. Ltd., which is the main shareholder of E-Channelling PLC.

His profile also includes Manager – Care Division (2011-2013), Leader – Media Planning Division (2008-2010), Sales Representative – Media Division (2007-2008) at SMS Co. Ltd., Ltd.
Mr. Tatsuya Koike has more than seven years' experience in Marketing and Business Development in Medical and IT sectors.

Mr. Tetsuya Sekimoto
MBA
Non-Independent, Non-Executive Director

Mr. Tetsuya Sekimoto was appointed to the Board of E-Channelling PLC on 15th July 2015. He has been manager of Senior Marketing System Asia Pte. Ltd., which is main shareholder of E-Channelling PLC. Since 2014. Prior to Joining Senior Marketing System Asia Pte. Ltd., He worked as a consultant in advisory service global transaction at KPMG LLP (2010-2012) and associate banker at Sumitomo Mitsui Banking Corporation (2006-2010).

He has more than 10 years' experience in multiple sector including Healthcare and IT industry. He holds Master Degree of Business Administration from Hult International Business School and a Bachelor's Degree in Politics and Economics from Waseda University.

Ms. Abulaiti Gulimire
Dr. Eng. Industrial Engineering and Management
Non-Independent, Executive Director

Ms. Abulaiti Gulimire was appointed to the Board of E-Channelling PLC on 15th January 2015. She worked in the Overseas Business Development Division of SMS Co. Ltd., since April 2013, mainly in charge of market research and new business development in the healthcare IT industry in Asia. She worked in the subsidiary of SMS Co. Ltd., in the Philippines, responsible for establishment and business development of the Company (2013-2014). Prior to Joining SMS Co. Ltd., She worked as a consultant in The Japan Research Institute, Limited, handling healthcare related consultancy to Japanese companies targeting Asian market.

She has sound knowledge about healthcare industry in Asia, experienced in market research, business establishment and development. She holds Doctoral and Master Degree in Industrial Engineering and Management from Tokyo Institute of Technology, and a Bachelor's Degree in Computer Science and Technology from Xinjinag University.

Mr. D. J. Stephen

MBA, DIPM, CIM (U.K.)

Independent, Non-Executive Director

Mr. Dallas Joshua Stephen was appointed to the Board of E-Channelling PLC on 26th September 2012. He is a well-established practicing marketer with over eighteen years of experience in areas ranging from sales management, product/marketing management, export marketing, services marketing to direct marketing. He has worked in several well-known Sri Lankan and multinational organizations and has acquired a vast amount of invaluable experience in all areas of sales and marketing management over the years. Mr. Stephen holds a Postgraduate Diploma in Marketing (Dip.M) from the Chartered Institute of Marketing, U.K. He also holds a Masters in Business Administration (MBA) from the University of Sri Jayawardhanepura (Postgraduate Institute of Management PIM). As a resource person attached to the National Institute of Business Management (NIBM) and the University of Colombo (For the MBA Program), he has successfully conducted several programmes on CRM and related areas with much success. He was a lecturer at the Sri Lanka Institute of Marketing (SLIM) for the CIM (U.K.) exams.

Mr. S.A. Hettiarachchi

MBA (W.Sydney), ACMA (U.K.), CGMA

Independent, Non-Executive Director

Mr. Sampath Hettiarachchi was appointed to the Board of E-Channelling PLC on 1st May 2013. Prior to this appointment, from 2008 to April 2013, he was the Chief Financial Officer at Lanka Hospitals Corporation PLC. Mr. Hettiarachchi has over 20 years of managerial and leadership experience at leading corporate institutions in both service sector and manufacturing operations including Ansell Lanka Private Limited ,Lankabell Limited and the DCSL Group. Presently he hold directorships in two private entities namely M/S Premier Lands and Real Estate (Pvt.) Ltd. and Signage World (Pvt.) Ltd. Mr. Hettiarachchi holds a Master of Business Administration from the University of Western Sydney, Australia and is an Associate Member of the Chartered Institute of Management Accountants, U.K. (ACMA) and a Chartered Global Management Accountant (CGMA).

Mr. Tsutomu Nobunaga

B.Sc. Material Science and Engineering, M.Sc. Material Science and Engineering

Non-Independent, Non-Executive Director

Mr. Tsutomu Nobunaga was appointed to the Board of E-Channelling PLC on 13th June 2014. He is a Director of SMS Co. Ltd., since May 2004, as well as the Managing Director of Senior Marketing System Asia Pte. Ltd., which is the main shareholder of E-Channelling PLC. He worked for Keyence Corporation, Japan from April 1999 to April 2004.

Mr. Tsutomu Nobunaga has more than ten years experience in the Healthcare Sector.

CORPORATE GOVERNANCE

With a commitment to high ethical standards, E-Channelling PLC ("the Company") operates with a governance structure which complies with adequate regulations and guidelines. We ensure integrity, fairness & transparency in reporting statements of our affairs to our shareholders.

The governance structure fully conforms to the best practices of good corporate governance as published jointly by the Institute of Chartered Accountants of Sri Lanka, and the Securities and Exchange Commission together with the provisions of the Companies Act No. 07 of 2007 and the Listing Rules of the Colombo Stock Exchange.

The Board of Directors ("Board") is responsible for the continued appropriate management of the Company while ensuring that it accomplishes its goals. The Board meets regularly to establish, maintain direction and to provide guidance to ensure the Company's operating and financial performance.

The Board collectively and Directors individually act in accordance with the Laws of the Country, while all members of the Board take collective responsibility for the management, direction and performance of the Company.

The following table illustrates how the Company has adhered to the corporate governance and listing rules.

Rule No.	**Subject**	**Requirement status**	**Compliance**	**Details**
7.10.1. (a)	Non-Executive Directors	Two or one third of the total no. of directors shall be non-executive directors whichever is higher.	Complied with.	There are six Directors as at the date of the Annual Report. Out of which four Directors are non-executive directors.
7.10.2. (a)	Independent Directors	Two or one third of the non-executive directors whichever is higher shall be independent.	Complied with.	The Board comprises of two independent non-executive Directors as at the date of the Annual Report.
7.10.2. (b)	Independent Directors	Each non-executive director should submit a declaration of independence in the prescribed format.	Complied with.	All non-executive Directors have submitted their declaration of independence in the Prescribed format.

7.10.3. (a)	Disclosure relating to Directors	Names of independent Directors should be disclosed in the annual report.	Complied with.	The names of the Independent Directors Are disclosed on the pages 5 and 6 of the Annual Report.
7.10.3. (b)	Disclosure relating to Directors	In the event a director does not qualify as independent as per rules on corporate governance but if the board is of the opinion that the Director is nevertheless independent, it shall specify the basis of the determination in the Annual Report.	Complied with.	The Board has not been required to perform such determination.
7.10.3 (c)	Disclosure relating to Directors	A brief resume of each director should be published in the annual report including the area of expertise.	Complied with.	A complete profile of Directors is provided on pages 5 and 6 of the Annual Report.
7.10.5	Remuneration Committee	A Listed company shall have a Remuneration Committee.	Complied with.	Please refer page 9 of the Annual Report for more details on the committee and its functions
7.10.5 (a)	The composition of Remuneration Committee	The Remuneration Committee shall comprise a minimum of two Independent non-executive directors or non-executive directors, a majority of whom shall be Independent whichever is higher.	Complied with.	The committee has two members, who are independent.
7.10.6.	Audit Committee	A listed company shall have an audit committee.	Complied with.	The Company has an Audit Committee comprising of two members.
7.10.6. (a)	Composition of Audit Committee	The Audit Committee shall comprise a two independent Non- Executive Directors, or Non-Executive Directors, a majority of whom shall be independent whichever is higher.	Complied with.	The committee consists of two members who are independent. The Chairman of the committee is member of a recognized accounting body.

REPORT OF THE REMUNERATION COMMITTE

The remuneration committee, which is a part of the Board of E-Channelling PLC (“the Company”), has reviewed the performance of senior management and determined a unique rewarding policy to attract and retain the best human capital to sustain operations while rewarding performance which would be supporting the growth of the Company. The committee also advises the Board on remuneration and remuneration related matters and makes decisions under delegated authority.

The remuneration committee comprises of two independent non-executive Directors namely:

1. **Mr. S.A. Hettiarachchi**
2. **Mr. D.J. Stephen**

The committee members possess experience in the fields of management and human resources.
The remuneration committee has met several times during the year to determine and formulate certain remuneration strategies for the senior management.

As a function of the committee during the year, the remuneration committee recommended the remuneration payable to senior management of the Company to the Board to make the final determination. In addition it has established “pay grades” for the Company after analysing market trends and the Company requirements.

The committee had ensured that the Board is complying with the relevant Statutory Acts in relation to remuneration relating to directors.

Overall the committee is satisfied that it has completed the responsibilities that were delegated to it by the Board for the year under review and the necessary objectives were achieved, and it is forecasted to follow the same practice over the current period.

Signed.
Mr. S.A. Hettiarachchi
Chairperson
Remuneration Committee

REPORT OF THE AUDIT COMMITTEE

The audit committee comprises of two independent non-executive Directors namely:

1.Mr. S.A. Hettiarachchi - Chairman

2.Mr. D.J. Stephen

The primary role of the audit committee is to ensure the integrity of the financial reporting and audit processes and the maintenance of sound internal controls and risk management system. The committee's responsibilities include monitoring and reviewing the following:

1. Effectiveness of the Company's internal control and risk management procedures.
2. Appropriateness of the Company's relationship with the external auditors including independence, non-audit services and recommending to the Board on re-appointment of auditors.
3. Effectiveness of the internal audit function and the scope of work.

The committee had independent access when performing their duties and reporting to the Board on findings.

The committee had met regularly during the financial year to determine and formulate strategies. In addition to the committee members, the meetings were attended by the CEO and finance manager on invitation.

The audit committee has considered a wide range of financial reporting and related matters in respect of the published financial statements, reviewed any significant areas of judgment that materially affected the organization's business activities.

Overall the committee is satisfied that it has completed the responsibilities that were delegated to it by the Board and the committee expects the same to be continued during the current financial year.

Signed.
Mr. S.A. Hettiarachchi
Chairman
Audit Committee

REVIEW ON RISK MANAGEMENT

E-Channelling PLC ("the Company") has given consideration to its risk management process in order to progress towards achieving its goals and objectives.

The risks are identified at specific levels throughout the organization. The process is reviewed by the Board as part of the Company's operational approach to mitigate the risk.

Our risk management process ensures that there is a complete identification and understanding of the risks which we are exposed to. Our process also guarantees that we create and implement effective plan to prevent losses.

The major risks primarily affecting the organization and the initiatives taken towards mitigating these risks are stated below.

1. **Financial Risk**
   The exposure to the credit risk, liquidity risk and market risk is covered broadly within the notes to the financial statements.

2. **Human Resource**
   The risk associated with losing talented employees and an environment of unpleasant labour relations.

   Initiatives taken by the Company -The Company maintains an employee evaluation structure and a healthy relationship with the employees at all levels. We provide employment benefits such as insurance, training and development to employees where necessary.

3. **Environmental Risk**
   Potential threat of adverse effects on living organisms and environment by emissions, waste and resource depletion arising from organization's activities.

   Initiatives taken by the Company - The Company complies with the standards set by the relevant authorities to ensure compliance.

4. **Legal and Regulatory**
   The risk associated with changes in statutory regulations and related Law.

   Initiatives taken by the Company –The Company takes necessary steps to comply with statutory and regulatory requirements.

5. **Information System**
   Risk associated with computer security, hardware, software and other related systems failing and causing disruption to business operations of the organization.

   Initiatives taken by the Company-The Company maintains adequate safeguards to protect itself against such risks.

REPORT OF THE DIRECTORS ON THE STATE OF AFFAIRS OF THE COMPANY

The Board of Directors are pleased to present their Report and the Audited Financial Statements of the Company for the year ended 31st March 2015. The details set out herein provide pertinent information required by the Companies Act, No.7 of 2007, the Colombo Stock Exchange Listing rules and are guided by recommended best accounting practices.

1. Review of the Year

The Chairman's Review describe the Company's affairs and mentions important events of the year.

2. Principal Activity

The principal activity of the Company is to operate an Internet based electronic commerce business to provide a booking service for the consultation of doctors and healthcare related services.

3. Auditor's Report

The Auditor's report on the financial statements is given on page 16

4. Financial Statements

The financial statements of the Company are given in pages 17 to 47

5. Accounting Policies

Accounting policies used in preparation of the Financial Statements of the Company and the Group are given at pages 21 to 33 of the Annual Report as required by Section 168 (1) (d) of the Companies Act. There has been no change in the accounting policies adopted by the Company and Group during the period under review other than disclosed.

6. Directors' Interest

None of the directors had a direct or indirect interest in any contracts or proposed contracts with the Company other than as disclosed in Note 31 to the Financial Statements (Related Party Transactions).

7. Director's Remuneration and Other Benefits

Director's remuneration in respect of the Company for the financial year ended 31st March 2015 is given in Note 11 to the Financial Statements.

8. Corporate Donations

Donations made during the year is Rs. 30,000/= (Nandadasa Kodagoda Memorial Trust)

9. Directors and their Shareholdings

Directors of the Company and their respective shareholdings as at 31st March 2015 are as follows.

	31.03.2014	31.03.2015
Mr. D.J. Stephen	79,676	Nil
Mr. S.A. Hettiarachchi	100,000	Nil
Mr. T. Koike	Nil	Nil
Mr. T. Nobunaga	Nil	Nil
Mr. Jo Hatakeyama	Nil	Nil
Ms. A. Gulimire	Nil	Nil

Mr. Kataro Umeoka resigned from the Board with effect from 15th January 2015.
Ms. Abulaiti Gulimire was appointed to the Board with effect from 15th January 2015.
Mr. Jo Hatakeyama resigned from the Board with effect from 15th July 2015.
Mr. Tetsuya Sekimoto was appointed to the Board with effect from 15th July 2015.

In terms of Article 86 and 87 of the Articles of Association of the Company Mr. Tsutomu Nobunage and Mr. S.A. Hettiarachchi retires by rotation and being eligible offer themselves for re-election.

In terms of Article 94 of the Articles of Association of the Company Mr. Tetsuya Sekimoto and Ms. Abulaiti Gulimire retire and being eligible offer themselves for re-election.

10. Auditors

The Financial Statements for the year ended 31st March 2015 have been audited by Messrs KPMG, Chartered Accountants, who express their willingness to continue in office. In accordance with the Companies Act No.07 of 2007, a resolution relating to their re-appointment and authorising the Directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

The Auditors Messrs KPMG were paid LKR 260,000 (2014 – LKR 231,000) as audit fees by the Company. In addition, they were paid LKR 354,865 (2014 – LKR589,356) by the Company for non-audit related work.

As far as the Directors are aware, the Auditors do not have any relationship (other than that of an Auditor) with the Company other than those disclosed above. The Auditors also do not have any interest in the Company.

11. Investments

Details of investments held by the Company are disclosed in Note 24 to the Financial Statements.

12. Intangible Assets

An analysis of the Intangible Assets of the Company, additions and impairments during the year and amortisation charged during the year are set out in Note 17 to the Financial Statements.

13. Property, Plant and Equipment

An analysis of the property, plant and equipment of the Company, additions and disposals made during the year and depreciation charged during the year is set out in Note 16 to the Financial Statements.

14. Capital Commitments

There are no material capital commitments that would require disclosures in the Financial Statements.

15. Stated Capital

The Stated Capital of the Company is LKR 93,758,316. There was no change in the stated capital of the Company during the year.

16. Reserves

Retained earnings as at 31st March 2015 amount to LKR 3,020,675. Movements are shown in the Statement of Changes in Equity in the Financial Statements.

17. Events Subsequent to the Reporting Date

No significant events have occurred since the reporting date other than those disclosed in Note 34 to the Financial Statements.

18. Employment Policies

The Company identifies Human Resource as one of the most important factor contributing to the survival and growth of the Company in the current competitive business environment. While appreciating and valuing the service of our employees, a greater effort is made to hire the best talent from external sources to maintain and improve the high quality of the service.

19. Taxation

The tax position of the Company is given in Note 13 to the Financial Statements.

20. Disclosure as per Colombo Stock Exchange Rule No.7.6

	31.03.14	31.03.15
Market price per share as at 31st March	13.70	11.50
Highest share price during the year	15.40	18.20
Lowest share price during the year	3.30	11.40

REPORT OF THE DIRECTORS ON THE STATE OF AFFAIRS OF THE COMPANY (CONTD)

21. Shareholding

The number of registered shareholders of the Company as at 31st March 2015 was 1,620.

22. Major Shareholders

The twenty largest shareholders of the Company as at 31st March 2015, together with an analysis are given on page 51.

23. Statutory Payments

The Directors to the best of their knowledge and belief are satisfied that all statutory payments in relation to the government and the employees have been made on time.

24. Environment, Health and Safety

The Company continues to ensure that all environmental health and safety regulations are strictly followed in order to minimise any adverse effects.

25. Corporate Governance

The Directors are responsible for the formulation and implementation of overall business strategies, policies and for setting standards in the short, medium and long term and adopting good governance in managing the affairs of the Company.

26. Contingent Liabilities

There were no material contingent liabilities outstanding as at 31st March 2015.

27. Annual General Meeting

The Fifteenth Annual General Meeting of the Company will be held at Sri Lanka Japan Cultural Centre (Sasakawa Hall) on 30th September 2015 at 10.00 a.m.

For and on behalf of the Board of Directors of
E-CHANNELLING PLC

…………………………………	……………………………	…………………………
Director	**Director**	**S S P Corporate Services (Private) Limited, Secretaries**

Date: 27th July 2015

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300,
Sri Lanka.

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Fax : +94 - 11 244 5872
+94 - 11 244 6058
+94 - 11 254 1249
+94 - 11 230 7345
Internet : www.lk.kpmg.com

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF E-CHANNELLING PLC

Report on the Financial Statements

We have audited the accompanying financial statements of E-Channelling PLC, ("the Company"), and the consolidated financial statements of the Company and its subsidiary ("Group"), which comprise the statement of financial position as at March 31, 2015, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information set out on pages 18 to 48 of the annual report.

Board's Responsibility for the Financial Statements

The Board of Directors ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

KPMG

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at March 31, 2015, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

a) The basis of opinion and scope and limitations of the audit are as stated above
b) In our opinion:
   - We have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.
   - The financial statements of the Company give a true and fair view of its financial position as at March 31, 2015, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.
   - The financial statements of the Company and the Group comply with the requirements of sections 151 and 153 of the Companies Act No. 07 of 2007.

CHARTERED ACCOUNTANTS
Colombo
27th July 2015

STATEMENT OF PROFIT OR LOSS AND OTHER COMPRIHENSIVE INCOME

		GROUP		COMPANY	
For the year ended 31 March		2015	2014	2015	2014
	Note	Rs.	Rs.	Rs.	Rs.
Revenue	08.	193,986,055	182,858,172	163,143,864	162,536,342
Cost of sales		(57,233)	(72,402)	(525)	-
Gross Profit		**193,928,822**	**182,785,770**	**163,143,339**	**162,536,342**
Other income	09.	85,584	500,168	75,957	492,831
Administrative expenses		(65,288,857)	(62,454,658)	(62,011,082)	(60,365,063)
Selling and distribution expenses		(1,744,453)	(523,391)	(1,664,980)	(483,651)
Other expenses	10.	(659,956)	(52,091,132)	(29,956)	(1,433,926)
Profit From Operations	11.	**126,321,140**	**68,216,757**	**99,513,278**	**100,746,533**
Finance income		3,606,522	4,221,503	3,624,270	10,423,821
Finance costs		-	(1,142,901)	-	-
Net Finance Income	12.	**3,606,522**	**3,078,602**	**3,624,270**	**10,423,821**
Profit before income tax expense		**129,927,662**	**71,295,359**	**103,137,548**	**111,170,354**
Income tax expense	13.	(42,539,809)	21,714,231	(39,326,150)	(20,915,680)
Profit for the Year		**87,387,853**	**49,581,128**	**63,811,398**	**90,254,674**
Other Comprehensive Income					
Net change in fair value of available-for-sale financial assets		117,239	61,266,095	(22,827)	912,164
Re-measurement of employee benefit obligation		(191,289)	(265,130)	(191,289)	(265,130)
Differed tax impact on actuarial loss		(53,561)	-	(53,561)	-
Other Comprehensive Income/(Loss) for the Year		**(127,611)**	**61,000,965**	**(267,677)**	**647,034**
Total Comprehensive Income for the Year		**87,260,242**	**110,582,093**	**63,543,721**	**90,901,708**
Profit attributable to					
Equity holders of the Company		86,342,056	63,147,518	63,811,398	90,254,674
Non controlling interest		1,045,797	(13,566,390)	-	-
Profit for the Year		**87,387,853**	**49,581,128**	**63,811,398**	**90,254,674**
Total Comprehensive Income Attributable to					
Equity holders of the Company		86,214,445	104,030,506	63,543,721	90,901,708
Non controlling interest		1,045,797	6,551,587	-	-
Total Comprehensive Income for the Year		**87,260,242**	**110,582,093**	**63,543,721**	**90,901,708**
Earnings Per Share	14.	**0.71**	**0.52**	**0.52**	**0.74**
Dividends Per Share	15.	-	1.35	-	1.35

The notes to the Financial Statements form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION

		GROUP		COMPANY	
As at 31 March		2015	2014	2015	2014
	Note	Rs.	Rs.	Rs.	Rs.
ASSETS					
Non Current Assets					
Property, plant & equipment	16.	-	733,665	17,114,882	733,665
Intangible assets	17.	-	7,666,825	5,924,782	7,709,529
Employee share ownership trust fund	18.	-	1,160,000	1,160,000	1,160,000
Long term investments	19.	-	104,705,000	-	-
Investment in subsidiary	20.	-	-	-	150,100,000
Deferred tax assets	21.	-	5,043,846	3,676,331	5,039,575
Total Non Current Assets		**-**	**119,309,336**	**27,875,995**	**164,742,769**
Current Assets	.				
Inventories	22.	-	513,896	456,663	-
Trade & other receivables	23.	-	4,823,997	45,869,191	4,379,931
Short term investments	24.	-	14,379,678	55,389,763	14,379,678
Dealing securities	25.	-	1,915,385	2,032,624	308,061
Loan to subsidiary	26.	-	-	-	1,774,758
Cash & cash equivalents	27.	-	14,596,944	45,042,691	14,420,645
Total Current Assets		**-**	**36,229,900**	**148,790,932**	**35,263,073**
Total Assets		**-**	**155,539,236**	**176,666,927**	**200,005,842**
EQUITY AND LIABILITIES					
Equity					
Stated capital	28.	-	93,758,316	93,758,316	93,758,316
Retained earnings		-	(15,087,186)	3,020,675	65,058,404
Available for sale reserve		-	(625,563)	(654,908)	(332,402)
Equity attributable to the equity holders of the Company		**-**	**78,045,567**	**96,124,083**	**158,484,318**
Non-controlling interest		**-**	**34,849,841**	-	-
Total Equity		**-**	**112,895,408**	**96,124,083**	**158,484,318**
Non Current Liabilities					
Employee benefits	29.	-	2,109,234	3,413,692	2,109,234
Total Non Current Liabilities		**-**	**2,109,234**	**3,413,692**	**2,109,234**
Current Liabilities					
Trade & other payables	30.	-	35,651,659	40,700,295	35,332,177
Current tax liabilities		-	4,882,935	36,428,857	4,080,113
Total Current Liabilities		**-**	**40,534,594**	**77,129,152**	**39,412,290**
Total Liabilities		**-**	**42,643,828**	**80,524,844**	**41,521,524**
Total Equity & Liabilities		**-**	**155,539,236**	**176,666,927**	**200,005,842**

The notes to the financial statement form an integral part of these Financial Statement.

I certify that these financial statements are in compliance with the requirements of companies Act No 07 of 2007.

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Finance Manager

Mr. A.R.R.D. Alahakoon

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

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Director **Director**

Tatsuya Koike **Abulaiti Gulimire**

27th July 2015 - Colombo

STATEMENT OF CHANGES IN EQUITY

GROUP
For the Year Ended 31 March

	Attributable to equity holders of the parent					
	Stated Capital Rs.	**Available for-sale Reserve Rs.**	**Retained Earnings Rs.**	**Total Rs.**	**Non-Controlling Interest Rs.**	**Total Equity Rs.**
Balance as at 01 April 2013	**93,758,316**	**(41,773,681)**	**86,907,837**	**138,892,472**	**28,298,254**	**167,190,726**
Comprehensive income for the year						
Profit for the year	-	-	63,147,518	63,147,518	(13,566,390)	49,581,128
Other comprehensive income	-	41,148,118	(265,130)	40,882,988	20,117,977	61,000,965
Total comprehensive income for the year	**-**	**41,148,118**	**62,882,388**	**104,030,506**	**6,551,587**	**110,582,093**
Transaction with owners of the Company						
Distributions to owners						
final dividend - 2012/2013	-	-	(61,065,708)	(61,065,708)	-	(61,065,708)
Interim dividend - 2013/2014	-	-	(103,811,703)	(103,811,703)	-	(103,811,703)
Total transactions with owners of the Company	-	**-**	**(164,877,411)**	**(164,877,411)**	**-**	**(164,877,411)**
Balance as at 31 March 2014	**93,758,316**	**(625,563)**	**(15,087,186)**	**78,045,567**	**34,849,841**	**112,895,408**
Balance as at 01 April 2014	**93,758,316**	**(625,563)**	**15,087,186**	**78,045,567**	**34,849,841**	**112,895,408**
Comprehensive income for the year						
Profit for the year	-	-	86,342,056	86,342,056	1,045,797	87,387,853
Other comprehensive income	-	117,239	(244,850)	(127,611)	-	(127,611)
Total comprehensive income for the year	**-**	**117,239**	**86,097,206**	**86,214,445**	**1,045,797**	**87,260,242**
Impact of acquisition of NCI	-	-	(68,174,362)	(68,174,362)	(35,895,638)	(104,070,000)
Adjustment due to merger	(93,758,316)	508,324	(2,835,658)	(96,085,650)	-	(96,085,650)
Balance as at 31 March 2015	-	-	-	-	**-**	**-**

COMPANY
For the Year Ended 31 March

	Stated Capital Rs.	**Available for-sale Reserve Rs.**	**Retained Earnings Rs.**	**Total Rs.**
Balance as at 01 April 2013	**93,758,316**	**(1,244,566)**	**139,946,271**	**232,460,021**
Comprehensive income for the year				
Profit for the year	-	-	90,254,674	90,254,674
Other comprehensive income	-	912,164	(265,130)	647,034
Total comprehensive income for the year	**-**	**912,164**	**89,989,544**	**90,901,708**
Transaction with owners of the Company				
Distributions to owners				
Final dividend - 2012/2013	-	-	(61,065,708)	(61,065,708)
Interim dividend - 2013/2014	-	-	(103,811,703)	(103,811,703)
Total transactions with owners of the Company	**-**	**-**	**(164,877,411)**	**(164,877,411)**
Balance as at 31 March 2014	**93,758,316**	**(332,402)**	**65,058,404**	**158,484,318**
Balance as at 01 April 2014	**93,758,316**	**(332,402)**	**65,058,404**	**158,484,318**
Comprehensive income for the year				
Profit for the year	-	-	63,811,398	63,811,398
Other comprehensive income	-	(22,827)	(244,850)	(267,677)
Total comprehensive income for the year	**-**	**(22,827)**	**63,566,548**	**63,543,721**
Adjustment due to Amalgamation (Note 32)	-	(299,679)	(125,604,277)	(125,903,956)
Balance as at 31 March 2015	**93,758,316**	**(654,908)**	**3,020,675**	**96,124,083**

The notes to the Financial Statements form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF CASH FLOW

For the year ended 31 March	GROUP 2015 Rs.	GROUP 2014 Rs.	COMPANY 2015 Rs.	COMPANY 2014 Rs.
Cash Flow From Operating Activities				
Profit before tax	129,927,662	71,295,359	103,137,548	111,170,354
Adjustments for :				
Provision for Depreciation/amotization	4,197,388	3,663,348	4,197,388	3,684,700
Provision for employee benefits	1,113,170	586,540	1,113,170	586,540
Loss on sale of shares	630,000	52,091,132	-	1,433,926
Interest income	(3,606,522)	(4,221,503)	(3,624,270)	(10,423,821)
Interest expenses	-	1,142,901	-	-
Provision for impairment of bad & doubtful debts	97,080	1,252,258	97,080	150,258
Operating Profit before Working Capital Changes	**132,358,778**	**125,810,035**	**104,920,916**	**106,601,957**
Decrease in inventories	57,233	72,403	525	-
Decrease/(Increase) in trade & other receivable	(41,142,275)	3,901,792	(41,552,475)	4,086,216
Decrease/(Increase) in amount due to/from related parties	(56,623)	(416,377)	26,083,203	(1,476,078)
(Decrease)/Increase in trade & other payables	5,583,097	(76,671,677)	5,566,545	(32,895,339)
Cash Generated from Operations	**96,800,210**	**52,696,176**	**95,018,714**	**76,316,756**
Interest paid	-	(1,142,901)	-	-
Interest received	3,757,677	4,915,187	3,775,425	11,117,505
Tax paid	(9,684,203)	(7,738,488)	(8,680,676)	(7,738,492)
Employee benefits paid	-	(1,114,090)	-	(1,114,090)
Net Cash Generated from Operating Activities	**90,873,684**	**47,615,884**	**90,113,463**	**78,581,679**
Cash Flow From Investing Activities				
Acquisition of property plant and equipment	(17,980,180)	(3,570,189)	(17,980,180)	(3,570,189)
Acquisition of Intangible Assets	(813,679)	-	(813,679)	-
Net Proceeds from short term investments	(41,161,240)	13,335,020	(41,161,240)	13,335,020
Loan recovered/granted to subsidiary	-	-	-	35,470,274
Investment in shares	-	(13,670,942)	-	-
Proceeds from sale of shares	104,075,000	80,004,622	-	1,696,743
Net Cash Generated from/(Used in) Investing Activities	**44,119,901**	**76,098,511**	**(59,955,099)**	**46,931,848**
Cash flow from Financing Activities				
Payment under share repurchase agreement	(104,070,000)	-	-	-
Dividends paid	(477,838)	(164,877,411)	(477,838)	(164,877,411)
Net Cash Used in Financing Activities	**(104,547,838)**	**(164,877,411)**	**(477,838)**	**(164,877,411)**
Net (decrease)/increase in Cash & Cash Equivalents	**30,445,747**	**(41,163,016)**	**29,680,526**	**(39,363,884)**
Cash & cash equivalents at beginning of the year	14,596,944	55,759,960	14,420,645	53,784,529
Cash & cash equivalents on the merger (Note 32.3)	-	-	941,520	-
Cash & Cash Equivalents at end of the Year	**45,042,691**	**14,596,944**	**45,042,691**	**14,420,645**
Analysis of Cash and Cash Equivalents (Note 27)				
Cash at bank	45,034,732	14,559,100	45,034,732	14,383,801
Cash in hand	7,959	37,844	7,959	36,844
Adjustment due to merger	(45,042,691)	-	-	-
	-	**14,596,944**	**45,042,691**	**14,420,645**

01 Corporate Information

1.1 Reporting entity

E-Channelling PLC ("the Company"), is a public quoted Company incorporated on 27th July 2000 and domiciled in Sri Lanka. The address of the Company's registered office is Sun city Towers, Mezzanine Floor No.18, St. Anthony's Mawatha, and Colombo – 03.

1.2 Principal activity and nature of operation

The mission of the Company and its subsidiary is to provide information infrastructure for the healthcare industry of Sri Lanka where each stakeholder in the healthcare industry can benefit from. Under this mission, the main product of the company is a software system which provides an efficient mechanism for the channeling of medical practitioners. In addition, the Company provides Hospital Information System which supports the efficient operation of hospitals.

1.3 Amalgamation between ECL Soft (Private) Limited and E-Channelling PLC

Consequent to the decision taken by the Board of Directors on 21st January 2015, ECL Soft (Private) Limited, fully owned subsidiary of the Company amalgamated with the Company as at 27th March 2015 using the existing book values.

02 Basis of preparation

2.1 Statement of compliance

The Financial Statements have been prepared in accordance with the Sri Lanka Financial Reporting Standards (SLFRS) and Sri Lanka Accounting Standards (LKAS) laid down by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirements of the Companies Act No. 07 of 2007.

The financial statements were approved by the Board of Directors on 27th July 2015.

2.2 Basis of measurement

The Financial Statements have been prepared on an accrual basis except for cash flow information and under the historical cost convention except for following material items in the statement of financial position:

- Available for sale financial assets are measured at fair value.
- Employee benefits.

2.3 Functional and presentation currency

The Financial Statements of the Company and the Group are presented in Sri Lankan Rupees, which is the Company's functional currency.

2.4 Use of estimates and judgments

The preparation of Financial Statements in conformity with SLFRS/LKAS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected.

Information about significant areas of estimates, uncertainty and critical judgments in applying accounting policies that have the most significant effects on the amounts recognized in these financial statements are included in the following notes.

Note 3.3.1 - Impairment of trade receivables
Note 3.4.1 - Provision for depreciation
Note 3.4.2 - Amortization of intangible assets
Note 3.5.2 - Employee benefit obligations
Note 3.5.3 - Contingent liabilities
Note 3.6.9 - Deferred taxation

03 Significant accounting policies

Except for the changes below the group has consistently applied the accounting policies to all periods presented in these financial statements.

The Group has adopted the following new standards and amended to standards, including any consequential amendments to the other standards with the date of initial application of 1 April 2014.

a. SLFRS 10 – Consolidated Financial Statements

As a result of SLFRS 10 the group has changed its accounting policy in determining whether it has control and consequently whether it should consolidate its investees. This standard introduced a new control model.

SLFRS 10 establishes principles for the preparation and presentation of consolidated financial statements when an entity controls one or more other entities.

An entity is said to have control over another if the following three criteria are met:

i. power over the investee,
ii. exposure, or rights, to variable returns from its involvement with the investee, and
iii. the ability to use its power over the investee to affect the amount of the investor's returns.

There is no change in control conclusion from previous year.

b. SLFRS 12 – Disclosure of Interests in Other Entities

SLFRS 12 requires an entity to disclose information that enables users of its financial statements to evaluate the nature of, and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

c. SLFRS 13 – Fair Value Measurement

SLFRS 13 Defines fair value, Set out the framework for measuring fair values and requires disclosures about fair value measurement when such measurement are required or permitted by others SLFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. It replaces and expand the disclosure requirements about fair value measurements in other SLFRSs, including SLFRS 7.

3.1 Basis of consolidation

The Group's financial statements comprise consolidated financial statements of the Company and its subsidiary in terms of LKAS - 27 on Consolidated and Separate Financial Statements. All intra Group balances, income and expenses and profits and losses resulting from intra Group transactions are eliminated in full.

3.1.1 Acquisitions and divestments

An acquisition of subsidiary is accounted for using the purchase method of accounting. The result of subsidiary has been included from the date of acquisition, or incorporation while results of subsidiary disposed will be included up to the date of disposal.

3.1.2 Subsidiary

A subsidiary is an entity controlled by the Group. Control exists when the Group has the power directly or indirectly to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account.

An investment in Subsidiary is treated as long-term investments and is valued at cost less any impairment losses in the parent Company's financial statements in accordance with the LKAS 27 - Consolidated and Separate Financial Statements.

The financial statements of a Subsidiary is included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiary is in line with the policies adopted by the Company. All the assets and liabilities of the Company and the subsidiary are included in the consolidated statement of financial position.

3.1.3 Non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets of Subsidiary not owned directly or indirectly by the Company.

The proportionate interest of minority shareholders in the net assets employed by the Group is disclosed separately within the equity in the consolidated statement of financial position as

"Non-ontrolling Interests". The total profits and losses for the year of the Company, its Subsidiary are disclosed in the consolidated statement of profit or loss and the allocation of profit and loss for the year attributable to non-controlling interests and equity holders are disclosed separately.

3.1.4 Loss of control

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary.

Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date of control is lost. Subsequently it is accounted for as an equity accounted investee or in accordance with the Group's accounting policy for financial instruments depending on the level of influence retained.

3.1.5 Transactions eliminated on consolidation

Intra-Group balances and transactions, and any unrealized income and expenses arising from intra-Group transactions, are eliminated in preparing consolidated financial Statements.

Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

3.2 Foreign currency transactions

Transactions in foreign currencies are translated to Sri Lanka Rupees at the foreign exchange rate prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to Sri Lanka Rupees at the foreign exchange rate prevailing as at the reporting date. Non-monetary assets and liabilities which are stated at historical cost denominated in foreign currencies are translated to Sri Lanka Rupees at the exchange rate prevailing at the dates of the transactions. Non-monetary assets & liabilities that are stated at fair value denominated in foreign currencies are translated to Sri Lanka Rupees at the exchange rate prevailing at the dates that the values were determined. Foreign exchange differences arising on translation are recognized in the Statement of profit or loss.

3.3 Financial instruments

3.3.1 Non derivative financial assets

Initial recognition and measurement

Financial Assets are recognized when and only when the Company becomes a party to the contractual provisions of the financial instruments. The Company determines the classification of its financial assets at initial recognition. When financial assets are recognized they are measured at fair value plus directly attributable transaction costs, however in the case of financial assets classified at fair value through profit and loss, directly attributable transaction costs are not considered. The financial assets include cash and cash equivalent, loan to subsidiary, fixed deposits, and investments in equity shares and trade and other receivables.

Subsequent measurement

The non-derivative financial assets can be classified in to the following categories: financial assets at fair value through profit or loss, held to maturity financial assets, loans and receivable and available for sale financial assets and the subsequent measurement of non-derivative financial assets depends on their classification. The Group's financial assets are limited to loans and receivables and available for sale financial assets and subsequent measurement is as follows;

(a) Loans & receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method (EIR), less any impairment losses. The losses arising from impairment are recognized in the Statement of profit or loss.

Loans and receivables comprises of cash and cash equivalents, trade and other receivables, short term investments, and loan to subsidiary.

(b) Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale. Available for sale financial assets are recognized at fair value, subsequently measured at fair value, with changes recognized in other comprehensive income and presented within equity in the fair value reserve. If there is significant and prolong decline in fair value, such decline is identified as impairment. Impairment losses shall be recognized in the profit or loss and cumulative losses recognized in the Other Comprehensive Income will be recycled to profit or loss.

Available for sale financial assets comprises of equity securities.

Impairment of financial asset

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

(a) Loans and receivables

The Group considers evidence of impairment for receivables at specific asset level. All individually significant receivables are assessed for specific impairment.

Losses are recognized in profit or loss and reflected in an allowance account against loans and receivables. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(b) Available for sale financial assets

Impairment losses on available -for -sale financial assets are recognized by reclassifying accumulated losses that has been recognized in other comprehensive income and presented in the fair value reserve in equity, to profit or loss. If, in a subsequent period, the fair value of an impaired available for sale asset increases and the increase can be related objectively to an event occurring after the impairment loss was recognized in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognized in profit or loss. However, any subsequent recovery in the fair value of an impaired available for sale equity security is recognized in other comprehensive income.

3.3.2 Non derivative financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of SLFRS/LKAS are recognized when and only when the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are recognized initially at fair value plus in case of financial liabilities which can be classified in to two categories as financial liabilities at fair value through profit and loss and other financial liabilities. Group has classified its financial liabilities in to other financial liability category.

Subsequent measurement

The Group classifies non derivative financial liability into the other financial liabilities category. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. Such financial liabilities measured at amortized cost include trade and other payables.

De-recognition

A financial liability is derecognized when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a De-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Statement of profit or loss.

3.3.3 Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

3.3.4 Determination of Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When available, the Group measures the fair value of an instrument using quoted prices in an active market for that instrument. If a market for a financial instrument is not active, the Group establishes fair value using a valuation technique. To make disclosures required by Sri Lanka Accounting

Standards, the Group should classify fair value measurements using a fair value hierarchy which is categorized in to following levels.

Fair value measurement hierarchy

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Available for sale financial assets are valued using level 1 valuation technique. Carrying value of the other financial assets and liabilities have been considered as a reasonable approximation to the fair value.

3.3.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.4 Non-Financial assets and basis of measurement

3.4.1 Property, plant and equipment

Property, plant and equipment are tangible items that are held for servicing, or for administrative purposes and are expected to be used during more than one period.

Basis of Recognition

Property, plant and equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the Group and cost of the asset can be reliably measured.

Measurement

An item of property, plant and equipment that qualifies for recognition as an asset is measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and cost incurred subsequently to add to, replace part of, or service it. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of computer equipment.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Group and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are charged to the Statement of profit or loss as incurred.

De-recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de recognition of an item of property, plant and equipment is included in Statement of profit or loss when the item is derecognized. When replacement costs are recognized in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalised. At each such capitalization, the remaining carrying amount of the previous cost is derecognized.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset or other amount substituted for cost, less its residual value. Depreciation is recognized in the Statement of profit or loss on straight-line basis over the estimated useful lives of each item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Freehold land is not depreciated. The estimated useful lives for the current and comparative periods are as follows:

Furniture & Fittings	04 Years
Computer Equipment	02 Years
Computer Servers	05 Years
Motor Vehicle	05 Years
Office Equipments	02 Years

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

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal Group that is classified as held for sale) and the date that the asset is derecognized.

3.4.2 Intangible assets

An intangible asset is an identifiable non monitory asset without physical substance held for use in the production or supply of goods or services, or for administrative purpose.

Basis of recognition

Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the assets can be measured reliably.

Software

All computer software costs incurred licensed for use by the Group, which are not integrally related to associated hardware, which can be clearly identified, reliably measured and is probable that they will lead to future economic benefits, are included in the statement of financial position under the category intangible assets and carried at cost less amortisation and any accumulated impairment losses.

Amortisation

Computer software are amortised over their estimated useful economic life on a straight-line basis. They are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The estimated useful lives for the current and comparative periods are as follows:

License Software	03 Years
Hospital net Software	10 Years

Amortization methods, useful lives and residual values are reviewed at each reporting date.

De-recognition

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal.

3.4.3 Impairment - non financial asset

The carrying values of the Group's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are Grouped together in to the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Groups of assets ("cash- generating unit or CGU") for the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the Group of CGUs that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of profit or loss.

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

3.5 Liabilities and provisions

3.5.1 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.5.2 Employee benefits

a) Defined contribution plans

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

Employees' Provident Fund

The Company and employees contribute 15% and 10% respectively of the salary of each employee to the Employees' Provident Fund managed by the Central Bank of Sri Lanka.

Employees' Trust Fund

The Company contribute 3% of the salary of each employee to the Employees' Trust Fund managed by Central Bank of Sri Lanka.

Contributions to defined contribution plans are recognized as an expense in the Statement of profit or loss as incurred.

b) Defined benefit plans - retiring gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company is liable to pay retirement benefits under the Payment of Gratuity Act, No 12 of 1983. The liability recognized in the financial statements in respect of defined benefit plans is the present value of the defined benefit obligation as at the reporting date. The defined benefit obligation is calculated as at the reporting date based on an internally developed method.

The liability is not externally funded nor actuarially valued.

3.5.3 Capital commitments & contingencies

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured. Capital commitment and contingent liabilities of the Company are disclosed in the respective notes to the Financial Statements.

3.5.4 Events after the reporting date.

The materiality of the events after the reporting date has been considered and appropriate adjustments and provisions have been made in the financial statements wherever necessary.

3.6 Statement of profit or loss and other comprehensive income

3.6.1 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Group and the associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of sales returns, trade discounts and revenue related taxes.

Group Revenue is shown after eliminating inter Company sales in full.

Revenue for services rendered is recognized in the Statement of profit or loss after completion of the service.

3.6.2 Profit on disposal of property, plant & equipment

Profits or losses resulting from disposal of property, plant & equipment have been accounted on cash basis in the Statement of profit or loss.

3.6.3 Dividend income

Dividend income is recognized in Statement of profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

3.6.4 Interest income

Interest income is recognized as it accrues in the Statement of profit or loss using effective interest method.

3.6.5 Expenditure

All expenditure incurred in running of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to revenue in arriving at the profit for the year.

For the purpose of presentation of Statement of profit or loss, the Directors are of the opinion that function of expense method present fairly the elements of the enterprise's performance, hence such presentation method is adopted. Expenditure incurred for the purpose of acquiring, expanding or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

Repairs and renewals are charged to the income statement in the year in which the expenditure is incurred. The profit earned by the Company is before income tax expense and after making provision for all known liabilities and for the depreciation of property, plant & equipment.

3.6.6 Finance costs / income

Finance cost comprises interest payable on all financial liabilities such as overdrafts. Finance income comprises interest income, foreign exchange gain and all other income received or receivable as a result of holding financial asset. Foreign currency gains and losses are reported on a net basis.

3.6.7 Income tax expense

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognized directly in the Statement of profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

3.6.8 Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment made to tax payable in respect of previous years.

3.6.9 Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company and the Group expects, at the end of the reporting period to cover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A differed tax assets is recognized for unused tax losses, tax credits and deductible temporally differences to the extent that it is probable that the future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized, based on the level of future taxable profit forecasts and tax planning strategies.

3.6.10 Value Added Tax (VAT)

The Company and its Subsidiary are liable to pay Value Added Tax on taxable supplies.

3.6.11 Nations Building Tax (NBT)

The Company and its Subsidiary are liable to pay National Building Tax (NBT) at specified rate.

04 Segment Reporting

A segment is a distinguishable component of the Company that is engaged either in product or services which are subject to risks and rewards that are different from those of other segments.

The Company does not distinguish its products for different segments as differentiations are insignificant.

05 Related party transactions

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

06 Cash flow statement

The statement of cash flows has been prepared by using the "indirect method" of preparing cash flows in accordance with the Sri Lanka Accounting Standard – LKAS 7 on 'Statement of cash flows'.

Cash and cash equivalents comprise of short- term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

07 New Accounting Standards issued but not effective as at the Reporting date.

Standard issued but not yet effective up to the date of issue of the Groups Financial Statements are listed below, this listing is of standards issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt those standards when they become effective.

a) SLFRS 9 - Financial Instruments

SLFRS 9 as issued reflects the replacement of LKAS 39 and applies to the classification and measurement of financial assets and financial liabilities as defined in LKAS 39. This standard becomes effective for annual periods beginning on or after January 01, 2018. The adoption of SLFRS 9 will have an impact on classification and measurement of Company's financial assets.

b) SLFRS 15 - Revenue from Contracts with Customers

SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including LKAS 18 on 'Revenue', and LKAS 11 on 'Construction contracts'. SLFRS 15 is effective for annual reporting periods beginning on or after 01st January 2018, with early adoption permitted.

c) SLFRS 14 - Regulatory Deferral Accounts

SLFRS 14 establishes the financial reporting requirements for regulatory deferral account balances that arise when an entity provides goods or services to customers at a price or rate that is subject to rate regulation. SLFRS 14 is effective for annual reporting periods beginning on or after 1st January 2016, with early adoption permitted.

		GROUP		COMPANY	
For the year ended 31 March		**2015**	**2014**	**2015**	**2014**
		Rs.	**Rs.**	**Rs.**	**Rs.**
08.	**Revenue**				
	Revenue from portals	152,312,042	137,524,646	152,312,042	137,524,646
	Software & other income	5,784,759	18,214,224	4,335,626	18,056,004
	Call charges income	6,277,783	6,955,692	6,277,783	6,955,692
	Doctor notification income	14,297,239	12,039,989	60,755	-
	Revenue from membership cards	1,988,132	3,357,611	12,643	-
	Revenue from no-show refund	13,316,890	4,680,750	145,015	-
	Revenue from home express	9,210	3,768	-	-
	Income from www.crazydeals.lk	-	81,492	-	-
		193,986,055	**182,858,172**	**163,143,864**	**162,536,342**
09.	**Other Income**				
	Dividend income	10,069	7,374	442	37
	Other income	75,515	492,794	75,515	492,794
		85,584	**500,168**	**75,957**	**492,831**
10.	**Other expenses**				
	Foreign exchange loss	29,956	-	29,956	-
	Loss on disposal of shares	630,000	52,091,132	-	1,433,926
		659,956	**52,091,132**	**29,956**	**1,433,926**
11.	**Profit from Operations**				
	Profit from operations is stated after charging all the expenses including the following				
	Depreciation and amortization	4,197,388	3,663,348	4,197,388	3,684,700
	Salary related expenses	15,287,799	12,219,012	15,287,799	12,219,012
	EPF	2,290,833	1,786,336	2,290,833	1,786,336
	ETF	458,167	358,549	458,167	358,549
	Auditor's remuneration	297,000	264,000	260,000	231,000
	Employee benefits	1,113,170	586,540	1,113,170	586,540
	Legal expenses	1,922,583	78,577	1,922,583	78,577
	Penalties and surcharges	43,394	14,728	43,394	14,728
	Directors' remuneration	3,384,127	7,678,571	3,184,127	7,678,571
	Impairment provision for trade receivable	97,080	1,252,258	97,080	150,258

For the year ended 31 March	GROUP 2015 Rs.	GROUP 2014 Rs.	COMPANY 2015 Rs.	COMPANY 2014 Rs.
12. Net Finance Income/(Cost)				
Finance Income				
Interest income from loan to subsidiary	-	-	17,748	6,202,318
Interest income from short term investments	3,606,522	4,221,503	3,606,522	4,221,503
	3,606,522	4,221,503	3,624,270	10,423,821
Finance Costs				
Interest on LOLC security Ltd	-	1,142,901	-	-
	-	1,142,901	-	-
Net Finance Income	**3,606,522**	**3,078,602**	**3,624,270**	**10,423,821**
13. Income Tax Expense				
Current taxation	21,929,079	8,142,649	18,715,420	7,339,827
Under/(Over) provision in respect previous year	19,301,047	(6,483,538)	19,301,047	(6,483,538)
Reversal of deferred tax **(Note 21)**	1,309,683	20,055,120	1,309,683	20,059,391
	42,539,809	**21,714,231**	**39,326,150**	**20,915,680**
13.1 Reconciliation Between Accounting Profit to Income Tax Expense				
Profit before tax	129,927,662	71,295,359	103,137,548	111,170,354
Exempt (income)/expenses	(10,069)	1,426,552	(442)	1,433,889
Disallowable expenses	5,641,782	56,366,153	5,641,782	4,628,299
Allowable expenses	(5,946,910)	(4,312,122)	(5,946,910)	(4,312,122)
Tax loss claimed during the year	(35,991,192)	(43,349,450)	(35,991,192)	(39,522,147)
Total taxable income	**93,621,273**	**81,426,492**	**66,840,786**	**73,398,273**
Income tax at 10%	-	8,142,649	-	7,339,827
Income tax at 12%	3,213,658	-	-	-
Income tax at 28%	18,715,420	-	18,715,420	-
	21,929,079	**8,142,649**	**18,715,420**	**7,338,827**
13.2 Analysis of tax losses				
Losses brought forward	51,667,305	95,418,281	51,667,305	91,615,527
Losses claimed during the year	(35,991,192)	(43,349,450)	(35,991,192)	(39,522,147)
Additional amount claimed when filing the return	-	(401,526)	-	(426,075)
Losses carried forward	**15,676,113**	**51,667,305**	**15,676,113**	**51,667,305**

14. Earnings per Share

The basic earnings per share is computed based on the net profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue during the year as required by LKAS 33 "Earnings per share".

	GROUP 2015 Rs	GROUP 2014 Rs	COMPANY 2015 Rs	COMPANY 2014 Rs
Profit attributable to equity holders of the Company **(Rs.)**	86,342,056	63,147,518	63,811,398	90,254,674
Weighted average number of ordinary shares	122,131,415	122,131,415	122,131,415	122,131,415
Earnings per share **(Rs.)**	**0.71**	**0.52**	**0.52**	**0.74**
15. Dividend per share				
Dividend Declared For the year	-	164,877,411	-	164,877,411
Weighted average number of ordinary shares	122,131,415	122,131,415	122,131,415	122,131,415
Earnings per share **(Rs.)**	-	**1.35**	-	**1.35**

As at 31 March

16. Property, Plant & Equipment

GROUP	**Computer Equipment Rs.**	**Computer Servers Rs.**	**Furniture &Fittings Rs.**	**Motor Vehicle Rs.**	**Office Equipment Rs.**	**Total 2015 Rs.**	**Total 2014 Rs.**
Cost							
Balance as at 01 April	11,559,362	28,372,793	860,209	-	1,181,350	41,973,714	41,850,653
Additions during the year	323,851	13,053,966	86,746	4,000,000	515,618	17,980,180	123,061
Adjustment due to merger	(11,883,213)	(41,426,759)	(946,955)	(4,000,000)	(1,696,968)	(59,953,894)	-
Balance as at 31 March	**-**	**-**	**-**	**-**	**-**	**-**	**41,973,714**
Accumulated Depreciation							
Balance as at 01 April	11,134,969	28,133,233	817,706	-	1,154,141	41,240,049	39,856,899
Charge for the year	457,474	372,667	27,296	543,562	197,963	1,598,962	1,383,150
Adjustment due to merger	(11,592,443)	(28,505,900)	(845,002)	(543,562)	(1,352,104)	(42,839,011)	-
Balance as at 31st March	-	-	-	-	-	-	**41,240,049**
Carrying Amount							
As at 31 March 2015	**-**	**-**	**-**	**-**	**-**	**-**	**-**
As at 31 March 2014	424,393	239,560	42,503	-	27,209	-	**733,665**

16.1 Fully depreciated assets

Property, Plant and equipment includes fully depreciated assets which are still in use as at reporting date amount into Rs. 41,488,963/- (2014 Rs. 38,954,584/-)

As at 31 March

16. Property, Plant & Equipment

COMPANY	**Computer Equipment Rs.**	**Computer Servers Rs.**	**Furniture & Fittings Rs.**	**Motor Vehicle Rs.**	**Office Equipment Rs.**	**Total 2015 Rs.**	**Total 2014 Rs.**
Cost							
Balance as at 01 April	11,559,362	28,372,793	860,209	-	1,181,350	41,973,714	41,850,653
Additions during the year	323,851	13,053,966	86,746	4,000,000	515,618	17,980,180	123,061
Balance as at 31 March	**11,883,213**	**41,426,759**	**946,953**	**4,000,000**	**1,696,968**	**59,953,894**	**41,973,714**
Accumulated Depreciation							
Balance as at 01 April	11,134,969	28,133,233	817,706	-	1,154,141	41,240,049	39,856,899
Charge for the year	457,474	372,667	27,296	543,562	197,963	1,598,962	1,383,150
Balance as at 31 March	**11,592,443**	**28,505,900**	**845,002**	**543,562**	**1,352,104**	**42,839,012**	**41,240,049**
Carrying Amount							
As at 31 March 2015	**290,770**	**12,920,859**	**101,951**	**3,456,438**	**344,864**	**17,114,882**	**-**
As at 31 March 2014	424,393	239,560	42,503	-	27,209	-	733,665

16.1 Fully depreciated assets

Property, Plant and equipment includes fully depreciated assets which are still in use as at reporting date amount into Rs. 41,488,963/- (2014 Rs. 38,954,584/-)

	As at 31 March	GROUP 2015 RS.	GROUP 2014 RS.	COMPANY 2015 RS.	COMPANY 2014 RS.
17.	**Intangible Assets**				
	Cost				
	Balance as at 01 April	16,703,131	13,256,003	16,767,186	13,320,058
	Additions during the year	813,679	3,447,128	813,679	3,447,128
	Adjustment due to merger	(17,516,810)	-	-	-
	Balance as at 31 March	**-**	**16,703,131**	**17,580,865**	**16,767,186**
	Accumulated amortization				
	Balance as at 01 April	9,036,306	6,756,108	9,057,657	6,756,108
	Amortization for the year	2,598,426	2,280,198	2,598,426	2,301,549
	Adjustment due to merger	(11,634,732)	-	-	-
	Balance as at 31 March	**-**	**9,036,306**	**11,656,083**	**9,057,657**
	Carrying amount	**-**	**7,666,825**	**5,924,782**	**7,709,529**

Intangible assets consist of software licenses and hospital net software used by the Company. E-Channelling software was purchased in 2001 at Rs, 30,000,000/- has been fully amortized

		GROUP 2015	GROUP 2014	COMPANY 2015	COMPANY 2014
18.	**Employees' Share Ownership Trust Fund**				
	Balance as at 01 April	1,160,000	1,160,000	1,160,000	1,160,000
	Adjustment for merger	(1,160,000)	-	-	-
	Balance as at 31 March	**-**	**1,160,000**	**1,160,000**	**1,160,000**

The scheme was set up for the employees of the Company including any director holding a salaried employment or officer in the Company. Shares shall be allotted to participants only at the end of the vesting period unless the Board of Directors shall otherwise determine.

		No of Shares	Cost	GROUP 2015	GROUP 2014	COMPANY 2015	COMPANY 2014
19.	**Long Term Investments**						
	Investment in non quoted shares						
	Hotelroomnet Limited	10,470,500	10.00	-	104,705,000	-	-
				-	**104,705,000**	**-**	**-**
20.	**Investment in Subsidiary**						
	ECL Soft (Private) Ltd	(Note20.1)		-	-	-	150,100,000
				-	-	**-**	**150,100,000**

20.1 Investment in Subsidiary - ECL Soft (Private) Limited

E-Chanelling PLC held 66.66% of share of ECL Soft (Pvt) Limited. Based on the Board Resolution which was passed on 29th May 2014, ECL Soft (Pvt) Limited bought back 33.34% of shares which was held by e-Distributors. After this transaction, ECL Soft (Pvt) Limited became a wholly owned subsidiary of E-Channelling PLC.

Subsequently based on Board Resolution which was passed on 21st January 2015, ECL Soft (Private) Limited, a wholly owned subsidiary, was merged with the E-Channelling PLC with effect from 27th March 2015 based on the book values as at that date in accordance with section 242 of the Companies Act No. 07 of 2007.

		GROUP 2015	GROUP 2014	COMPANY 2015	COMPANY 2014
21.	**Deferred Taxation**				
	Balance as at 01 April	5,043,846	25,098,966	5,039,575	25,098,966
	Reversal of timing differences-recognised in Profit or loss	(1,309,683)	(20,055,120)	(1,309,683)	(20,059,391)
	Reversal of timing differences – recognized in other comprehensive income	(53,561)	-	(53,561)	-
	Adjustment due to merger	(3,680,602)	-	-	-
	Balance as at 31 March	**-**	**5,043,846**	**3,676,331**	**5,039,575**
	Deferred tax assets/(Liabilities) have derived as follows;				
	Brought forward tax losses	-	5,166,730	4,415,294	5,166,730
	Temporary difference from property, plant & equipment	-	(333,809)	(1,694,797)	(338,080)
	Temporary difference from employee benefits	-	210,925	955,834	210,925
		-	**5,043,846**	**3,676,331**	**5,039,575**
	Tax at	**28%**	10%	**28%**	10%

		GROUP		COMPANY	
	As at 31 March	**2015 Rs.**	**2014 Rs.**	**2015 Rs.**	**2014 Rs.**
22.	**Inventories**				
	Member cards	-	513,869	456,663	-
	Balance as at 31 March	**-**	**513,896**	**456,663**	**-**
23.	**Trade & Other Receivables**				
	Trade receivable	-	4,880,632	4,546,111	3,337,048
	Provision for impairment of trade receivable (Note 23.1)	-	(1,252,258)	(1,199,080)	(150,258)
		-	3,628,374	3,347,031	3,186,790
	Amount due from related parties (Note 23.2)	-	-	-	38,784
	Advance, prepayments and other receivables (Note 23.3)	-	743,020	42,115,149	701,754
	WHT and tax receivable	-	452,603	407,011	452,603
		-	**4,823,997**	**45,869,191**	**4,379,931**
23.1	**Provision for impairment of trade receivable**				
	Opening Balance	-	-	(150,258)	-
	During the year provision	-	(1,252,258)	(97,080)	(150,258)
	Transfer from ECL Soft (PVT)Limited due to merger	-	-	(1,102,000)	-
	Written off during the year	-	-	150,258	-
	Closing Balance	-	(1,252,258)	(1,199,080)	(150,258)
23.2	**Amount due from related parties**				
	ECL Soft (Private) Ltd	-	-	-	38,784
		-	-	-	38,784
23.3	**Advance, Prepayments and other Receivables**				
	Advance, prepayments and other receivables	-	3,308,020	44,680,149	3,266,754
	Provision for impairment	-	(2,565,000)	(2,565,000)	(2,565,000)
	Balance as at the end of the year	**-**	**743,020**	**42,115,149**	**701,754**
24.	**Short Term Investments**				
	Investment in fixed deposits	-	13,976,039	55,137,279	13,976,039
	Interest receivable	-	403,639	252,484	403,639
		-	**14,379,678**	**55,389,763**	**14,379,678**

25. Dealing securities

GROUP

Name of company	31 March 2015 No. of shares	31 March 2015 Cost (Rs.)	31 March 2015 Market value(Rs.)	31 March 2014 No. of shares	31 March 2014 Cost (Rs.)	31 March 2014 Market value (Rs.)
Citrus Leisure PLC	-	-	-	31,199	944,741	511,664
Taj Lanka Hotels PLC	-	-	-	10,000	606,702	290,000
Blue Diamonds Jewellery Worldwide PLC	-	-	-	700	2,372	2,380
Serendib Hotels PLC (Voting)	-	-	-	7	162	196
Serendib Hotels PLC (Non Voting)	-	-	-	93	1,628	1,739
York Arcade Holdings PLC	-	-	-	100	3,847	1,300
Environmental Resources Investments PLC (Warrants)	-	-	-	100	7,100	130
Nations Trust Bank PLC	-	-	-	100	8,100	6,490
Seylan Bank PLC (Non Voting)	-	-	-	100	7,500	3,700
Kalamazoo Systems Ltd	-	-	-	11	11,396	10,145
Lankem Developments PLC	-	-	-	100	59	450
Citrus Beach Resort Limited	-	-	-	20	20	376
Lake House Printers and Publishers PLC	-	-	-	10,697	1,093,983	1,086,815
		-	-		**2,687,611**	**1,915,385**

COMPANY

Name of company	31 March 2015 No. of shares	31 March 2015 Cost(Rs.)	31 March 2015 Market value (Rs.)	31 March 2014 No. of shares	31 March 2014 Cost (Rs.)	31 March 2014 Market value (Rs.)
Citrus Leisure PLC	31,199	944,741	433,546	100	3,391	1,640
Taj Lanka Hotels PLC	10,000	606,702	262,000	10,000	606,702	290,000
Blue Diamonds Jewellery Worldwide PLC	700	2,372	990	600	2,032	2,040
Serendib Hotels PLC (Voting)	7	162	196	7	162	196
Serendib Hotels PLC (Non Voting)	93	1,628	2,000	93	1,628	1,739
York Arcade Holdings PLC	100	3,847	1,500	100	3,847	1,300
Environmental Resources Investments PLC (Warrants)	100	7,100	130	100	7,100	130
Nations Trust Bank PLC	100	8,100	10,010	100	8,100	6,490
Seylan Bank PLC (Non Voting)	100	7,500	6,340	100	7,500	3,700
Kalamazoo Systems Ltd	11	11,396	11,000	-	-	-
Lankem Developments Ltd	100	59	600	100	59	450
Citrus Beach Resort Limited	20	20	348	20	20	376
Lake House Printers and Publishers PLC	10,697	1,093,983	1,303,964	-	-	-
		2,687,611	**2,032,624**		**640,542**	**308,061**

		GROUP		COMPANY	
As at 31 March		**2015**	**2014**	**2015**	**2014**
		Rs.	**Rs.**	**Rs.**	**Rs.**
26.	**Loan to Subsidiary**				
	ECL Soft (Private) Ltd	-	-	-	1,774,758
		-	**-**	**-**	**1,774,758**
27.	**Cash & Cash Equivalents**				
	Cash at bank	-	14,559,100	45,034,732	14,383,801
	Cash in hand	-	37,844	7,959	36,844
	Cash and cash equivalents for the purpose of statement of cash flows	**-**	**14,596,944**	**45,042,691**	**14,420,645**
28.	**Stated Capital**				
	Issued and fully paid 122,131,415 shares	-	93,758,316	93,758,316	93,758,316
		-	**93,758,316**	**93,758,316**	**93,758,316**
29.	**Employee Benefits**				
	Balance as at 01 April	2,109,234	2,371,654	2,109,234	2,371,654
	Provision for the year (Note 29.1& 29.2)	1,304,458	851,670	1,304,458	851,670
		3,413,692	3,223,325	3,413,692	3,223,324
	Payments during the year	-	(1,114,090)	-	(1,114,090)
	Adjustment due to merger	(3,413,692)	-	-	-
	Balance as at 31March	**-**	**2,109,234**	**3,413,692**	**2,109,234**
29.1	**The amount recognized in the statement of profit or loss as follows;**				
	Current service cost	902,733	435,110	902,733	435,110
	Interest cost	210,436	151,430	210,436	151,430
29.2	**The amount recognized in the statement of other comprehensive income as follows:**				
	Acturial loss	191,289	265,130	191,289	265,130
		1,304,458	**851,670**	**1,304,458**	**851,670**
29.3	The employee benefit obligation is calculated based on an internally generated model using formula.				
	Principal assumptions used are as follows;				
	Rate of discount	10%	12%	10%	12%
	Rate of salary increment	9%	10%	9%	10%
	Retirement age	55	55	55	55
29.4	**Sensitivity of assumptions used**				
	If one percentage point change in the assumed discount rate would have the following effects:				
	Increase by one percentage	-	-	(255,382)	(26,907)
	Decrease by one percentage	-	-	27,503	27,503
	If one percentage point change in the assumed annual avegage salary increment rate would have the following effects:				
	Increase by one percentage	-	-	279,241	27,753
	Decrease by one percentage	-	-	(259,901)	(27,639)
30.	**Trade & Other Payables**				
	Trade payables	-	19,472,358	27,214,796	19,430,274
	Amount due to related parties (Note 30.1)	-	56,623	-	34,223
	Accrued expenses	-	16,122,678	13,485,499	15,867,680
		-	**35,651,659**	**40,700,295**	**35,332,177**
30.1.	**Amount Due to Related Parties**				
	ECL Soft (Private) Ltd	-	-	-	-
	British American Technologies (Pvt) Ltd	-	56,623	-	34,223
		-	**56,623**	**-**	**34,223**

31. Related Party Disclosures

The Company carried out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard LKAS - 24 "Related Party Disclosures" The details of which are given below.

31.1 Transactions with Key Management Personnel (KMP)

According to Sri Lanka Accounting Standard, LKAS 24 "Related Party Disclosures", Key Management Personnel (KMP) are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Directors of the Company and its subsidiary and their immediate family members have been classified as KMP.

The compensation paid to KMP as short term employment benefits is disclosed in aggregate in Note 11 to the financial statements. No other payment such as post-employment benefits, terminal benefits and share based payments have been paid to KMP during the year.

31.2 Transactions with Related Entities

			Transaction Amount	
			2015	**2014**
(i) Name of the Related Party	**Relationship**	**Nature of Transaction**	**Rs.**	**Rs.**
ECL Soft (Private) Ltd	Subsidiary	Loan	1,774,758	9,361,361
		Reimbursement of expenses	4,691,207	5,096,818
		Member card cash	(3,227,342)	(2,918,012)
		Doctor notification	(14,239,775)	(12,039,989)
		No-show refund	(13,474,790)	(4,680,750)
		Sales from www.crazydeals.lk	-	(49,796)
		Home express	(122,446)	(26,589)
		Member top-up	200,756	91,940
		Interest for loan	17,748	6,202,318

(ii) Amounts due from/ to related parties as at 31 March 2015 are disclosed in the Notes 23.2 and 30.1 to the Financials Statements respectively.

32. Amalgamation ECL Soft (Private) Limited with the Company

ECL Soft (Private) Limited, which is a fully owned subsidiary of the Company was amalgamated with the E-Channelling PLC with effect from 27th March 2015. The book values of ECL Soft (Private) Limited, was merged with that of the E-Channelling PLC at the date of merger on 27th March 2015. Accordingly, the investments in subsidiary of Rs. 150,100,000/- recorded in E-Channelling PLC was set off against the stated capital of ECL Soft (Private) Limited, Resulting loss amounting to Rs. 125,903,956/- was adjusted through the statement of changes in equity.

Under note 32.1, 32.2 and 32.3 the comparative figures of the Company are disclosed after restating to reflect the impact of the amalgamation to better facilitate the comparison of the financial statements.

32.1 Statement of profit or loss and other comprehensive income For the Year Ended 31st March 2014

	Balance as Previously Reported	Balance after merging with ECL Soft (Private) Limited	Impact
Revenue	162,536,342	182,858,172	(20,321,830)
Cost of sales	-	(72,402)	72,402
Gross Profit	162,536,342	**182,785,770**	**(20,249,428)**
Other income	492,831	500,168	(7,337)
Administrative expenses	(60,365,063)	(62,454,658)	2,089,595
Selling and distribution expenses	(483,651)	(523,391)	39,740
Other expenses	(1,433,926)	(52,091,132)	50,657,206
Profit From Operations	**100,746,533**	**68,216,757**	**32,529,776**
Finance income	10,423,821	4,221,503	6,202,318
Finance costs	-	(1,142,901)	1,142,901
Net Finance Income/(Costs)	**10,423,821**	**3,078,602**	**7,345,219**
Profit Before Tax	111,170,354	71,295,359	39,874,995
Income tax (expense)/reversal	(20,915,680)	(21,714,231)	798,551
Profit for the Year	**90,254,674**	**49,581,128**	**40,673,546**
Other Comprehensive Income			
Foreign currency translation differences for foreign operations			
Net change in fair value of available-for-sale financial assets	912,164	61,266,095	(60,353,931)
Remeasurement of employee benefit obligation	(265,130)	(265,130)	-
Other Comprehensive Income for the Year	**647,034**	**61,000,965**	**(60,353,931)**
Total Comprehensive Income for the Year	**90,901,708**	**110,582,093**	**19,680,385**

32.2 Statement of Financial Position

As at 31st March 2014	Balance as previously reported	Balance after merging with ECL Soft (Private) Limited	Impact
ASSETS			
Non Current Assets			
Property, plant & equipment	733,665	733,665	-
Intangible assets	7,709,529	7,666,825	42,703
Employee share ownership trust fund	1,160,000	1,160,000	-
Long term investments	-	104,705,000	(104,705,000)
Investment in subsidiary	150,100,000	-	150,100,000
Deferred tax assets	5,039,575	5,043,846	(4,270)
Total Non Current Assets	**164,742,769**	**119,309,336**	**45,433,433**
Current Assets			
Inventories	-	513,896	(513,896)
Trade & other receivables	4,379,931	4,823,997	(444,066)
Short term investments	14,379,678	14,379,678	-
Dealing securities	308,061	1,915,385	(1,607,324)
Loan to subsidiary	1,774,758	-	1,774,758
Cash & cash equivalents	14,420,645	14,596,944	(176,298)
Total Current Assets	**35,263,073**	**36,229,900**	**(966,827)**
Total Assets	**200,005,842**	**155,539,236**	**44,466,606**
EQUITY AND LIABILITIES			
Equity			
Stated capital	93,758,316	93,758,316	-
Retained earnings	65,058,404	19,616,073	45,442,332
Available for sale reserve	(332,402)	(478,981)	146,579
Total Equity	**158,484,318**	**112,895,408**	**45,588,911**
Non Current Liabilities			
Employee benefits	2,109,234	2,109,234	-
Total Non Current Liabilities	**2,109,234**	**2,109,234**	**-**
Current Liabilities			
Trade & other payables	35,332,177	35,651,659	(319,482)
Current tax liabilities	4,080,113	4,882,935	(802,822)
Total Current Liabilities	**39,412,290**	**40,534,594**	**(1,122,304)**
Total Liabilities	**41,521,524**	**42,643,828**	**(1,122,304)**
Total Equity & Liabilities	**200,005,842**	**155,539,236**	**44,466,607**

32.3 Cash and Cash Equivalent Balance as at 27th March

Cash at Bank	**940,520**
Cash in Hand	**1,000**
	941,520

33. Financial Risk Management Overview

The Company has exposure to the following risks from its use of financial instruments:

1 .Credit Risk
2. Liquidity Risk
3 .Market Risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for identifying, analyzing, evaluating and monitoring the risk and the management of Capital of the Company. Further quantitative disclosures are included throughout these financial statements.

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring risk management policies of the Company.

33.1. Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under financial instruments or customer control leading to a financial loss.

33.1.1. Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was;

	Company	
As at 31 March	**2015**	**2014**
Trade Receivables	4,546,111	3,337,048
Short Term Investments	55,389,763	14,379,678
Dealing securities	2,032,624	308,061
Loan to subsidiary	-	1,774,758
Cash at bank	45,042,691	14,383,801
	107,011,188	**34,183,344**

33.1.2 Management of Credit Risk

Trade Receivables

The Company monitors the creditworthiness of all it customers prior to entering into credit terms and monitors the recoverability of its trade and other receivables on a regular basis

The ageing of trade receivables at the reporting date that were impaired are as follows;

As at 31 March	Company	
	2015	**2014**
Above 365 days	664,360	49,527

Short term investments

Company's short term investments are placed in the reputed financial institutions with good credit ratings in order to minimize the Company's Credit Risk

Cash & Cash Equivalents

Company's deposits are placed in reputed financial institutions with good credit ratings in order to minimize the Company's Credit Risk

33. Financial Risk Management (Cont.)

33.2. Liquidity risk

Liquidity risk' is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

33.2.1 The maturity analysis of liabilities

	Company					
As at 31 March	2015			2014		
	Contractual cash flows			Contractual cash flows		
Non derivative financial liabilities	**Carrying amount**	**6 months or less**	**6-12 months**	**Carrying amount**	**6 months or less**	**6-12 months**
Trade and other payables	40,700,295	37,615,797	3,084,498	35,332,177	25,873,227	9,458,950
	40,700,295	**37,615,797**	**3,084,498**	**35,332,177**	**25,873,227**	**9,458,950**

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly difference amounts.

33.2.2 Management of liquidity risk

The Company's approach to managing liquidity is to ensure, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's approach to managing its liquidity risk is as follows;

a) Regulating monitoring of the Company's assets and liabilities in order to forecast cash flows for future purpose.

b) Arrange adequate facilities with banks as contingency measures Daily monitoring the facility limits, i.e. overdrafts with banks

33.3. Market Risk

'Market risk' is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

33.3.1. Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to charges in foreign exchange rates. However the Company is not exposed to currency risk since the Company operates only in Sri Lanka Rupees which is the Company's functional currency.

33.3.2.Interest Rate Risk

Interest rate risk is the risk to the Company's earnings and economic value of equity ("EVE") arising from adverse movements in interest rates. The Company does not have any floating rate borrowings nor any deposits which earn interest at floating rate. Therefore the interest rate risk to the Company is minimal.

33.4 Fair values of financial instruments.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Company as at 31 March	Carrying amount					Fair value			
	Available for sale	Fair value through profit or loss	Loans and receivable	Other financial liabilities	Total	Level 1	Level2	Level 3	Total
Financial assets measured at fair value									
Dealing securities	2,032,624	-	-	-	2,032,624	2,032,624	-	-	2,032,624
	2,032,624	**-**	**-**	**-**	**2,032,624**	**2,032,624**	**-**	**-**	**2,032,624**
Financial assets not measured at fair value									
Trade receivables	-	-	4,546,111	-	4,546,111	-	-	-	-
Short Term Investments	-	-	55,389,763	-	55,389,763	-	-	-	-
Cash and cash equivalents	-	-	45,042,691	-	45,042,691	-	-	-	-
	-	**-**	**104,978,565**	**-**	**104,978,565**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value									
Trade and other payables	-	-	-	40,700,295	40,700,295	-	-	-	-
	-	**-**	**-**	**40,700,295**	**40,700,295**	**-**	**-**	**-**	**-**

The Company has not disclosed the fair values for financial instruments such as trade & other receivables and payables because their carrying value is a reasonable approximation of fair values.

33.5 Financial assets by fair value hierarchy

Fair value of financial instruments are based on a fair value hierarchy which is defined below.

Level 1

Inputs that are quoted market prices (unadjusted) in active market for identical instruments. The Company measures the fair value of an instrument using active quoted prices or dealer price quotations without any deductions for transaction cost. Market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions and arm's length basis.

Level 2

Input other than quoted prices included within level one that are observable either directly or indirectly. This category includes instruments valued using ; quoted market prices in an active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or valuation techniques in which whole significant inputs are directly or indirectly observable from market data.

Level 3

The input that are unobservable. This category included all the instruments for which valuation techniques includes input not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

34. Events Occurring after the Reporting Date

There were no material events occurring after the reporting date as at 31 March 2015 that require adjustments to or disclosure in the Financial Statements other than the following disclosure.

Shares held by ESOTF (Employee share ownership trust fund) have been fully sold as at 07th May 2015 and the Company has taken necessary actions to recover the loan given to ESOFT.

35. Capital Commitments and contingencies

There were no material Capital Commitments or Contingent Liabilities as at the reporting date, which require disclosure in the Financial Statements.

36. Comparative Information

Comparative information has been reclassified where necessary to conform to current year's presentation.

37. Directors Responsibilities

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

FIVE YEAR PERFORMANCE SUMMARY

For the year ended 31 March	2011	2012	2013	2014	2015
Revenue	61,501,447	88,224,800	131,276,778	162,536,342	163,143,864
Administrative expenses	(56,577,098)	(55,475,628)	(72,515,843)	(60,365,063)	(62,011,082)
Profit from operating activities	4,610,452	101,881,237	59,644,180	100,746,533	99,513,278
Profit before taxation	10,937,331	104,212,937	64,370,802	111,170,354	103,137,548
Profit/(loss) for the year	8,335,909	97,819,417	80,437,139	90,254,674	63,811,398
Total Assets	116,602,456	232,916,017	315,458,801	200,005,842	176,666,927
	116,602,456	**232,916,017**	**315,458,801**	**200,005,842**	**176,666,927**
Equity	77,939,650	170,570,078	232,460,021	158,484,318	96,124,083
Total Liabilities	38,662,806	62,345,939	82,998,779	41,521,524	80,542,844
	116,602,456	**232,916,017**	**315,458,801**	**200,005,843**	**176,666,927**
Other Information					
Earnings/ (Loss) Per Share (Rs.)	0.07	0.80	0.66	0.74	0.52
Market Price Per Share (Rs.)	33.00	6.10	6.10	13.70	11.50
Net Assets Per Share (Rs.)	0.64	1.40	1.90	1.30	0.79
Dividend Payout Ratio (Rs.)	-	-	0.23	1.83	-
Current Ratio (Times)	2.56	1.16	1.62	0.85	1.93

SHAREHOLDER INFORMATION

ANALYSIS OF SHAREHOLDERS ACCORDING TO THE NUMBER OF SHARES AS AT 31.03.2015

Shareholdings		Resident			Non Resident			Total		
		Number of Share holders	No.of Shares	Percent age (%)	Number of Share holders	No.of Shares	Percent age (%)	Number of Share holders	No.of Shares	Percen tage (%)
1 to	1,000 Shares	929	315,514	0.26	5	2,096	0.00	934	317,610	0.26
1,001 to	10,000 Shares	505	2,002,551	1.64	6	36,000	0.03	511	2,038,551	1.67
10,001 to	100,000 Shares	150	3,984,084	3.26	3	185,000	0.15	153	4,169,084	3.41
100,001 to	1,000,000 Shares	18	4,928,923	4.04	0	0	0.00	18	4,928,923	4.04
Over	1,000,000 Shares	2	2,611,800	2.14	2	108,065,447	88.48	4	110,677,247	90.62
		1,604	13,842,872	11.34	16	108,288,543	88.66	1,620	122,131,415	100

Categories of Shareholders	Number of Sharehold ers	Number of Shares
Individual	1,567	13,126,568
Institutional	53	109,004,847
	1,620	122,131,415

Issued share capital as at 31st March 2015	122,131,415
Less	
Parent Company	106,613,601
Subsidiaries of parent	-
Subsidiaries of Company	-
Directors shareholding	-
Spouses & children under 18 of Directors	-
CEO, spouse & children under 18	-
Over 10% holding	-
Public holding	15,517,814
Public holding as at % of issued share capital	12.71%

LIST OF 20 MAJOR SHAREHOLDERS BASED ON THEIR SHAREHOLDING

No	Name of Shareholder	31 st March 2015 No of Shares	% Holding
01	Senior Marketing System Asia (Pte).Limited	106,613,601	87.29
02	Sandwave Limited	1,451,846	1.19
03	Est.of.lat L.S.I. Perera (Deceased)	1,451,800	1.19
04	Mr.G.C. Goonetilleke	1,160,000	0.95
05	Mr.P. Rathnayaka	840,000	0.69
06	Mr.F.N. Goonewardena/Joint: Dr.J.B. Peiris	812,000	0.66
07	Mr. M.G. Carimjee (Deceased)	347,900	0.28
08	Dr. M. M. Rinoza	322,400	0.26
09	Mr.M.A.B. Morahela	289,300	0.24
10	Mr.A.H. Munasinghe	277,031	0.23
11	Mr.P. Guruge	271,761	0.22
12	Pan Asia Banking Corporation PLC/Mr.R.E. Rambukwelle	250,000	0.20
13	Mr.D.K.A.K. Weeratunga	219,544	0.18
14	Mrs.T.R. Selvanayagam	196,800	0.16
15	Mr.G.C.S. Ramanayake/Joint: Mrs. K.M. Ramanayake	180,000	0.15
16	Mr.D.P. Kumarasingha	175,000	0.14
17	Dasatha Investments Limited	163,331	0.13
18	Mr.A. Nimalasuriya	120,609	0.10
19	Mr.B.A.St Ivor Perera	120,400	0.10
20	Miss.S.D.Pieris	119,347	0.10

NOTICE OF ANNUAL GENARAL MEETING

NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting of E-Channelling PLC will be held at Sasakawa Hall, No 4, 22nd Lane, Colombo 03 on 30th September 2015 at 10.00 a.m.

AGENDA

1. To receive and consider the Report of the Directors on the State of Affairs of the Company and the Statement of Accounts for the year ended 31st March 2015, with the Report of the Auditors thereon.

2. To re-elect Mr. Tsutomu Nobunaga a Director who retires at the Annual General Meeting in terms of Article 86 and 87 of the Articles of Association of the Company.

3. To re-elect Mr. S.A.Hettiarachchi a Director who retires at the Annual General Meeting in terms of Article 86 and 87 of the Articles of Association of the Company.

4. To re-elect Ms. Abulaiti Gulimire Director who retires at the Annual General Meeting in terms of Article 94 of the Articles of Association of the Company.

5. To re-elect Mr. Tetsuya Sekimoto Director who retires at the Annual General Meeting in terms of Article 94 of the Articles of Association of the Company.

6. To re-appoint Messrs KPMG, Chartered Accountants as Auditors of the Company and to authorize the Directors to determine their remuneration.

7. To authorize the Directors to determine contributions to charities for 2015/2016.

BY ORDER OF THE BOARD OF DIRECTORS OF
E-CHANNELLING PLC
S S P CORPORATE SERVICES (PRIVATE) LIMITED

……………………………..
SECRETARIES

Date: 19th August 2015

Note: (a) A member who is unable to attend and vote at the above mentioned meeting is entitled to appoint a Proxy to attend and vote in his or her place. A proxy need not be a member of the Company. A Form of Proxy accompanies this Notice.

(b) The completed Form of Proxy should be deposited at the Registered Office of the Company, Suncity Towers, Mezannie Floor, No.18, St. Anthony's Mawatha, Colombo 03 not later than 48 hours before the time appointed for the holding of the meeting.

FORM OF PROXY

I/We………………………………………………......(NIC No……………………) of being a member/s of the above Company,

hereby appoint………………………………… (NIC No…………….……) of ……………………………………………….…or failing him.

Mr. Tatsuya Koike	of Japan or failing him
Mr. Tsutomu Nobunaga	of Japan or failing him
Mr. Dallas Joshua Stephen	of Dehiwala or failing him
Mr. Sampath Arunapriya Hettiarachchi	of Nugegoda or failing him
Ms. Abulaiti Gulimire	of Japan or failing her
Mr. Tetsuya Sekimoto	of Japan

as my/our proxy to represent me/us and vote on my/our behalf at the Fifteenth Annual General Meeting of the Company to be held on 30th September 2015 and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid meeting and to VOTE as indicated below:

		FOR	AGAINST
-1.	To receive and consider the Report of the Directors on the State of Affairs of the Company and the Statement of Accounts for the year ended 31st March 2015, with the Report of the Auditors thereon.	☐	☐
2.	To re-elect Mr. Tsutomu Nobunaga a Director who retires at the Annual General Meeting in terms of Article 86 and 87 of the Articles of Association of the Company.	☐	☐
3.	To re-elect Mr. S.A.Hettiarachchi a Director who retires at the Annual General Meeting in terms of Article 86 and 87 of the Articles of Association of the Company.	☐	☐
4.	To re-elect Ms. Abulaiti Gulimire Director who retires at the Annual General Meeting in terms of Article 94 of the Articles of Association of the Company.	☐	☐
5.	To re-elect Mr. Tetsuya Sekimoto Director who retires at the Annual General Meeting in terms of Article 94 of the Articles of Association of the Company.	☐	☐
6.	To re-appoint Messrs KPMG, Chartered Accountants as Auditors of the Company and to authorize the Directors to determine their remuneration.	☐	☐
7.	To authorize the Directors to determine contributions to charities for 2015/2016.	☐	☐

Signed this .... day of ....Two Thousand and Fifteen.

Signature: …………………………

Note : Please delete the inappropriate words.

1. Instructions for completion of form of proxy are noted on the reverse
2. A proxy need not be a member of the Company
3. Please mark "X" in appropriate cages, to indicate your instructions as to voting

INSTRUCTIONS TO COMPLETION OF FORM OF PROXY

1. Kindly perfect the Form of Proxy by filling in legibly your full name and address, your instructions as to voting, by signing in the space provided and filling in the date of signature.

2. Please indicate with a 'X' in the cages provided how your proxy is to vote on the Resolutions. If no indication is given the Proxy in his/her discretion may vote as he/she thinks fit.

3. The completed Form of Proxy should be deposited at the Registered Office of the Company at Suncity Towers, Mezannie Floor, No.18, St. Anthony's Mawatha, Colombo 03, at least 48 hours before the time appointed for holding of the Meeting.

4. If the form of proxy is signed by an attorney, the relative power of attorney should accompany the completed form of proxy for registration, if such power of attorney has not already been registered with the Company.

5. Kindly perfect the Form of Proxy by filling in legibly your full name and address, your instructions as to voting, by signing in the space provided and filling in the date of signature.

6. Please indicate with a 'X' in the cages provided how your proxy is to vote on the Resolutions. If no indication is given the Proxy in his/her discretion may vote as he/she thinks fit.

7. The completed Form of Proxy should be deposited at the Registered Office of the Company at Suncity Towers, Mezannie Floor, No.18, St. Anthony's Mawatha, Colombo 03, at least 48 hours before the time appointed for holding of the Meeting.

8. If the form of proxy is signed by an attorney, the relative power of attorney should accompany the completed form of proxy for registration, if such power of attorney has not already been registered with the Company.

Note:

If the shareholder is a Company or body corporate, Section 138 of the Companies Act No. 07 of 2007 applies to Corporate Shareholders of E-Channelling PLC. Section 138 provides for representation of Companies at meetings of other Companies. A Corporation, whether a Company within the meaning of this act or not, may where it is a member of another Corporation, being a Company within the meaning of this Act, by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company. A person authorised as aforesaid shall be entitled to exercise the same power on behalf of the Corporation which it represents as that Corporation could exercise if it were an individual shareholder.

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