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CORPORATE INFORMATION

Name of the Company

eChannelling PLC

Legal Form

Quoted Public Limited Company incorporated in Sri Lanka in 2000.

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

Board of Directors

Mr. W.D.J. R. Silva

Ms. A.A. Aziz

Mr. D.J. Stephen

Mr. T.H.M. Wickramasinghe

Mr. S.A. Hettiarachchi

Secretaries of the Company

S.S.P. Corporate Services (Private) Limited

No: 101, Inner Flower Road,

Colombo 03.

Auditors

KPMG

Chartered Accountants,

No: 32A, Sir Mohamed Macan Marker Mawatha,

P.O. Box 186,

Colombo 03.

Lawyer(s)

D. L. & F. De Saram

No: 47, Alexandra Place,

Colombo 07.

Nithya Partners

No: 97A,

Galle Road,

Colombo 03.

Bankers

Sampath Bank PLC

Nations Trust Bank PLC

People's Bank

Commercial Bank of Ceylon PLC

Bank of Ceylon

Seylan Bank PLC

Deutsche Bank

Subsidiary

ECL Soft (Private) Limited

CHAIRMAN / CEO'S REVIEW

It has been yet another ground breaking year for eChannelling PLC. The company has further grown with its hospital and agent base and as a result has posted strong revenue figures in the financial year.

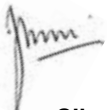
The operational profitability has increased with the company being able to keep the cost base of the company in control.

At a consolidated level the group has ventured into a number of new products, with the revenue from these ventures being encouraging. The group would focus on expanding the product range it offers and consolidating its position as the number one IT service provider for the healthcare sector whilst exploring out of industry opportunities.

The gas delivery product launched in partnership with Laugfs Gas PLC, the membership product and Doctor Notification is expected to contribute significantly to the consolidated profitability starting from 2013/2014.

The first ever dividend was declared this year with a Rs. 0.15 interim dividend which is followed by a Rs. 0.50 final dividend. The company is expecting to maintain an excellent dividend payout for its shareholders utilising excess funds which is not required for internal operations and growth opportunities .

eChannelling PLC would continue to strive to enhance shareholder value and continue to deliver robust financial results.

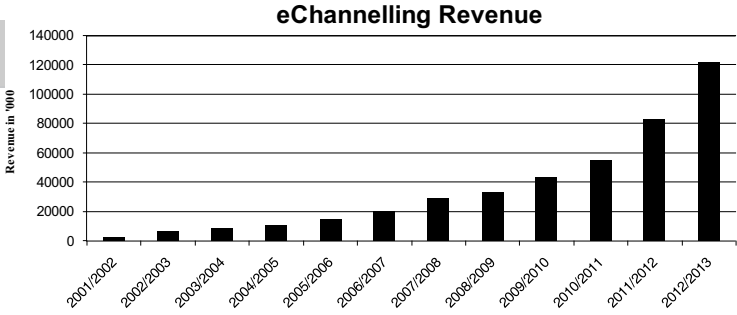


Ruwan Silva

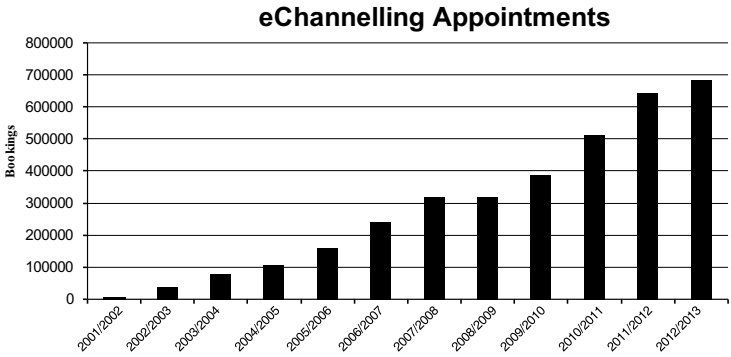
Chairman / Chief Executive Officer
Colombo

ECHANNELLING PERFORMANCE CHARTS

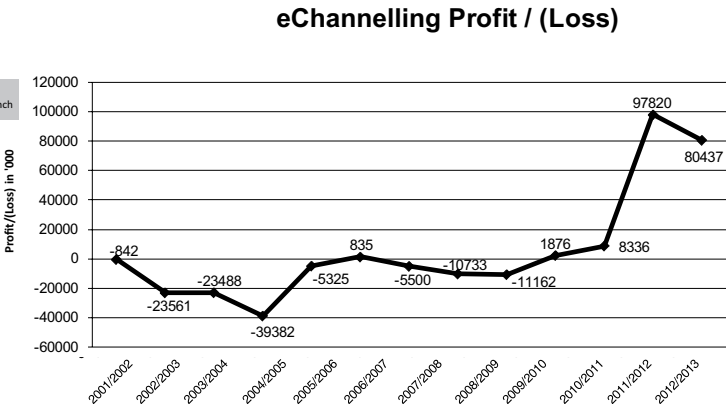
Revenue generated from eChannelling appointments



The number of appointments made through our network.



Profit/(Loss) of the organisation since launch



BOARD OF DIRECTORS

Mr. W.D.J.R.Silva

MBA, FCMA (U.K.), CGMA, LL.B. (LOND)

Non Independent, Executive Chairman & CEO

Mr. Ruwan Silva was appointed to the Board of eChannelling PLC on 19th of May 2010. He is the Chairman of British American Technologies (Private) Limited (BAT), a key shareholder of eChannelling PLC. Prior to setting up British American Technologies, he was the Chief Financial Officer at Sri Lanka Telecom PLC and Chief Financial Officer for Ericsson Algeria and Sri Lanka. Mr. Ruwan Silva has more than nineteen years of experience, cutting across varied industries such as healthcare, electronics, telecommunications, transportation, IT and banking. He has also worked at Ansell, John Keells Holdings PLC and HSBC. Mr. Silva holds a Masters in Business Administration (University of Colombo), a LL.B. degree with Honours (University of London, U.K.) a Fellow Member of the Chartered Institute of Management Accountants, U.K. (FCMA) and a Chartered Global Management Accountant (CGMA).

Ms. A. A. Aziz

BA (AUS)

Independent, Non Executive Director

Ms. Asmina Aziz was appointed to the Board of eChannelling PLC on 10th of October 2011. She is the founder Managing Director of Newspaper Direct (Private) Limited, one of the premier e-commerce businesses, which is affiliated to Newspaper Direct, Canada supplies over 2000 newspapers from over 92 countries. Ms. Aziz accounts for over thirteen years of senior management experience and specialises in Marketing. She holds a B.A. in administration (Marketing) from the University of Canberra, Australia.

Mr. D. J. Stephen

MBA, DIPM, CIM (U.K.)

Independent, Non Executive Director

Mr. Dallas Joshua Stephen was appointed to the Board of eChannelling PLC on 26th of September 2012. He is a well established practicing marketer with over sixteen 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 organisations 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 Jayawardhanapura (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

BOARD OF DIRECTORS (CONTD)

as well as for the Diploma programme offered by SLIM. He is also a visiting consultant attached to many corporate entities conducting training programs on negotiations skills, personality development, leadership, people management skills, teamwork, selling skills, decision making, presentation skills and customer relationship management. He has set up Kaizen Plus SKD (Private) Limited, which essentially specialises in corporate training, management consultancy, staff outsourcing and recruitment.

Mr. T.H.M. Wickramasinghe

MBA (ECU, AUS)

Non Independent, Non Executive Director

Mr. Thushan Wickramasinghe was appointed to the Board of eChannelling PLC on 31st of January 2013. He is the Chairman/CEO of Capital Trust Holdings Limited and other group companies including Capital Trust Credit (Private) Limited, Capital Trust Properties (Private) Limited, Capital Trust Property Developers (Private) Limited and Capital Trust Partners (Private) Limited. He is the Managing Director/CEO of Capital Trust Securities (Private) Limited since 2003. He has been credited for arranging many of the strategic transactions in the Colombo Stock Exchange (CSE) and developing one of Sri Lanka's leading equity broking firm with the largest local client base which is serviced through eight branches. He was the live wire in making Capital Trust Securities being ranked number one in the CSE in terms of transaction turnover, brokerage turnover and trades in 2010 and in financial year 2010/2011 when the CSE recorded its highest turnover. He is also a Director of People's Merchant Finance PLC and Capital Trust Financial (Private) Limited. He is also the Proprietor of Shakthi Institute, an educational institution with over 10,000 registered students. Mr. Wickramasinghe joined Asia Securities as a Manager in 1993 and went on to becoming the CEO/Director. He was a Director of Lanka ORIX Leasing Company PLC (LOLC) from 2002 to 2009. He holds a MBA from Edith Cowan University, Australia.

Mr. S.A. Hettiarachchi

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

Independent, Non Executive Director

Mr. Sampath Hettiarachchi was appointed to the Board of eChannelling PLC on 1st of 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 18 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. 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).

CORPORATE GOVERNANCE

With a commitment to high ethical standards, eChannelling PLC 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 is responsible for the continued appropriate management of the group while ensuring that it accomplishes its goals. The Board meets regularly to establish, maintain direction and to provide guidance to ensure the company's and group'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 organisation.

The following table illustrates how the organisation 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 five 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 three 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.

CORPORATE GOVERNANCE (CONTD)

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 page 3 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 page 3 of the Annual Report.
7.10.5	Remuneration Committee	A Listed company shall have a Remuneration Committee.	Complied with.	Please refer page 8 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.

CORPORATE GOVERNANCE (CONTD)

7.10.6.	Audit Committee	A listed company shall have an audit committee.	Complied with.	The company has an audit committee comprising of three 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 three members who are independent. The Chairman of the committee is member of a recognized accounting body.

REPORT OF THE REMUNERATION COMMITTEE

The remuneration committee which is a part of the Board of eChannelling PLC has reviewed the performance of senior management and determined a unique rewarding structure 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. **Ms. A.A. Aziz – Chairperson**
2. **Mr. D.J. Stephen**

The committee members possess experience in the fields of management, human resources and Law. 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.

As a special function the committee had ensured that staff costs are within the budget set by the Board, and are sustainable over time.

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.

Ms A. A. Aziz

Chairperson

Remuneration Committee

REPORT OF THE AUDIT COMMITTEE

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

1. **Mr. S.A. Hettiarachchi - Chairman (Appointed w.e.f. from 01.05.2013)**
2. **Ms. A.A. Aziz**
3. **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.

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

eChannelling PLC 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 organisation. 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 organisation 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 organisation'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 organisation.

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 2013. 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 the recommended best accounting practices.

1. Review of the Year

The Chairman's Review describes 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 related medical services.

3. Auditor's Report

The Auditor's report on the financial statements is given on page 15

4. Financial Statements

The financial statements of the Company are given in pages 16 to 44

5. Accounting Policies

During the year Company has adopted the new SLFRS/LKAS and the accounting policies used in preparation of the Financial Statements of the Company and the Group are given at pages 20 to 30 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. Directors' Remuneration and Other Benefits

Director's remuneration in respect of the Company for the financial year ended 31st March 2013 is given in Note 11 to the Financial Statements.

8. Corporate Donations

No donations were made by the Company during the financial year for charitable or political purposes.

9. Directors and their Shareholdings

Directors of the Company and their respective shareholdings as at 31st March 2013 are as follows.

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

	31.03.2012	31.03.2013
Mr. W. D. J. R. Silva	406,600	700
Ms. A. A. Aziz	100,000	100,000
Mr. D. J. Stephen	Nil	Nil
Mr. T. H. M. Wickramasinghe	Nil	Nil
Mr. S. A. Hettiarachchi	Nil	Nil

Messrs P. Kudabalage and A. M. M. de Alwis Directors representing the Sri Lanka Insurance Corporation resigned from the Board with effect from 28th September 2012.

Messrs A. R. Karunaratne and W. T. L. Weeratne Directors resigned from the Board with effect from 31st January 2013 and 28th February 2013 respectively.

The Board wishes to place on record the Company's sincere appreciation to Messrs P. Kudabalage, A. M. M. de Alwis, A. R. Karunaratne and W. T. L. Weeratne for the valuable contribution extended to the Company during their tenure on the Board.

Mr. D. J. Stephen was appointed to the Board with effect from 26th September 2012. Mr. T. H. M. Wickramasinghe representing Capital Trust Holdings (Private) Limited was appointed to the Board with effect from 31st January 2013. Mr. S. A. Hettiarachchi was appointed to the Board with effect from 1st May 2013.

In terms of Article 86 and 87 of the Articles of Association of the Company Ms A. A. Aziz retires by rotation and being eligible offers herself for re-election.

In terms of Article 94 of the Articles of Association of the Company Messrs D.J. Stephen, T. H. M. Wickramasinghe and S. A. Hettiarachchi retire and being eligible offer themselves for re-election.

10. Auditors

The Financial Statements for the year ended 31st March 2013 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 Rs. 220,000 (2012 – Rs. 200,000) as audit fees by the Company. In addition they were not paid (2012 – Rs.100,000) 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.

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

11. Dividends

The Directors declared a First Interim Dividend of Rs. 0.15 per share for the year ended 31st March 2013 which was paid on 16th October 2012. The Directors recommend the payment of a Final Dividend of Rs. 0.50 for the year ended 31st March 2013.

12. Investments

Details of investments held by the Company are disclosed in Note 20 to the Financial Statements.

13. 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 18 to the Financial Statements.

14. 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 are set out in Note 17 to the Financial Statements.

15. Capital Commitments

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

16. Stated Capital

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

17. Reserves

Retained earnings as at 31st March 2013 amount to Rs. 77,828,844. Movements are shown in the Statement of Changes in Equity in the Financial Statements.

18. 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.

19. 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.

20. Taxation

The tax position of the Company is given in Note 14 to the Financial Statements.

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

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

	31.03.2012	31.03.2013
Market price per share as at 31st March	6.10	6.10
Highest share price during the year	29.90	7.40
Lowest share price during the year	3.00	3.70

22. Shareholding

The number of registered shareholders of the Company as at 31st March 2013 was 2,275.

23. Major Shareholders

The twenty largest shareholders of the Company as at 31st March 2013, together with an analysis are given on page 47.

24. 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.

25. 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.

26. 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.

27. Contingent Liabilities

There were no material contingent liabilities outstanding as at 31st March 2013.

28. Annual General Meeting

The Thirteenth Annual General Meeting of the Company will be held at Hotel Renuka on 30th September 2013 at 12.30 p.m.

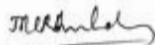
For and on behalf of the Board of Directors of
E-CHANNELLING PLC



.....
Director



.....
Director



.....
S S P Corporate
Services (Private)
Limited, Secretaries

Date: 19th August 2013

REPORT OF THE AUDITORS



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

Tel : +94 - 11 542 6428
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 ECHANNELING PLC

Report on the Financial Statements

We have audited the accompanying financial statements of Echannelling PLC ("the Company") and the consolidated financial statements of the Company and its subsidiary ("the Group"), which comprise the statement of financial position as at March 31, 2013, the statements of 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 16 to 44 of the annual report.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

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 plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended March 31, 2013 and the financial statements give a true and fair view of the financial position of the Company as at March 31, 2013, and of its financial performance and its cash flow for the year then ended in accordance with Sri Lanka Accounting Standards.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiary dealt with thereby as at March 31, 2013 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

These financial statements also comply with the requirements of Section 153(2) to 153(7) of the Companies Act No. 07 of 2007.

CHARTERED ACCOUNTANTS
Colombo.
19th August 2013

KPMG, a Sri Lankan Partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International cooperative ("KPMG International"), a Swiss entity.

M.R. Mulara FCA P.V.S. Perera FCA C.P. Jayatilaka FCA
T.J.S. Rajapaksa FCA W.R.J.C. Perera FCA M. S. Joseph FCA
M. S.M.B. Jayasingha ACA W.S.D.C. Abeyaratne ACA S.T.L.I. Perera FCA
G.A.U. Karunaratne ACA R.M.D.S. Rajapaksa ACA M. S.E.D.T.N. Rodrigo ACA
Principal - S.R.I. Perera ACMA, U.S. Attorney-at-Law, U.S. Government ACA

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March	Note	GROUP		COMPANY	
		2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
Revenue	07	139,006,063	88,512,800	131,276,778	88,224,800
Cost of sales	08	(220,430)	-	-	-
Gross Profit		138,785,633	88,512,800	131,276,778	88,224,800
Other operating income	09	313,690	69,797,811	1,062,478	69,532,065
Administrative expenses		(73,556,001)	(56,943,840)	(72,515,843)	(55,475,628)
Marketing & distribution expenses	10	(179,233)	(417,515)	(179,233)	(400,000)
Profit From Operations	11	65,364,089	100,949,256	59,644,180	101,881,237
Finance income	12	2,538,870	4,506,768	4,773,572	4,506,768
Finance costs	13	(7,175,241)	(2,175,623)	(46,950)	(2,175,068)
Net Finance (Cost)/Income		(4,636,371)	2,331,145	4,726,622	2,331,700
Profit Before Taxation		60,727,718	103,280,401	64,370,802	104,212,937
Income tax (expenses)/reversal	14	16,066,337	(6,393,520)	16,066,337	(6,393,520)
Profit for the Year		76,794,055	96,886,881	80,437,139	97,819,417
Other Comprehensive Income					
Net change in fair value of available- for-sale financial assets		(45,019,340)	(21,906,658)	(227,484)	(5,904,839)
Other Comprehensive Income for the Year		(45,019,340)	(21,906,658)	(227,484)	(5,904,839)
Total Comprehensive Income for the Year		31,774,715	74,980,223	80,209,655	91,914,578
Profit attributable to					
Owners of the company		78,028,236	97,156,555	80,437,139	97,819,417
Non controlling interest		(1,234,181)	(269,674)	-	-
Profit for the Year		76,794,055	96,886,881	80,437,139	97,819,417
Total comprehensive income attributable to					
Owners of the company		47,939,515	80,583,836	80,209,655	91,914,578
Non controlling interest		(16,164,800)	(5,603,613)	-	-
Total Comprehensive Income for the Year		31,774,715	74,980,223	80,209,655	91,914,578
Earnings Per Share	15	0.63	0.79	0.66	0.80
Dividends Per Share	16	0.15	-	0.15	-

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

STATEMENT OF FINANCIAL POSITION

As at 31st March	Note	GROUP			COMPANY	
		2013 Rs.	2012 Rs	2013 Rs.	2012 Rs.	'01 April 2011 Rs.
ASSETS						
Non Current Assets						
Property, plant & equipment	17	1,993,754	2,680,760	1,993,754	2,804,275	3,287,627
Intangible assets	18	6,499,895	7,884,875	6,563,950	7,885,875	7,577,768
Employee share ownership trust fund	19	1,160,000	2,785,000	1,160,000	2,785,000	2,785,000
Long term investments	20	104,705,000	75,000,000	-	-	11,788,024
Investment in subsidiary company	21	-	-	150,100,000	150,100,000	-
Deferred taxation	22	25,098,966	-	25,098,966	-	-
Total Non Current Assets		139,457,615	88,350,635	184,916,670	163,575,150	25,438,419
Current Assets						
Inventories		586,298	-	-	-	-
Trade & other receivables	23	9,978,048	11,202,711	8,577,621	10,809,826	8,415,661
Short term investments	24	29,244,146	34,852,587	29,244,146	34,852,587	69,245,819
Dealing securities	25	58,238,339	71,447,959	1,690,803	2,295,486	5,998,331
Loan to subsidiary	26	-	-	37,245,032	2,929,448	-
Cash & cash equivalents	27	55,759,960	27,575,382	53,784,529	18,453,520	7,504,226
Total Current Assets		153,806,791	145,078,639	130,542,131	69,340,867	91,164,037
Total Assets		293,264,406	233,429,274	315,458,801	232,916,017	116,602,456
EQUITY AND LIABILITIES						
Equity						
Stated capital	28	93,758,316	93,758,316	93,758,316	93,758,316	93,758,316
Retained earnings		86,907,839	27,199,315	139,946,271	77,828,844	(19,990,573)
Available for sale reserve		(41,773,681)	(11,684,960)	(1,244,566)	(1,017,082)	4,171,907
Equity attributable to owners of the company		138,892,474	109,272,671	232,460,021	170,570,078	77,939,650
Non-controlling interest		28,298,254	44,463,054	-	-	-
Total Equity		167,190,728	153,735,725	232,460,021	170,570,078	77,939,650
Non Current Liabilities						
Employee benefits	29	2,371,654	2,635,918	2,371,654	2,635,917	3,073,679
Total Non Current Liabilities		2,371,654	2,635,918	2,371,654	2,635,917	3,073,679
Current Liabilities						
Trade & other payables	30	112,739,713	70,895,107	69,664,810	53,546,498	29,927,993
Current tax liability		10,962,311	6,162,524	10,962,316	6,163,524	1,748,999
Bank overdraft	27	-	-	-	-	3,912,135
Total Current Liabilities		123,702,024	77,057,631	80,627,126	59,710,022	35,589,127
Total Liabilities		126,073,678	79,693,549	82,998,780	62,345,939	38,662,806
Total Equity & Liabilities		293,264,406	233,429,274	315,458,801	232,916,017	116,602,456

The notes to the Financial Statements form an integral part of these Financial Statements.

I certify that these Financial Statements are in compliance with the requirements of the Companies Act No 07 of 2007.

Accountant

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;

Chairman / CEO
W. D. J. R. Silva

Director
S. A. Hettiarachchi

19th August 2013
Colombo.

STATEMENT OF CHANGES IN EQUITY

GROUP	Stated Capital Rs.	Available for-sale Reserve Restated Rs.	Retained Earnings Restated Rs.	Non- Controlling Interest Rs.	Total Rs.
Balance as at 01st April 2011 (Note 32)	93,758,316	4,171,907	(19,990,573)	-	77,939,650
Total comprehensive income for the year					
Profit for the year	-	-	97,156,555	(269,673)	96,886,882
Formation of subsidiary	-	-	-	100,000	100,000
Changes to the percentage holding	-	-	(49,966,667)	49,966,667	-
Other comprehensive income					
Net change in fair value of available- for-sale financial assets	-	(16,572,718)	-	(5,333,940)	(21,906,658)
Transfer to profit and loss	-	715,850	-	-	715,850
Total comprehensive income for the year	-	(15,856,868)	47,189,888	44,463,054	75,796,074
Balance as at 31st March 2012	93,758,316	(11,684,960)	27,199,315	44,463,054	153,735,724
Balance as at 01st April 2012	93,758,316	(11,684,960)	27,199,315	44,463,054	153,735,724
Total comprehensive income for the year					
Profit for the year	-	-	78,028,236	(1,234,181)	76,794,055
Other comprehensive income					
Net change in fair value of available- for-sale financial assets	-	(30,088,721)	-	(14,930,619)	(45,019,340)
Total comprehensive income for the year	-	(30,088,721)	78,028,236	(16,164,800)	31,774,715
Transaction with owners recorded directly in equity					
Distributions to owners					
Interim dividend - 2012/2013	-	-	(18,319,712)	-	(18,319,712)
Total transactions with owners of the Company	-	-	(18,319,712)	-	(18,319,712)
Balance as at 31st March 2013	93,758,316	(41,773,681)	86,907,839	28,298,254	167,190,727

COMPANY	Stated Capital Rs.	Available for-sale Reserve Restated Rs.	Retained Earnings Restated Rs.	Total Rs.
Balance as at 01st April 2011	93,758,316	4,171,907	(19,990,573)	77,939,650
Total comprehensive income for the year				
Profit for the year	-	-	97,819,417	97,819,417
Other comprehensive income				
Net change in fair value of available- for-sale financial assets	-	(5,904,839)	-	(5,904,839)
Transfer to profit and loss	-	715,850	-	715,850
Total comprehensive income for the year	-	(5,188,989)	97,819,417	92,630,428
Balance as at 31st March 2012	93,758,316	(1,017,082)	77,828,844	170,570,078
Balance as at 01st April 2012	93,758,316	(1,017,082)	77,828,844	170,570,078
Total comprehensive income for the year				
Profit for the year	-	-	80,437,139	80,437,139
Other comprehensive income				
Net change in fair value of available-for-sale financial assets	-	(227,484)	-	(227,484)
Total comprehensive income for the year	-	(227,484)	80,437,139	80,209,655
Transaction with owners recorded directly in equity				
Distributions to owners				
Interim dividend - 2012/2013	-	-	(18,319,712)	(18,319,712)
Total transactions with owners of the Company	-	-	(18,319,712)	(18,319,712)
Balance as at 31st March 2013	93,758,316	(1,244,566)	139,946,271	232,460,021

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

CASH FLOW STATEMENT

For the year ended 31st March	GROUP		COMPANY	
	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
Cash Flow From Operating Activities				
Profit before taxation	60,727,718	103,280,401	64,370,802	104,212,937
Adjustments for :				
Depreciation and amortisation	4,289,944	3,515,557	4,289,944	3,515,557
Provision for employee benefit	637,062	(437,762)	637,062	(437,762)
Loss on sales of shares	848,999	-	-	-
Interest income	(2,538,870)	(4,506,768)	(4,773,572)	(4,506,768)
Interest cost	46,950	2,175,623	46,950	2,175,068
(Reversal of) / Provision for bad & doubtful debts	(555,000)	-	(555,000)	-
Operating Profit before Working Capital Changes	63,456,803	104,027,051	64,016,186	104,959,032
Increase in inventories	(586,298)	-	-	-
Decrease / (increase) in trade & other receivable	13,907	(2,324,342)	2,001,845	(1,205,565)
Decrease / (increase) amount due to / from related parties	473,000	-	1,471,517	(2,929,448)
Increase in trade & other payables	39,403,184	40,967,116	13,567,705	24,880,670
Cash Generated from Operations	102,760,596	142,669,825	81,057,253	125,704,689
Interest paid	(46,950)	(1,548,478)	(46,950)	(2,175,068)
Interest received	2,502,612	5,863,682	4,773,572	4,506,768
Tax paid	(4,232,839)	(1,979,995)	(4,232,839)	(1,978,995)
Gratuity paid	(901,325)	-	(901,325)	-
Net Cash Generated from Operating Activities	100,082,094	145,005,034	80,649,711	126,057,394
Cash Flow From Investing Activities				
Acquisition of property plant and equipment	(2,217,958)	(3,215,797)	(2,158,497)	(3,339,312)
Proceeds of investments	5,572,183	(29,548,710)	-	45,451,290
Loan to subsidiary	-	-	(34,315,584)	-
Investment made in quoted company shares	(60,421,478)	(82,452,397)	-	-
Proceeds of investments-shares	-	-	5,985,642	2,696,896
Net change in fair value of available for-sale financial assets	(227,484)	(5,904,839)	(227,484)	(5,904,839)
Investment in subsidiary	-	-	-	(150,100,000)
Net Cash Used in Investing Activities	(57,294,737)	(121,121,743)	(30,715,923)	(111,195,965)
Cash flow from Financing Activities				
Proceeds from shares to minority shareholders	-	100,000	-	-
Employee share ownership trust fund - sale of shares	1,625,000	-	1,625,000	-
Dividends paid	(16,227,779)	-	(16,227,779)	-
Net Cash (Used in) / Generated from Financing Activities	(14,602,779)	100,000	(14,602,779)	-
Net increase in cash & cash equivalents	28,184,578	23,983,291	35,331,009	14,861,429
Cash & cash equivalents at beginning of the year	27,575,382	3,592,091	18,453,520	3,592,091
Cash & Cash Equivalents at end of the Year	55,759,960	27,575,382	53,784,529	18,453,520
Analysis of cash and cash equivalents (Note 27)				
Cash at bank	55,597,857	27,508,811	53,687,165	18,386,949
Cash in hand	162,103	66,571	97,364	66,571
	55,759,960	27,575,382	53,784,529	18,453,520

The annexed Notes to the Financial Statements form an integral part of these Financial Statements.
Figures in bracket indicate deductions.

NOTES TO THE FINANCIAL STATEMENTS

1. Reporting entity

eChannelling PLC (the “Company”) is a Company with Public liability, incorporated and domiciled in Sri Lanka. The address of the Company’s registered office is Suncity Towers, Mezzanine Floor No.18, St. Anthony’s Mawatha, Colombo - 03. eChannelling PLC was incorporated On 27 July 2000. The consolidated financial statements of the Company as at and for the year ended 31 March 2013 comprise the Company and its subsidiary (together referred to as the “Group” and individually as “Group entities”).

The principal activity of the Company and Group are to operate an internet based electronic commerce (e-commerce) business and to promote the products globally with a primary vision of providing channeling service to consult doctors and related medical services.

2. Basis of preparation

2.1 Statement of compliance

The Statement of Financial Position, Statement of Comprehensive Income, Changes in Equity and Cash Flow Statement, together with the notes, (the “Financial Statements”) of the Company as at 31st March 2013 and for the period then ended have been prepared in accordance with Sri Lanka Accounting Standards (SLAS) prefixed both SLFRS (corresponding to IFRS) and LKAS (corresponding to IAS), promulgated by the Institute of Chartered Accountants of Sri Lanka and complies with the requirements of the Companies Act No 07 of 2007.

These are the Group’s first consolidated financial statements prepared in accordance with SLFRS and SLFRS 1 First- time Adoption of Sri Lanka Financial Reporting Standards has been applied.

The company established its subsidiary in the 2011/2012 financial year. Hence the consolidated Financial Statements are prepared only for the year ended 31st March 2012 and a consolidated balance sheet for transition date which is 31st March 2011 will not be applicable.

An explanation of how the transition to SLFRS has affected the reported financial position, financial performance and cash flows of the Group is provided in note 32 of the financial statement.

The financial statements were approved by the Board of Directors on 19th August 2013.

2.2 Basis of measurement

The consolidated financial statements have been prepared on historical cost basis except for the following material items in the statement of financial position:

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

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

NOTES TO THE FINANCIAL STATEMENTS

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 recognised 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 recognised 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 3.5.2 - Employee benefit obligations

Note 3.5.3 - Contingent liabilities

Note 3.6.9 - Deferred tax liabilities/assets

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and in preparing the opening SLFRS statement of financial position as at 1 April 2011 for the purpose of the transition to SLFRSs, unless otherwise indicated.

3.1 Basis of consolidation

The Group's financial statements comprise consolidated financial statements of the Company, 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 are included in the consolidated financial statements from the date that control commences until the date that control ceases.

These consolidated financial statements are prepared to a common financial year end of 31 March. The accounting policy of Subsidiary has been changed when necessary to align them with the policies adopted by the Group. All the assets and liabilities of the Company and the Subsidiary are included in the consolidated statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

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-Controlling Interests". The total profits and losses for the year of the Company, its Subsidiary are disclosed in the consolidated income statement and the allocation of profit and loss for the period attributable to minority and equity holders are disclosed separately.

3.1.4 Loss of control

Upon the loss of control, the Group derecognises 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 recognised 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 unrealised income and expenses arising from intra-Group transactions, are eliminated in preparing consolidated financial Statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised 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 recognised in the Income Statement.

3.3 Financial instruments

3.3.1 Non derivative financial assets

Initial recognition and measurement

Financial Assets are recognised 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 recognised 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, investments in treasury bills, investments in equity shares and trade and other receivables.

NOTES TO THE FINANCIAL STATEMENTS

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 recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprises of cash and cash equivalents, trade and other receivables and loan to subsidiary and fixed deposits.

Trade and other receivables-Trade and other receivables are stated at their cost less impairment losses.

Cash and cash equivalents - Cash & cash equivalents are defined as cash in hand and deposits at banks. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and deposits at banks net of outstanding bank overdrafts.

(b) Available for sale financial assets

Available for sale financial assets are non derivative financial assets that are designated as available for sale. According to LKAS 39 investment in long term equity securities are classified as available for sale financial assets. Available for sale financial assets are recognised at fair value, subsequently measured at fair value, with changes recognised in 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 recognised in the profit or loss and cumulative losses recognised in the other comprehensive income will be reclassified to profit or loss.

Available for sale financial assets comprises of investment in equity securities and treasury bills.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Impairment

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.

NOTES TO THE FINANCIAL STATEMENTS

(a) Loans and receivables

The Group considers evidence of impairment for receivables. All individually significant receivables are assessed for specific impairment. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

(b) Available for sale financial assets

Impairment losses on available -for -sale financial assets are recognised by reclassifying accumulated losses that has been recognised 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 recognised in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available for sale equity security is recognised in other comprehensive income.

3.3.2 Non derivative financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of SLFRS/ LKAS are recognised when and only when the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are recognised 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. Company 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 recognised 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.

Derecognition

A financial liability is derecognised 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 derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

3.3.3 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 realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

3.4 Assets and Basis of Measurement

Assets classified as current assets in the statement of financial position are cash and bank balances and those which are expected to be realised in cash during the normal operating cycle, or within one year from the reporting date, whichever is shorter.

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 recognised 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 recognised 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 income statement as incurred.

Derecognition

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

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 recognised in the income statement 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. Leased assets are depreciated over the shorter of the lease terms and useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease period. Freehold land is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS

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
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 derecognised.

Capital work-in-progress

Capital expenses incurred during the year which are not completed as at the reporting date are shown as capital work-in-progress, whilst the capital assets which have been completed during the year and in use have been transferred to property, plant & equipment.

3.4.2 Intangible assets

An intangible asset is an identifiable non monetary 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 recognised 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
Hospitalnet Software	10 Years

Derecognition

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

NOTES TO THE FINANCIAL STATEMENTS

3.4.3 Impairment - non financial asset

The carrying values of the Group's non-financial 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 if it's 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 recognised if the carrying amount of asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised 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 recognised.

3.5 Liabilities and provisions

3.5.1 Provisions

A provision is recognised 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

Defined Contribution plans-Provident/Trust fund

A defined contribution plan is a post-employment plan under which an entity pays fixed contributions into a separate entity and will have no further legal or constrictive obligation to pay further amounts. Obligations for contributions to provident and Trust funds covering all employees are recognised as an expense in the income statement when incurred.

The group contributes 15% and 3% of gross emoluments to employees as provident Fund and Trust Fund contribution separately.

NOTES TO THE FINANCIAL STATEMENTS

Defined benefit plans - retiring gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company and the Group are liable to pay retirement benefits under the Payment of Gratuity Act, No 12 of 1983. The liability recognised 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 generated model using formula.

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 Group are disclosed in the respective notes to the Financial Statements.

3.5.4 Events subsequent to the reporting period.

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 comprehensive income

3.6.1 Revenue recognition

Revenue is recognised 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 income statement 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 income statement.

3.6.3 Dividend income

Dividend income is recognised in Income Statement 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 recognised as it accrues in the income statement using effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

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 income statement, 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 expense / income

Finance expense comprises interest payable on all financial liabilities such as term loans, overdrafts and finance leases. 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 recognised directly in the income statement except to the extent that it relates to items recognised 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 balance sheet date, and any adjustment made to tax payable in respect of previous years.

3.6.9 Deferred tax

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the future asset can be utilised. Deferred tax assets are reduced to the extent that is no longer probable that the related tax benefit will be realised.

3.6.10 Value Added Tax (VAT)

The Company is liable to pay Value Added Tax on taxable supplies.

3.6.11 Nations Building Tax (NBT)

The Company is liable to pay National Building Tax (NBT) on specified rates.

NOTES TO THE FINANCIAL STATEMENTS

4. Basic earnings per share (EPS)

The Company and the Group presents basic earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

5. 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.

6. Cash flow statement

The cash flow statements have been prepared using the "indirect method". Interest paid are classified as operating cash flows, interest and dividend received are classified as investing cash flows while dividend paid are classified as financing cash flows for the purpose of presenting in the cash flow statement.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March	GROUP		COMPANY	
	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
07 Revenue				
Revenue from portals	121,078,936	72,996,438	121,078,936	72,996,438
Software income	7,373,248	10,396,813	7,201,219	10,396,813
Call charges income	2,996,623	4,831,549	2,996,623	4,831,549
Doctor notification income	4,683,855	-	-	-
Revenue from membership cards	2,071,318	-	-	-
Income from servicing and maintenance of computers	789,000	-	-	-
Income from www.crazydeals.lk	13,083	-	-	-
Income from training	-	288,000	-	-
	139,006,063	88,512,800	131,276,778	88,224,800
08 Cost of Sales				
Printing charges - member cards	657,138	-	-	-
Less : Closing stock - member cards	(586,298)	-	-	-
Cost of issued members cards	70,840	-	-	-
Other direct costs	149,590	-	-	-
	220,430	-	-	-
09 Other Income				
Software development	-	162,764	-	162,764
Dividend income	100,492	-	281	-
Reversal of bad & doubtful debts	555,000	-	555,000	-
Other income	507,197	667	507,197	667
Profit on disposal of shares	(848,999)	69,634,380	-	69,368,634
	313,690	69,797,811	1,062,478	69,532,065
10 Marketing & Distribution Expenses				
Advertising & sales promotion	152,219	417,515	152,219	400,000
Business development expenses	27,014	-	27,014	-
	179,233	417,515	179,233	400,000
11 Profit from Operations				
Profit from operations is stated after charging all the expenses including the following:				
Depreciation and amortisation	4,289,944	3,515,557	4,289,944	3,515,557
Salary related expenses	17,225,001	18,808,562	17,225,001	18,808,562
EPF	1,949,817	2,128,050	1,949,817	2,128,050
ETF	389,963	425,310	389,963	425,310
Auditor's remuneration - Audit	242,000	220,000	220,000	200,000
- Audit related services	-	100,000	-	100,000
Employee benefits	637,062	(437,761)	637,062	(437,761)
Legal expenses	135,581	253,360	65,357	253,360
Penalties and surcharges	-	1,855	-	1,855
Directors' remuneration	5,883,979	2,034,912	5,883,979	2,034,912

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March	GROUP		COMPANY	
	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
12 Finance Income				
Interest income from subsidiary	-	-	2,234,702	-
Interest Income from government securities	2,351,384	2,130,693	2,351,384	2,130,693
Interest Income from fixed deposits	187,486	2,376,075	187,486	2,376,075
	2,538,870	4,506,768	4,773,572	4,506,768
13 Finance Costs				
Overdraft interest	46,950	1,548,478	46,950	1,548,478
Finance cost on share trading	7,128,291	627,145	-	626,590
	7,175,241	2,175,623	46,950	2,175,068
Net Finance (Costs) / Income	(4,636,371)	2,331,145	4,726,622	2,331,700
14 Income Tax Expense				
Current Taxation	11,319,020	5,948,320	11,319,020	5,948,320
Under/(Over) provision in respect of previous year	(3,286,391)	445,200	(3,286,391)	445,200
Origination of deferred taxation (Note 22)	(25,098,966)	-	(25,098,966)	-
	(16,066,337)	6,393,520	(16,066,337)	6,393,520
14.1 Reconciliation between accounting profit and taxable income				
Profit before taxation	60,727,718	103,280,401	64,370,802	104,212,937
Income from other sources & exempt income	160,804	(69,634,379)	261,015	(69,368,633)
Loss of subsidiary	3,802,754	323,667	-	-
Disallowable expenses	5,361,756	5,824,313	5,421,215	4,949,698
Allowable expenses	(2,366,109)	(7,110,927)	(2,366,109)	(7,110,927)
Brought forward tax losses claimed during the year	(23,690,423)	(11,439,076)	(23,690,423)	(11,439,076)
Total taxable income	43,996,500	21,243,999	43,996,500	21,243,999
Current taxation	12,319,020	5,948,320	12,319,020	5,948,320
	12,319,020	5,948,320	12,319,020	5,948,320
14.2 Analysis of tax losses				
Losses brought forward	115,305,950	127,258,289	115,305,950	127,258,289
Losses incurred during the year	3,802,754	323,667	-	-
Losses claimed during the year	(23,690,423)	(11,439,076)	(23,690,423)	(11,439,076)
Losses carried forward	95,418,281	116,142,880	91,615,527	115,819,213
15 Earnings per share				
The calculation of basic earning per share for the Company & the Group is based on the net profit attributable to Ordinary Shareholders divided by the weighted average number of ordinary shares outstanding as at the reporting date.				
Profit for the year (Rs.)	76,794,055	96,886,881	80,437,139	97,819,417
Weighted average number of ordinary shares	122,131,415	122,131,415	122,131,415	122,131,415
Earnings per share (Rs.)	0.63	0.79	0.66	0.80
16 Dividend per share				
The Company has paid an interim dividend of Rs. 18,319,712/- (Rs. 0.15/- per share).				

NOTES TO THE FINANCIAL STATEMENTS

17 Property, Plant & Equipment

GROUP	Computer Equipment Rs.	Computer Servers Rs.	Furniture & Fittings Rs.	Office Equipment Rs.	Total 2013 Rs.	Total 2012 Rs.
Cost						
Balance as at 1st April	9,988,739	28,282,578	806,977	981,429	40,059,723	38,698,408
Additions	1,459,596	90,216	41,198	199,921	1,790,930	1,361,315
Balance as at 31st March	11,448,335	28,372,794	848,175	1,181,350	41,850,653	40,059,723
Accumulated Depreciation						
Balance as at 1st April	9,417,843	26,365,145	744,480	851,495	37,378,963	35,410,781
Charge for the year	771,315	1,497,318	47,779	161,524	2,477,936	1,968,182
Balance as at 31st March	10,189,158	27,862,463	792,259	1,013,019	39,856,899	37,378,963
Carrying Amount						
As at 31st March 2013	1,259,177	510,331	55,916	168,331	1,993,754	
As at 31st March 2012	570,896	1,917,433	62,497	129,934		2,680,760

COMPANY	Computer Equipment Rs.	Computer Servers Rs.	Furniture & Fittings Rs.	Office Equipment Rs.	Total 2013 Rs.	Total 2012 Rs.	Total 2011 Rs.
Cost							
Balance as at 1st April	10,022,039	28,372,794	806,977	981,429	40,183,239	38,698,408	39,494,414
Additions	1,426,296	-	41,198	199,921	1,667,414	1,484,830	309,922
Transfers	-	-	-	-	-	-	140,000
Disposals	-	-	-	-	-	-	(1,245,928)
Balance as at 31st March	11,448,335	28,372,794	848,175	1,181,350	41,850,653	40,183,238	38,698,408
Accumulated Depreciation							
Balance as at 1st April	9,417,843	26,365,145	744,480	851,495	37,378,963	35,410,781	34,555,423
Charge for the year	771,315	1,497,318	47,779	161,524	2,477,936	1,968,182	1,961,286
Transfers	-	-	-	-	-	-	140,000
Disposals	-	-	-	-	-	-	(1,245,928)
Balance as at 31st March	10,189,158	27,862,463	792,259	1,013,019	39,856,899	37,378,963	35,410,781
Carrying Amount							
As at 31st March 2013	1,259,177	510,331	55,916	168,331	1,993,754		
As at 31st March 2012	604,196	2,007,649	62,497	129,934		2,804,275	
As at 31st March 2011	117,108	2,927,318	152,525	90,676			3,287,627

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March	GROUP			COMPANY		01 April 2011 Rs.
	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.		
18 Intangible Assets						
Cost						
Balance as at the beginning of the year	12,828,975	10,974,493	12,828,975	10,975,493	10,974,493	
Additions during the year	427,028	1,854,482	491,083	1,854,482	-	
Balance as at the end of the year	13,256,003	12,828,975	13,320,058	12,829,975	10,974,493	
Accumulated amortisation						
Balance as at the beginning of the year	4,944,100	3,396,725	4,944,100	3,396,725	2,293,507	
Amortisation for the year	1,812,008	1,547,375	1,812,008	1,547,375	1,103,218	
Balance as at the end of the year	6,756,108	4,944,100	6,756,108	4,944,100	3,396,725	
Carrying amount	6,499,895	7,884,875	6,563,950	7,885,875	7,577,768	

Intangible assets consist of licensing fee and "hospitalnet" software respectively.

19 Employees' share ownership trust fund (ESOT Fund)						
Balance as at the beginning of the year	2,785,000	2,785,000	2,785,000	2,785,000	3,350,000	
Loan settled during the year	(1,625,000)	-	(1,625,000)	-	(565,000)	
Balance as at the end of the year	1,160,000	2,785,000	1,160,000	2,785,000	2,785,000	

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.

		GROUP			COMPANY		01 April 2011 Rs.
		2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.		
20 Long term investments							
Investment in treasury bonds		-	-	-	-	11,788,024	
Investment in non quoted shares	No of Shares	Cost					
Hotelroomnet Limited	7,500,000	10.00	75,000,000	75,000,000	-	-	
Add : Shares purchased during the year	2,970,560	10.00	29,705,000	-	-	-	
			104,705,000	75,000,000	-	-	11,788,024
21 Investment in Subsidiary							
ECL Soft (Private) Limited	Holding 66.66%		-	-	150,100,000	150,100,000	-
			-	-	150,100,000	150,100,000	-
22 Deferred taxation							
Balance as at the beginning of the year		-	-	-	-	-	
Deferred tax assets originating during the year		25,098,966	-	25,098,966	-	-	
Balance as at end of the year		25,098,966	-	25,098,966	-	-	
Deferred tax provision from							
Brought forward tax losses		91,615,527	-	91,615,527	-	-	
Temporary difference of property, plant and equipment		(4,348,017)	-	(4,348,017)	-	-	
Temporary difference of retirement benefit obligation		2,371,654	-	2,371,654	-	-	
		89,639,164	-	89,639,164	-	-	
Tax at 28%		25,098,966	-	25,098,966	-	-	
23 Trade & Other Receivables							
Trade receivable		4,348,823	5,425,730	4,346,827	5,033,735	2,767,160	
Advance, prepayments and other receivables (Note 23.1)		3,802,315	3,572,060	2,403,884	3,571,170	3,240,205	
Employee share ownership trust		1,625,000	-	1,625,000	-	-	
WHT and tax receivable		201,910	778,121	201,910	778,121	982,996	
Refundable deposit		-	1,426,800	-	1,426,800	1,425,300	
		9,978,048	11,202,711	8,577,621	10,809,826	8,415,661	
23.1 Advance, Prepayments and Other Receivables							
Balance as at the beginning of the year		5,408,315	3,572,060	4,968,884	3,571,170	3,240,205	
Additions		959,000	-	-	-	-	
Provision for impairment		(2,565,000)	-	(2,565,000)	-	-	
Balance as at the end of the year		3,802,315	3,572,060	2,403,884	3,571,170	3,240,205	
24 Short Term Investments							
Investment in treasury bonds		-	-	-	-	4,732,106	
Investment in treasury bills		15,195,880	13,403,855	15,195,880	13,862,417	21,421,361	
Investment in fixed deposits		12,950,943	20,387,668	12,950,943	20,387,668	40,674,374	
Interest receivable		1,097,323	1,061,064	1,097,323	602,502	2,417,978	
		29,244,146	34,852,587	29,244,146	34,852,587	69,245,819	

NOTES TO THE FINANCIAL STATEMENTS

25 Dealing securities GROUP

	No. of Ordinary Share	2013 Cost (Rs.)	Market Value (Rs.)	No. of Ordinary Share	2012 Cost (Rs.)	Market Value (Rs.)	No. of Ordinary Share	2011 Cost (Rs.)	Market Value (Rs.)
Citrus Leisure PLC	31,199	944,741	602,141	100	3,391	770	-	-	-
Taj Lanka Hotels PLC	10,000	606,702	250,000	10,000	606,702	309,000	-	-	-
Blue Diamonds Jewellery Worldwide PLC	18,315,291	115,452,622	54,945,873	11,337,071	85,156,325	69,156,133	-	-	-
Hotel Services (ceylon) PLC	88,000	2,046,669	1,179,200	88,000	2,046,669	1,531,200	-	-	-
Serendib Hotels PLC (Voting)	7	162	166	7	162	225	-	-	-
Serendib Hotels PLC (Non Voting)	93	1,628	1,609	93	1,628	2,251	-	-	-
York Arcade Holdings PLC	100	3,847	1,500	100	3,847	1,680	-	-	-
Environmental Resources Investments PLC (Warrants)	100	7,100	130	100	7,100	650	100	7,143	7,730
Nations Trust Bank PLC	100	8,100	6,100	100	8,100	5,690	-	-	-
Seylan Bank PLC (Non Voting)	100	7,500	3,550	100	7,500	6,760	200	8,093	7,860
The Finance Company PLC (Non Voting)	54,200	1,084,000	243,900	54,200	1,084,000	433,600	54,200	1,084,000	921,400
Amana Takaful PLC	-	-	-	-	-	-	2,000	7,083	4,200
Ceylinco Seylan Development PLC	-	-	-	-	-	-	100	1,572	1,460
Nations Lanka Finance PLC	-	-	-	-	-	-	3,000	69,933	33,300
Lankem Developments PLC	100	59	560	-	-	-	100	5,960	7,230
Seylan Bank PLC	-	-	-	-	-	-	100	7,537	7,520
Nations Trust Bank PLC-Warrants	-	-	-	-	-	-	100	8,155	7,631
Nations Lanka Finance PLC - Application for additional shares	-	-	-	-	-	-	-	-	5,000,000
Citrus Beach Resort Limited	20	20	358	-	-	-	-	-	-
The Autodrome PLC	53	37,761	44,164	-	-	-	-	-	-
Lake House Printers and Publishers PLC	9,048	911,512	959,088	-	-	-	-	-	-
		121,112,422	58,238,339		88,925,424	71,447,959		1,199,476	5,998,331

COMPANY

	No. of Ordinary Share	2013 Cost (Rs.)	Market Value (Rs.)	No. of Ordinary Share	2012 Cost (Rs.)	Market Value (Rs.)	No. of Ordinary Share	2011 Cost (Rs.)	Market Value
Citrus Leisure PLC	100	3,391	1,930	100	3,391	770	-	-	-
Taj Lanka Hotels PLC	10,000	606,702	250,000	10,000	606,702	309,000	-	-	-
Blue Diamonds Jewellery Worldwide PLC	600	2,032	1,800	600	2,032	3,660	-	-	-
Hotel Services (ceylon) PLC	88,000	2,046,669	1,179,200	88,000	2,046,669	1,531,200	-	-	-
Serendib Hotels PLC (Voting)	7	162	166	7	162	225	-	-	-
Serendib Hotels PLC (Non Voting)	93	1,628	1,609	93	1,628	2,251	-	-	-
York Arcade Holdings PLC	100	3,847	1,500	100	3,847	1,680	-	-	-
Environmental Resources Investments PLC (Warrants)	100	7,100	130	100	7,100	650	100	7,143	7,730
Nations Trust Bank PLC	100	8,100	6,100	100	8,100	5,690	-	-	-
Seylan Bank PLC (Non Voting)	100	7,500	3,550	100	7,500	6,760	200	8,093	7,860
The Finance Company PLC (Non Voting)	54,200	1,084,000	243,900	54,200	1,084,000	433,600	54,200	1,084,000	921,400
Amana Takaful PLC	-	-	-	-	-	-	2,000	7,083	4,200
Ceylinco Seylan Development PLC	-	-	-	-	-	-	100	1,572	1,460
Nations Lanka Finance PLC - Lankem Developments Ltd	100	59	560	-	-	-	100	5,960	7,230
Seylan Bank PLC	-	-	-	-	-	-	100	7,537	7,520
Nations Trust Bank PLC-Warrants	-	-	-	-	-	-	100	8,155	7,631
Nations Lanka Finance PLC - Application for additional shares	-	-	-	-	-	-	-	-	5,000,000
Citrus Beach Resort Limited	20	20	358	-	-	-	-	-	-
		3,771,210	1,690,803		3,771,131	2,295,486		1,199,476	5,998,331

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March	GROUP			COMPANY	
	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.	01 April 2011 Rs.
26 Loan to Subsidiary					
ECL Soft (Private) Limited	-	-	37,245,032	2,929,448	-
27 Cash & Cash Equivalents					
Cash at bank	55,597,857	27,508,811	53,687,165	18,386,949	7,466,920
Cash in hand	162,103	66,571	97,364	66,571	37,306
	55,759,960	27,575,382	53,784,529	18,453,520	7,504,226
Less :					
Bank overdraft	-	-	-	-	(3,912,135)
Cash and cash equivalents for the purpose of Cash Flow Statement	55,759,960	27,575,382	53,784,529	18,453,520	3,592,091
28 Stated Capital					
Balance at the beginning of the year	93,758,316	93,758,316	93,758,316	93,758,316	187,516,633
50% capital reduction	-	-	-	-	(93,758,317)
Balance as the end of the year	93,758,316	93,758,316	93,758,316	93,758,316	93,758,316
29 Employee Benefits					
Balance at the beginning of the year	2,635,917	3,073,679	2,635,917	3,073,678	1,894,679
Provision / (reversal) during the year	637,062	(437,761)	637,062	(437,761)	1,179,000
	3,272,979	2,635,918	3,272,979	2,635,917	3,073,679
Payments during the year	(901,325)	-	(901,325)	-	-
Balance at the end of the year	2,371,654	2,635,918	2,371,654	2,635,917	3,073,679
The defined benefit obligation is calculated as at the reporting date based on an internally generated model using formula.					
Principal assumptions as at the balance sheet date are as follows;					
Discount rate	12.00%	11%	12.00%	11%	11%
Future salary increase	11.70%	9%	11.70%	9%	9%
Retirement age: 55 years					
The Company will continue in business as a going concern.					
The above provision has not been externally funded.					
30 Trade & Other Payables					
Trade payables	100,135,549	60,143,556	56,399,130	42,794,945	21,086,147
Related party payables (Note 30.1)	473,000	-	1,471,517	-	-
Accrued expenses	12,131,164	10,751,551	11,794,163	10,751,553	8,841,846
	112,739,713	70,895,107	69,664,810	53,546,498	29,927,993
30.1. Related Party Payables					
ECL Soft (Pvt) Limited	-	-	998,517	-	-
British American Technologies (Pvt) Limited	473,000	-	473,000	-	-
	473,000	-	1,471,517	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 Related Party Transaction

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

a) Transactions with Related Entities

(i) Name of the Related Party	Relationship	Nature of Transaction	Transaction	Outstanding as
			Amount (2013)	at 31.03.2013
			Rs.	Rs.
ECL Soft (Pvt) Limited	Subsidiary	Loan	34,500,000	34,500,000
		Reimbursement of expenses	100,575	-
		Inter Company Purchase	(491,083)	-
		eChannelling fee (ECL Soft portion)	(320,103)	-
		Member Card Cash	(525,745)	(525,745)
		Doctor Notification	(2,151,720)	(472,772)
		Sales from www.crazydeals.lk	(29,559)	-
		Interest for Loan	2,234,702	2,234,702
British American	Affiliate	Reimbursement of expenses	7,000	7,000
Technologies (Pvt) Limited	Company	Vehicle rent	(960,000)	(480,000)

(ii) Amounts due to related entities as at 31st March 2013 are disclosed in the Note 30.1 to the Financials Statements.

b) Transactions with Key Management Personnel

Key management personnel include all the members of the Board of Directors of the companies having authority and responsibility for planning, directing and controlling the activities of the Company as well as the subsidiary, directly or indirectly. Compensation paid to / on behalf of key management personnel of the companies are as follows.

	GROUP		COMPANY		
	2013	2012	2013	2012	'01 April 2011
	Rs.	Rs.	Rs.	Rs.	Rs.
Short term employee benefits					
Directors' remuneration	5,883,979	2,034,912	5,883,979	2,034,912	777,778

NOTES TO THE FINANCIAL STATEMENTS

32 Explanations of transition from SLASs to SLFRSs/LKASs First time adoption of SLFRS/LKASs

As stated in note 2.1, these are the Company's first Financial Statements prepared in accordance with new SLASs.

The accounting policies set out in Note 3 have been applied in preparing the Financial Statements for the year ended 31 March 2013, the comparative information presented in these Financial Statements for the year ended 31 March 2013 and in the preparation of an opening SLAS statement of financial position at 1 April 2011 (the Company's date of transition).

In preparing its opening SLAS statement of financial position, the Company has adjusted amounts reported previously in Financial Statements prepared in accordance with previous SLASs. An explanation of how the transition from previous SLASs to new SLASs has affected the Company's financial position, financial performance is set out in the following tables and the notes that accompany the tables.

32.1 Reconciliation of Statement of Comprehensive Income

	Note	Previous SLASs Rs.	Group Effect of Transition to New SLASs 31st March 2012 Rs.	New SLASs Rs.	Previous SLASs Rs.	Company Effect of Transition to New SLASs 31st March 2012 Rs.	New SLASs Rs.
Revenue		88,512,800	-	88,512,800	88,224,800	-	88,224,800
Cost of sales		-	-	-	-	-	-
Gross Profit		88,512,800	-	88,512,800	88,224,800	-	88,224,800
Other operating income		69,797,811	-	69,797,811	69,532,065	-	69,532,065
Administrative expenses	32.3.a	(79,220,158)	22,276,318	(56,943,840)	(61,750,127)	6,274,499	(55,475,628)
Marketing & distribution expenses		(417,515)	-	(417,515)	(400,000)	-	(400,000)
Profit From Operations		78,672,938	22,276,318	100,949,256	95,606,738	6,274,499	101,881,237
Finance income		4,506,768	-	4,506,768	4,506,768	-	4,506,768
Finance expenses		(2,175,623)	-	(2,175,623)	(2,175,068)	-	(2,175,068)
Net Finance Income		2,331,145	-	2,331,145	2,331,700	-	2,331,700
Profit Before Taxation		81,004,083	22,276,318	103,280,401	97,938,438	6,274,499	104,212,937
Tax expenses		(6,393,520)	-	(6,393,520)	(6,393,520)	-	(6,393,520)
Profit for the Year		74,610,563	22,276,318	96,886,881	91,544,918	6,274,499	97,819,417
Other Comprehensive Income							
Net change in fair value of available- for-sale financial assets	32.3.a	-	(21,906,658)	(21,906,658)	-	(5,904,839)	(5,904,839)
Other Comprehensive Income for the Period		-	(21,906,658)	(21,906,658)	-	(5,904,839)	(5,904,839)
Total Comprehensive Income for the Period		74,610,563	369,660	74,980,223	91,544,918	369,660	91,914,578

NOTES TO THE FINANCIAL STATEMENTS

32 Explanation of transition from SLASs to SLFRSs / LKASs (Cont.)

32.2 Reconciliation of Statement of Financial Position

GROUP

	Note	Previous SLASs Rs.	Effect of Transition to New SLASs 31st March 2012 Rs.	New SLASs Rs.
ASSETS				
Non Current Assets				
Property, plant & equipment		2,680,760	-	2,680,760
Intangible assets		7,884,875	-	7,884,875
Employee share ownership trust fund		2,785,000	-	2,785,000
Long term investment		75,000,000	-	75,000,000
Investment in subsidiary company		-	-	-
Total Non Current Assets		88,350,635	-	88,350,635
Current Assets				
Inventories		-	-	-
Trade & other receivables	32.3.b	11,805,211	(602,500)	11,202,711
Short term investments	32.3.b	33,791,523	1,061,064	34,852,587
Dealing securities		71,447,959	-	71,447,959
Loan to subsidiary		-	-	-
Cash & cash equivalents		27,575,382	-	27,575,382
Total Current Assets		144,620,075	458,564	145,078,639
Total Assets		232,970,710	458,564	233,429,274
EQUITY AND LIABILITIES				
Equity				
Stated capital		93,758,316	-	93,758,316
Retained earnings	32.3.a	15,055,791	12,143,524	27,199,315
Available for sale reserve	32.3.a	-	(11,684,960)	(11,684,960)
Non-controlling interest		44,463,054	-	44,463,054
Total Equity		153,277,161	458,564	153,735,725
Non Current Liabilities				
Employee benefits		2,635,918	-	2,635,918
Deferred taxation		-	-	-
Total Non Current Liabilities		2,635,918	-	2,635,918
Current Liabilities				
Trade & other payables		70,895,107	-	70,895,107
Current tax liability		6,162,524	-	6,162,524
Bank overdraft		-	-	-
Total Current Liabilities		77,057,631	-	77,057,631
Total Liabilities		79,693,549	-	79,693,549
Total Equity & Liabilities		232,970,710	458,564	233,429,274

NOTES TO THE FINANCIAL STATEMENTS

32 Explanation of transition from SLASs to SLFRSs / LKASs (Cont.)

32.2 Reconciliation of Statement of Financial Position

COMPANY

	Note	Previous SLASs Rs.	Effect of Transition to New SLASs 31st March 2012 Rs.	New SLASs Rs.	Previous SLASs Rs.	Effect of Transition to New SLASs 01st April 2011 Rs.	New SLASs Rs.
ASSETS							
Non Current Assets							
Property, plant & equipment		2,804,275	-	2,804,275	3,287,627	-	3,287,627
Intangible assets		7,885,875	-	7,885,875	7,577,768	-	7,577,768
Employee share ownership trust fund		2,785,000	-	2,785,000	2,785,000	-	2,785,000
Long term investment		-	-	-	11,788,024	-	11,788,024
Investment in subsidiary company		150,100,000	-	150,100,000	-	-	-
Total Non Current Assets		163,575,150	-	163,575,150	25,438,419	-	25,438,419
Current Assets							
Trade & other							
Receivables	32.3.b	11,412,328	(602,502)	10,809,826	10,833,639	(2,417,978)	8,415,661
Short term investments	32.3.b	33,791,523	1,061,064	34,852,587	67,454,789	1,791,030	69,245,819
Dealing securities		2,295,486	-	2,295,486	5,998,331	-	5,998,331
Loan to subsidiary		2,929,448	-	2,929,448	-	-	-
Cash & cash equivalents		18,453,520	-	18,453,520	7,504,226	-	7,504,226
Total Current Assets		68,882,305	458,562	69,340,867	91,790,985	(626,948)	91,164,037
Total Assets		232,457,455	458,562	232,916,017	117,229,404	(626,948)	116,602,456
EQUITY AND LIABILITIES							
Equity							
Stated capital		93,758,316	-	93,758,316	93,758,316	-	93,758,316
Retained earnings	32.3.a	76,353,200	1,475,644	77,828,844	(15,191,718)	(4,798,855)	(19,990,573)
Available for sale reserve	32.3.a	-	(1,017,082)	(1,017,082)	-	4,171,907	4,171,907
Total Equity		170,111,516	458,562	170,570,078	78,566,598	(626,948)	77,939,650
Non Current Liabilities							
Employee benefits		2,635,917	-	2,635,917	3,073,679	-	3,073,679
Deferred taxation		-	-	-	-	-	-
Total Non Current Liabilities		2,635,917	-	2,635,917	3,073,679	-	3,073,679
Current liabilities							
Trade & other payables		53,546,498	-	53,546,498	29,927,993	-	29,927,993
Current tax liability		6,163,524	-	6,163,524	1,748,999	-	1,748,999
Bank overdraft		-	-	-	3,912,135	-	3,912,135
Total Current Liabilities		59,710,022	-	59,710,022	35,589,127	-	35,589,127
Total Liabilities		62,345,939	-	62,345,939	38,662,806	-	38,662,806
Total Equity & Liabilities		232,457,455	458,562	232,916,017	117,229,404	(626,948)	116,602,456

NOTES TO THE FINANCIAL STATEMENTS

32 Explanation of transition from SLAs to SLFRSs / LKASs (Cont.)

32.3 Notes to the reconciliations

a. Financial Investments- Available-for-Sale

As per the previous Sri Lanka Accounting Standards the Group carried its investments in shares at market value recognising all gains and losses in Profit or Loss immediately and all investments in government securities were carried at cost. However inline with New Accounting Standards the Group has classified all its investments in shares and government securities as Available for sale and recognises all fair value gains / losses in Other Comprehensive Income.

The impact arising from the change is summarised as follows:

	Group		Company	
	31st March 2012	31st March 2012	01st April 2011	
	Rs.	Rs.	Rs.	Rs.
Statement of Comprehensive Income				
Net change in fair value of available-for-sale financial assets	(21,906,658)	(5,904,839)	-	-
Administration expenses	22,276,318	6,274,499	-	-
	369,660	369,660	-	-
Statement of Financial Position				
Short term investments	(458,562)	(458,562)	626,948	
Available-for-sale reserve	(11,684,960)	(1,017,082)	4,171,907	
Retained earnings	12,143,522	1,475,644	(4,798,855)	
	-	-	-	-

b. Reclassification of Interest Receivable

Accrued interest receivable from short term investments has been reclassified with principle outstanding and excluded from other liabilities. The impact arising from the change is summarised as follows:

	Group		Company	
	As at	As at	As at	
	31st March 2012	31st March 2012	1st April 2011	
Statement of Financial Position Reclassification				
Trade & other receivables	(1,061,064)	(602,502)	2,417,978	
Short term investments	1,061,064	602,502	(2,417,978)	
	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

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 and Group's objectives, policies and processes for measuring and managing risk, and the Company's and Group's management of capital. Further quantitative disclosures are included throughout this financial statement.

Risk Management Framework

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

33.1. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

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

As at 31st March

	2013
Trade & other receivables	9,978,048
Short term investments	29,244,146
Dealing securities	58,238,339
Cash & cash equivalents	55,759,960
	<u>153,220,493</u>

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry and country in which customer operate, as these factors may have an influence on credit risk.

Mitigation of Credit Risk

Trade & other receivables

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

Short term investments

All the Company's short term investments are placed in the Central Bank of Sri Lanka and reputed financial institutions with good credit ratings in order to minimize the Company's Credit Risk.

Cash & cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS

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.

Cash flow forecasting is done by the Company on a regular basis. The finance division monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements.

The maturity analysis of assets & liabilities are disclosed below:

As at 31st March 2013

GROUP	Carrying amount	Contractual cash flows					More than 5 years
		6 months or less	6-12 months	1-2 years	2-5 years		
ASSETS							
Non Current Assets							
Property, plant & equipment	1,993,754	-	-	-	-	1,993,754	
Intangible assets	6,499,895	-	-	-	-	6,499,895	
Employee share ownership trust fund	1,160,000	-	-	-	-	1,160,000	
Long term investment	104,705,000	-	-	-	-	104,705,000	
Deferred taxation	25,098,966	-	-	15,878,612	9,220,354	-	
Total Non Current Assets	139,457,615	-	-	15,878,612	9,220,354	114,358,649	
Current Assets							
Inventories	586,298	586,298	-	-	-	-	
Trade & other receivables	9,978,048	8,856,250	1,121,798	-	-	-	
Short term investments	29,244,146	10,222,520	19,021,626	-	-	-	
Dealing securities	58,238,339	14,566,212	43,672,127	-	-	-	
Cash & cash equivalents	55,759,960	51,806,580	3,953,380	-	-	-	
Total Current Assets	153,806,791	86,037,860	67,768,931	-	-	-	
Total Assets	293,264,406	86,037,860	67,768,931	15,878,612	9,220,354	114,358,649	
EQUITY AND LIABILITIES							
Equity							
Stated capital	93,758,316	-	-	-	-	93,758,316	
Retained earnings	86,907,839	-	-	-	-	86,907,839	
Available for sale reserve	(41,773,681)	-	-	-	-	(41,773,681)	
Non-controlling interest	28,298,254	-	-	-	-	28,298,254	
Total Equity	167,190,728	-	-	-	-	167,190,728	
Non Current Liabilities							
Employee benefits	2,371,654	360,050	458,920	364,330	487,364	700,990	
Total Non Current Liabilities	2,371,654	360,050	458,920	364,330	487,364	700,990	
Current Liabilities							
Trade & other payables	112,739,713	70,582,113	42,157,600	-	-	-	
Current tax liability	10,962,311	10,962,311	-	-	-	-	
Total Current Liabilities	123,702,024	81,544,424	42,157,600	-	-	-	
Total Liabilities	126,073,678	81,904,474	42,616,520	364,330	487,364	700,990	
Total Equity & Liabilities	293,264,406	81,904,474	42,616,520	364,330	487,364	167,891,718	

NOTES TO THE FINANCIAL STATEMENTS

33 Financial Risk Management (Cont.)

33.3. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates affecting the Group's Income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

33.3.1 Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument fluctuating, due to changes in foreign exchange rates. The Group, as at the reporting date, do not hold 'Financial Instruments' denominated in currencies other than its functional / reporting currency, hence do not get exposed to currency risk arising from translation of such balances in to the functional / reporting currency, which is Sri Lankan Rupees.

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 rates. Therefore the interest rate risk to the Company is minimal.

34 Events Occurring subsequent to the Reporting Date

The Board of Directors has recommended the payment of a Final dividend of Rs 0.50/- per share for the year ended 31st March 2013 which is to be paid subsequent to approval of the shareholders at the Annual General Meeting. In Accordance with Sri Lanka Accounting Standards No 10 - Event after the Reporting Period, this proposed dividend has not been recognized as a liability as at 31st March 2013.

Except for the above there were no material events occurring after the reporting date as at 31st March 2013 that require adjustments to or disclosure in the Financial Statements.

35 Capital Commitments

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	2009	2010	2011	2012	2013
Revenue	38,484,507	50,524,306	61,501,447	88,224,800	131,276,778
Administrative expenses	(58,265,491)	(56,848,889)	(56,577,098)	(55,475,628)	(72,515,843)
Profit from operating activities	(20,664,405)	(5,204,941)	4,610,452	101,881,237	59,644,180
Profit before taxation	(8,391,496)	4,212,837	10,937,331	104,212,937	64,370,802
Profit/(loss) for the year	(11,162,735)	1,876,068	8,335,909	97,819,417	80,437,139
Total Assets	87,102,220	94,391,956	116,602,456	232,916,017	315,458,801
	87,102,220	94,391,956	116,602,456	232,916,017	315,458,801
Equity	68,354,621	70,230,689	77,939,650	170,570,078	232,460,021
Total Liabilities	18,747,599	24,161,267	38,662,806	62,345,939	82,998,779
	87,102,220	94,391,956	116,602,456	232,916,017	315,458,801
Other Information					
Earnings/ (Loss) Per Share (Rs.)	(0.09)	0.02	0.07	0.80	0.66
Market Price Per Share (Rs.)	7.75	10.25	33.00	6.10	6.10
Net Assets Per Share (Rs.)	0.71	0.58	0.64	1.40	1.90
Current Ratio (Times)	3.36	3.22	2.56	1.16	1.62

SHAREHOLDER INFORMATION

ANALYSIS OF SHAREHOLDERS ACCORDING TO THE NUMBER OF SHARES AS AT 31.03.2013

Shareholdings	Number of Share holders	Resident		Non Resident			Number of Share holders	Total	
		No. of Shares	Percentage (%)	Number of Share holders	No. of Shares	Percentage (%)		No. of Shares	Percentage (%)
1 to 1,000 Shares	1,032	453,356	0.36	5	2,446	0.01	1,037	455,802	0.37
1,001 to 10,000 Shares	828	3,573,969	2.93	8	45,200	0.04	836	3,619,169	2.97
10,001 to 100,000 Shares	333	10,361,801	8.48	3	110,000	0.09	336	10,471,801	8.57
100,001 to 1,000,000 Shares	53	17,179,662	14.07	0	0	0.00	53	17,179,662	14.07
Over 1,000,000 Shares	11	84,543,682	69.22	2	5,861,299	4.80	13	90,404,981	74.02
	2,257	116,112,470	95.07	18	6,018,945	4.93	2,275	122,131,415	100.00

Categories of Shareholders	Number of Shareholders	Number of Shares
Individual	2,192	40,593,714
Institutional	83	81,537,701
	2,275	122,131,415

Issued share capital as at 31st March 2013	122,131,415
Less	
Parent Company	0
Subsidiaries of parent	0
Subsidiaries of Company	0
Directors shareholding	100,700
Spouses & children under 18 of Directors	0
CEO, spouse & children under 18	0
Over 10% holding	70,879,620
Public holding	51,151,095
Public holding as at % of issued share capital	41.88%

LIST OF 20 MAJOR SHAREHOLDERS BASED ON THEIR SHAREHOLDING

No.	Name	2013		2012	
		Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
01	PAN ASIA BANKING CORPORATION PLC / BRITISH AMERICAN TECHNOLOGIES (PRIVATE) LIMITED	29,388,581	24.06	29,388,581	24.06
02	J.B. COCOSHELL (PRIVATE) LIMITED	23,967,370	19.62	2,223,750	1.82
03	SAMPATH BANK PLC / CAPITAL TRUST HOLDINGS (PRIVATE) LIMITED	12,772,570	10.46		
04	BRITISH AMERICAN TECHNOLOGIES (PRIVATE) LIMITED	4,751,099	3.89	4,125,000	3.38
05	DR. M. B. NIZAR	4,731,299	3.87	4,751,299	3.89
06	TRADING PARTNERS (PRIVATE) LIMITED	4,087,742	3.35		
07	DR. M. M. RINOZA	2,409,100	1.97	2,399,100	1.96
08	SEYLAN BANK PLC / MOHAMED IMITAZ SAMSUDEEN	2,285,800	1.87	2,305,800	1.89
09	MR. L. S. I. PERERA	1,451,800	1.19	1,451,800	1.19
10	MR. M. I. SAMSUDEEN	1,307,036	1.07	853,500	0.70
11	MR. K. M. A. R. K. ALMUHAIRI	1,130,000	0.93	1,130,000	0.93
12	MR. S. C. HITHTHATYAGE	1,067,584	0.87	1,086,000	0.89
13	MR. G. C. GOONETILLEKE	1,055,000	0.86	985,000	0.81
14	MR. S. K. CHANDRASENA	1,000,000	0.82	1,011,500	0.83
15	MR. H. B. JAYASEKARA	972,300	0.80	972,300	0.80
16	MR. P. RATHNAYAKA	840,000	0.69	840,000	0.69
17	PAN ASIA BANKING CORPORATION PLC / MR. H. A. STARREX	830,542	0.68		
18	MR. F. N. GOONEWARDENA / J. B. PEIRIS	812,000	0.66	812,000	0.66
19	MR. S. GURUSINGHE	801,600	0.66	801,600	0.66
20	MR. T. L. M. IMTIAZ	786,046	0.64		

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting of the eChannelling PLC will be held at Hotel Renuka on 30th September 2013 at 12.30 p.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 2013, with the Report of the Auditors thereon.
2. To declare a Final Dividend of Rs. 0.50 per share in respect of the financial year ended 31st March 2013 as recommended by the Directors.
3. To re-elect Ms. A.A. Aziz a Director who retires by rotation at the Annual General Meeting in terms of Article 86 and 87 of the Articles of Association of the Company.
4. To re-elect Mr. D.J. Stephen a 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. T.H..M Wickramasinghe a Director who retires at the Annual General Meeting in terms of Article 94 of the Articles of Association of the Company.
6. To re-elect Mr. S.A. Hettiarachchi a Director who retires at the Annual General Meeting in terms of Article 94 of the Articles of Association of the Company.
7. To re-appoint Messrs KPMG, Chartered Accountants as Auditors of the Company and to authorise the Directors to determine their remuneration.
8. To authorise the Directors to determine contributions to charities for 2013/2014.

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

SECRETARIES

Date: 19th August 2013

- 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. Welvidanalage Don Joseph Ruwan Silva	of Nawala or failing him
Ms. Asmina Ashruff Aziz	of Colombo or failing her
Mr. Dallas Joshua Stephen	of Dehiwala or failing him
Mr. Tushan Harsha Mendis Wickramasinghe	of Colombo or failing him
Mr. Sampath Arunapriya Hettiarachchi	of Nugegoda

as my/our proxy to represent me/us and vote on my/our behalf at the Thirteenth Annual General Meeting of the Company to be held on 30th September .2013 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 2013, with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To declare a Final Dividend of Rs.0.50 per share in respect of the financial year ended 31st March 2013 as recommended by the Directors.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Ms.. A.A. Aziz, a Director who retires by rotation at the Annual General Meeting in terms of Article 86 and 87 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect Mr. D.J. Stephen a Director who retires at the Annual General Meeting in terms of Article 94 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-elect Mr. T.H.M. Wickramasinghe a Director who retires at the Annual General Meeting in terms of Article 94 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
6. To re-elect Mr. S.A. Hettiarachchi a Director who retires at the Annual General Meeting in terms of Article 94 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
7. To re-appoint Messrs KPMG, Chartered Accountants as Auditors of the Company and to authorize the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
8. To authorise the Directors to determine contributions to charities for 2013/2014.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day ofTwo Thousand and Thirteen.

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.

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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www.crazydeals.lk

