



Improving
the lives
we touch

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Improving the lives **we touch**

With a mission to create vibrant lives, E-Channeling PLC has been moving in tandem with new developments. Revolutionising the way people access healthcare services we have redefined the health services of our nation.

Making steady progress by upgrading our systems year after year we have successfully created a nation-wide platform of convenience and superior service. As we introduce new service enhancements we remain committed to improving the lives we touch.

Our
Vision

“To deliver the most sought after information infrastructure for the healthcare industry”

Our **Mission**

“Provide healthcare information infrastructure in Sri Lanka and help its people live a vibrant Life”

Doctor Channeling System Mission

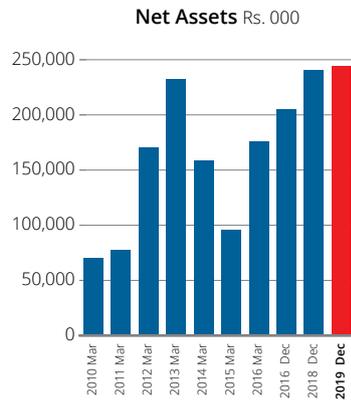
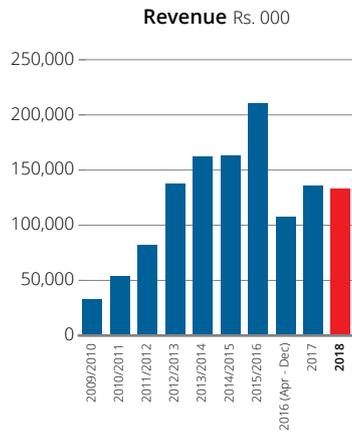
Better medical environment to users through doctor channeling business.

Healthcare Card Business Mission

Better access to healthcare services through Healthcare card

Financial Highlights

Year ended 31st December	2018 Rs.	2017 Rs.
Revenue	132,805,602	136,129,453
Profit from operations	24,219,533	39,949,080
Profit before income tax expenses	46,291,644	62,735,204
Profit for the year	33,720,150	35,571,692
Total Assets	317,872,136	328,414,485
Net Assets	244,275,734	240,629,915
Net Assets Per Share	2.00	1.97
Earning Per Share (EPS)	0.28	0.29
Return on Investment (ROI)	0.14	0.15



Return on Investment (ROI)

13.80%



Net Assets

244.28 Mn



Short Term Investments

208.61 Mn

Current Ratio

The Company's current ratio stood at 4.57 as at 31st December 2018 compared to the 3.38 as at 31st December 2017. This shows the Company's ability to pay the short-term and long-term obligation. The increasing current ratio is mainly due to the Company's gearing policy.

Chairman's Message



"During 2018, the Company key strategic imperative was to strengthen the availability and accessibility of healthcare and wellness services to reach people from all walks of life."

Dear Shareholders,

eChannelling PLC has completed another year of successful operations, building on our market leadership position and creating an ever-stronger brand presence in the Sri Lankan market place. This year marks the 18 year of business operations and our third year of operations under the umbrella of our parent company Mobitel (Pvt) Ltd. The Mobile brand which is well-established and respected in the country has enabled eChannelling PLC to grow from strength to strength by increasing the confidence levels of our business partners and customers.

A measure of the Company's success is also the increased brand awareness and the recognition of the Company's products/ services offering in the local and international business. During 2018 eChannelling PLC was the winner in the category of the 'Best Digital Health and Wellbeing Solution Provider' at the mBillionth Award South Asia 2018 held in India. The Company also received a Silver award as the 'Online Brand of the Year 2018' at the Annual Sri Lanka Institute of Marketing Awards ceremony.

During 2018, the Company key strategic imperative was to strengthen the availability and accessibility of healthcare and wellness services to reach people from all walks of life. Thus, most of the Company's efforts and resources were directed at augmenting the healthcare network partnerships to include government and other major hospitals located outside the District of Colombo. Another critical area of focus was the adaptation and adoption of new technology and digitalisation concepts for process improvements, creating greater customer convenience, enhancing efficiencies for users of our products/ services and expanding the product portfolio.

In 2018, eChannelling also received the re-certification for ISO 9001:2015 Quality Management System as part of our continued efforts to maintain high quality standards in doing business.

Increasing Partner Networks

2018 was an exciting year for the Company as we concentrated our efforts in enhancing outreach by adding more healthcare facilities as business partners and expanding our product offerings to international customers. During the year we added five Government hospitals - the General Hospital in Dompe, Ampara, Wellawaya, and Wellisara, and the Castle Street Hospital in Colombo, to our healthcare network. This inclusion of public healthcare facilities within the eChannelling network service cost free to customers is a historical milestone in our business operations and the first step in furthering our reach to people in low-income demographic groups. We also added 23 agents into our growing agent network. Another achievement was the addition of the Parkway Hospitals in Singapore as one of our healthcare partners thereby enabling Sri Lankan to make digital appointment with specialist doctors in Singapore.

Increasing Customer Convenience

To increase convenience for patients, we introduced the running number system which shows the current patient number in consultation with the doctor thereby enabling to reduce waiting time of patients when consulting doctors. In addition, an eChannelling Facebook BOT was launched to enable customers to make appointment without installing the eChannelling App. To increase customer convenience and offer more payment gateway options, the Company partnered with Upay, Frimi and Ayubo Life during the year. We also launched the eChannelling kiosks in strategic locations across the island in partnership with Pay and Go and introduced the mCash integration for member top-ups for our agents and members. In addition, the basic e-channelling services now allows patients to book appointments in advance and pay later within a specified timeframe as part of our enhanced customer services facilities.

Chairman's Message

Increasing Market Out Reach

As part of our efforts to increase market reach and penetrate new markets, the Company introduced a video consulting facility which enables consultations with doctors across the country and even those based overseas without a physical visit. Now patients can reduce travel time and related costs associated with visiting doctors for an initial consultation, or even when requiring a second or third opinion.

The most memorable of the Company's new development in 2018 is the diversification of our service portfolio. Identifying the need for making appointment for other professions, eChannelling has developed a new website which will partner with non-healthcare service providers to expand online appointment booking options for our customers.

To enable Sri Lankans living overseas to make appointment with doctors in Sri Lanka, the Company made a breakthrough first step by partnering with the AUS News Website to allow Australian customers to utilise our e-channelling services.

Improving Reporting and Governance

As part of the Company's continued improvements to corporate governance and reporting, eChannelling has strived to follow the Integrated Reporting framework developed by the International Integrated Reporting Council (IIRC) for the first time in our current Annual Report 2018. We have also increased our disclosures from a sustainability perspective, thereby increasing the transparency of our business operations. While this is our very first venture into greater accountability and transparency, we will, in the coming years, continue to improve reporting measures and methods thereby building a stronger trustworthy and open relationship with our stakeholders. Our efforts in improved transparency in reporting was also recognised by the Institute of Chartered

Accountants of Sri Lanka who awarded the Company's 2017 Annual Report with a bronze medal under the category of service.

Strategically Targeting Volume Growth

During the year under review the Company focused on improving volumes by attracting new customers and increasing repeated usage of our services. Through our targeted marketing and promotional activities, we were able to increase the number of appointments made through our services by 7% compared to the previous year. The Company's new product offering coupled with deeper market penetration due to the increasing reach of the healthcare partner networks are the key reasons for this growth.

Strategic Future Growth

The future of the company will continue on this path of digitalisation and globalisation to expand on business services. Technology will play a significant role in customer convenience and market penetration. The Company will continue to capitalise on technology development to provide our customers with innovative products and services to make healthcare a priority and an easily reachable facility for all people across the nation. eChannelling PLC will continue to redefine the healthcare sector by changing customer perceptions about health and wellness whilst simultaneously promoting preventative healthcare measures. The Company's objective is to change the current framework of the healthcare system in Sri Lanka by focussing on patients' convenience and speed of & excellence in service whilst simultaneously enhancing the quality of the healthcare sector of the nation.

Appreciation and Acknowledgements

I take this opportunity to thank all who contributed to the success and growth of eChannelling PLC, starting from Directors - for their guidance in defining strategic vision to align business goals with digitalisation and globalisation, the Executive Director - for driving and developing such ambitious goals, the management team who oversee the strategy implementation and all employees who worked tirelessly, as one team, to implement business strategies to achieve our business goals.

I thank our business partners and customers who have placed great confidence in our Company and been an integral part of our growth. I must also record my appreciation to Mobitel, our parent company for giving us the backing and leadership - to support and to guide the smooth operations of our business to achieve our goals. I also thank the regulators and Government Authorities for their support and guidance.

I am confident that with your support will see us continue on this path of success in the coming years.

A handwritten signature in black ink, appearing to read 'P G Kumarasingha Sirisena', written over a horizontal line.

P G Kumarasingha Sirisena
Chairman

26th February 2019

Executive Director's Review



"The brand value of eChannelling continues to strengthen year on year assisted by our core values of trust, loyalty, reliability, and accessibility. Assisting in creating brand value is our continuing marketing and branding efforts which helps to create greater awareness of the eChannelling brand and services in the country."

It is my pleasure to present to you the first integrated annual report of eChannelling PLC for the year ended 31st December 2018 which is the Company's first step in increasing the transparency of business operations by using more sophisticated reporting frameworks as our business continues to grow and prosper.

The Company's operations and strategies resulted in a successful year of business operations which was supported by the backing received from our parent company, Mobitel (Pvt) Limited. The support received also helped eChannelling to enhance internal processes, thereby increasing employee productivity and obtaining an advantage in terms of operational efficiencies. eChannelling also focused on leveraging on the expertise and know-how of Mobitel to enhance learning and development initiatives for our employees. The synergies achieved by aligning internal process and procedures with Mobitel also enabled us to successfully obtain the ISO 9001:2015 quality standard certification.

Healthcare Sector in Sri Lanka

Sri Lanka's healthcare system is a combination of government funded and private healthcare facilities, with 612 government hospitals, 102 government Ayurvedic hospitals, 191 registered private hospitals, and 15 private Ayurvedic hospitals. While government hospitals provide free services to citizens, the high demand for such free healthcare has resulted in issues such as overcrowding, long waiting times, long delays in being able to access inpatient care, unavailability of certain drugs and medicines, and shortages of laboratory facilities and scanning equipment, limited access to specialised treatment, diagnostics and out-patient care, and the inability to make appointments as most government hospitals do not have OPD time reservation system. On the other side, private healthcare is expensive, and is mainly used by middle and upper middle-income level citizens. However, this does not mean that private hospitals are free from some of the issues mentioned above. Although on a smaller scale,

overcrowding in waiting rooms, waiting times to see doctors, unavailability of some facilities, and obtaining prescription drugs are issues commonly encountered by private healthcare patients. However, private healthcare patients expect a much higher standard of treatment and facilities on the basis of having to pay for healthcare. Recognising these drawbacks, the government and private healthcare operators are both working towards improving healthcare infrastructure by upgrading facilities and introducing modern and new healthcare equipment. The National Medicines Regulatory Authority is also expected to issue guidelines to regulate prices of private healthcare services such as scans, laboratory tests and surgeries. However, while progress is made it is still slow, and as medical equipment and drugs are imported price reductions will have to be balanced with quality.

Operating in the healthcare sector of Sri Lanka, eChannelling has much opportunity to value added services to the healthcare industry by directing patients to the right doctors at the right time, helping partner hospitals to improve patient care and decrease patient inconveniences, while simultaneously growing our services and expanding our healthcare partner network reach.

Company Performance in 2018

The Company continued its growth momentum in the year under review, with volume increasing by 7% compared to 2017, recording a Rs. 132.8 million revenue and Rs. 33.7 million in profits. Short term investment of the Company also increased by Rs. 17 million while long and short term borrowing of the Company remains nil, thereby enhancing the current ratio indicating a stronger liquidity position for eChannelling. The Company's strong financial position is also supported by our focus on bringing technologically advanced in-demand services for our clients.

Executive Director's Review

New Market and Product Developments

The year under review was significant in terms of increased market penetration and the addition of new products/services to our portfolio leading to increased flexibility, convenience and extended service offerings to our customers. The new payment gateways and new service offering such as the running number system, appointment with mobile lab services, and video consultations are expected to increase the Company's customer base and income sources while minimising inconvenience for customers and our partner healthcare facilities. The Company also enhanced the eChannelling website to optimise the number of clicks and make it more user-friendly. In addition, we also upgraded the eChannelling mobile app to give users value added features. More details of the products /services of the Company is given in the Chairman's Message on page 4 and in the Social and Relationship Capital review on page 30.

Enhanced Promotional and Marketing Initiatives

To promote these new products and services and encourage customer acceptance and usage to increase appointment volumes, the Company engaged in targeted promotions for the customer who made healthcare related appointments using the Company's website and mobile app. Some examples include the promotion in partnership with FriMi, periodical discounts on payments using credit cards and discounted rates for mobile cash payments. In addition, eChannelling also launched a three-month promotional campaign in collaboration with SLT and the Sri Lanka Postal Authorities to target the more rural regions of the country to encourage users in these regions to adopt eChannelling services by offering to waive off of eChannelling service fee, free for all appointments during the three months promotional period. These measures were successful and contributed to the 7% volume growth of the business during the year under review.

Increasing Brand Value

The brand value of eChannelling continues to strengthen year on year assisted by our core values of trust, loyalty, reliability, and accessibility. Assisting in creating brand value is our continuing marketing and branding efforts which helps to create greater awareness of the eChannelling brand and services in the country. During 2018, the Company sustained our efforts to reach the public across the country through traditional media such as advertisement in newspapers and magazines, signboards, banners, posters, and other outdoor signage in government and private hospitals, pharmacies and other public places. The Company also branded hospital lifts, kiosks, charger-points and file covers, as well as distributed leaflets and provided discount coupons at events.

Caring for the Community

Being a part of the healthcare industry, the Company is conscientious of the need to educate people about illnesses, diseases, cures and preventive measures. As a result, during 2018, many programs were conducted in partnership with healthcare facilities and doctors to educate the public on maintaining a healthy lifestyle and promoting the well-being of people and communities. The Company also sponsored several awareness campaigns during the year including a campaign for the National Drugs Day, the World Diabetics Day, the World Asthma Day, and the World Heart Day. We also sponsored a digital campaign for the National STD/AID Control Program in collaboration with the Ministry of Health National STD/AID Control Program in Badulla and Colombo.

However, the most important CSR initiative for eChannelling during the year under review was the 300+ Government Hospitals project in partnership with the Information and Communication Technology Agency of Sri Lanka (ICTA) which is aimed at bringing into the eChannelling fold government hospitals around the country with the aim of becoming a healthier nation by upgrading the existing health care systems in the country. This project is also aligned to government measures to improve facilities and service offering in the all government-owned healthcare facilities in the country. Patients visiting doctors at the hospitals with which the Company partnered with during 2018 have access to modern and convenient methods of making doctor appointment which is completely free of service charges.

Advancing Services in the Years Ahead

eChannelling has been successful in introducing a new method for making doctor appointments and has over the years grown its service offering to bring greater conveniences to our customers through innovative services using digitised platforms. While information technology will continue to be the backbone of our business operations, we have also introduced new services and will continue to use advancing technologies to further value add to our service offering thus increasing customer satisfaction. Towards this aim, in the year under review, we took a leap in differentiating our services by developing a new avenue for making appointments with other professionals. Our business model which enables us to pursue such differentiated service offerings also helps to make our brand a leading name in efficient and effective e-channelling services. In the coming years, we will continue to explore new and better ways to partner with healthcare related organisations and other service organisations which are consultations and appointment driven to offer more diversified services to our customers. We also plan to partner with leading ICT providers to further our reach in digitally enabled healthcare services to the nation's public.

Appreciating our Stakeholders

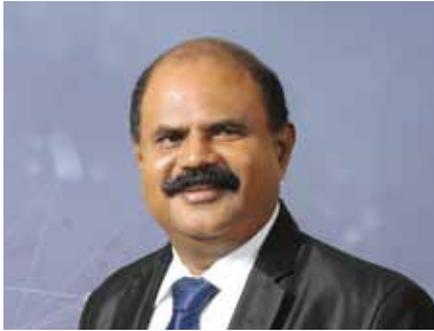
I would like to take this opportunity to thank the Chairman and Board of Directors for their continued guidance which gives us the impetus to drive business growth amidst a challenging operating environment. I thank our parent company, Mobitel (Pvt) Limited, for their support and backing of our strategic imperatives. A very special thank you to all our management team and employees who work tirelessly and give their best to ensure the Company's success. I also take this opportunity to thank our shareholders, business partners and suppliers whose trust in the Company has propelled us to reach new heights of success annually.



Nalin Perera
Executive Director

26th February 2019

Board of Directors



Mr. P G Kumarasinghe Sirisena
Chairman/Director

Mr. Kumarasinghe was appointed as Non-Independent Non-Executive Director/Chairman of the Board of eChannelling PLC on the 20th September 2016. He is also the Chairman of Sri Lanka Telecom PLC, Mobitel (Pvt) Ltd, SLT Campus (Pvt) Ltd, SLT Publications (Pvt) Ltd, SLT VisionCom (Pvt) Ltd, SLT Human Capital Solutions (Pvt) Ltd, Sky Network (Pvt) Ltd, SLT Property Management (Pvt) Ltd and Sri Lanka Telecom (Services) Ltd.

Mr. Kumarasinghe holds a BSc (Management) Honours Degree and PG Diploma in Accountancy and Financial Management from the University of Sri Jayawardenepura. In addition, he holds a MBA from the University of Wayamba and a Master of Public Management from SLIDA and possesses expertise combined with more than 25 years of management experience at Senior Executive level, in both public and private sector.

Mr. Kumarasinghe is a Fellow of the Chartered Institute of Marketing (FCIM-CIM), Institute of Certified Professional Managers (FCPM-CPM), Institute of Government Accounts and Finance (IOGAF), Association of Accounting Technicians of Sri Lanka (FAAT) and the Association of Public Finance Accountants of Sri Lanka - the Public Sector Wing of CA Sri Lanka (APFA). He is a Certified Member of the Sri Lanka Institute of Marketing (CM-SLIM), Member of the Sri Lanka Institute of Directors (M-SLID), Member of Institute of Personnel Management Sri Lanka (HM-IPM) and an Associate Member of Association of HR Professionals of Sri Lanka (AM-HRP).

Mr Kumarasinghe was the Managing Director of State Development & Construction Corporation and General Manager of State Timber Corporation. He has served on the Boards of Mahaweli Engineering Services Limited and the Sri Lanka Land Reclamation and Development Corporation. He currently serves as a Director of the Land Reclamation & Development Company Limited, L R D C Services (Private) Limited and as the Financial Consultant of the Araliya Group of Companies. He is also a member of the Governance Board of Saegis Campus and is also the Financial Consultant of the Araliya Group of Companies.



Mr. Nalin Perera
Director

Appointed Director on the Board of Directors of eChannelling PLC on 20th September 2016, Nalin Perera is one of the foremost names in Sri Lanka's Mobile Telecommunications industry. A results-oriented leader, Nalin is the Chief Executive Officer of Mobitel, having completed dynamic stints as Chief Marketing Officer and Chief Operating Officer at the company earlier. He has proven his leadership skills many times over, steering both companies on a path of sustainable profits.

His mastery in brand management, product and channel development, and human resource management skills have lent him an enviable edge when it comes to distinguishing the company's portfolio from the rest in the industry. One of his key success mantras is to be open to change and remain agile, deftly

incorporating new trends and evolving customer needs into products and services that exceed all expectations. Along his stellar professional career, Nalin has won for his companies a wide array of local and international recognition and rewards, which has made both e-Channelling and Mobitel, trusted and respected household brands in Sri Lanka.

An industry veteran, Nalin has played a pivotal role in pioneer operator Celltel's introduction of mobile telephony to Sri Lanka in 1989, subsequently rising rapidly within the Millicom Group to the position of General Manager - Sales and Marketing.

Nalin spearheaded the launch of the Mobile Pre-Paid concept and its business model in Sri Lanka. Always in the pursuit of infusing greater value to products and services, he has pioneered a host of Value Added Services and Enterprise Business Solutions to elevate the local telecom industry to global standards.

Nalin holds a Postgraduate Diploma in Marketing (UK) and is a Chartered Marketer (UK). He holds a Master of Business Studies degree from University of Colombo. He is an avid sportsman and a prominent corporate personality.



Mr. Sudharshana Geeganage
Director

Mr. Geeganage was appointed as a Non-Independent Non-Executive Director of the Board of eChannelling PLC on 6th April 2017. He is a leading and respected professional in Sri Lanka with a combination of qualifications and experience spanning disciplines of Engineering, Finance and Management. An Engineering Graduate from the University of Moratuwa and a Post Graduate in Economics from the University of Colombo, he is a Fellow of the Chartered Institute of Management Accountants (FCMA), UK, Chartered Global Management Accountant (CGMA) and Chartered Financial Analyst (CFA).

Mr. Geeganage counts over 23 years of corporate experience and possesses a unique blend of expertise spanning management consultancy, Investment & Development Banking,

Finance and Strategy. Two thirds of his professional career have been in the telecommunication sector. Having commenced his career at Messrs Ernst & Young in management consultancy, Mr. Geeganage moved to Vanik Incorporation where he worked in Investment Banking and thereafter to National Development Bank (NDB) where he gained exposure to investment as well as development banking. At present Mr. Geeganage is the Chief Financial Officer at Mobitel (Private) Limited, a leading mobile telephony service operator in Sri Lanka.

Board of Directors



Mr. Sampath A Hettiarachchi
Director

Mr. Hettiarachchi was appointed as an Independent Non-Executive Director of the Board of eChannelling PLC on 1st May 2013. Prior to this appointment, from 2008 to April 2013, he was the Chief Financial Officer at Lanka Hospitals Corporation PLC. Mr. Hettiarachchi has over 24 years of managerial and leadership experience at leading corporate institutions in both service sector and manufacturing operations including Ansell Lanka Private Limited, Lanka Bell Ltd and the DCSL Group. Presently he holds directorships in a number of private entities. Mr. Hettiarachchi holds a Master of Business Administration from the Western Sydney University, Australia and is an Associate Member of the Chartered Institute of Management Accountants, UK (ACMA) and a Chartered Global Management Accountant (CGMA)



Mr. Lawrence M Paratz
Director

Mr. Paratz was appointed to the board of eChannelling PLC as a Non-Independent Non-Executive Director with effect from 20th September 2016.

Mr. Paratz holds an M. Sc. (Telecommunication Systems) with Distinction, and was awarded the Philips prize from Essex University, and an M. Eng. Sc. from the University of Queensland.

He is a Fellow of Engineers Australia (FIEAust) and an alumnus of the Stanford University Executive Development Programme. He also holds Bachelor's Degrees in Science and Engineering (Honours).

In 2011, he was elected as a Fellow of the Australian Academy of Technological Sciences and Engineering (ATSE).

Mr. Paratz has more than 40 years experience in all facets of the telecommunication industries including mobile, fixed, broadband, satellite and international networks both domestic and international. This includes capital and infrastructure development, operations, sales, customer service and regulatory issues. As a Director and Chief Executive of Acacia Australia Pty Ltd, he was responsible for development of an integrated proposal for delivery of national broadband communication for Australia.

He has served as a Director of Maxis Communication Berhad, Chairman of the Technology Committee of the Board, as a Director of Vernet Pty Ltd, a Company providing ultra high speed Broadband to Universities and Research Establishments in Australia, and a former senior executive of Telstra Corporation. He is a Director of Sri Lanka Telecom PLC, Mobitel (Pvt) Ltd, Sky Networks (Pvt) Ltd., SLT Property Management (Pvt) Ltd., SLT Campus (Pvt) Ltd., SLT Services (Pvt) Ltd, Visioncom (Pvt) Ltd, and SLT Publications (Pvt) Ltd. He is also a director of Real Thing Entertainment Pty Ltd, an Australian high technology company and Razorback Pty Ltd, a company incorporated in Victoria, Australia.

Mr. Paratz has held executive responsibility for multi- billion dollar programmes and integrations including network transformations and deployments across multiple technologies, with extensive experience in international, metropolitan and regional and rural communications. He previously served as a member of the Board of the Australian Government's Internet Assistance Programme. He has been an invited speaker at the Australian Health Informatics Conference, and the Australian Academy of Technological Sciences and Engineering.

He was formerly Chairman of the On-Trac@Peter Mac Adolescent and Young Adult Cancer Programme, and has been involved in a number of initiatives in e-health.



Mr. Kanishka Senanayake
Director

Mr. Senanayake was appointed as a Non-Independent Non-Executive Director of the Board of eChannelling PLC on 20th September 2016. Mr. Senanayake is a graduate of the University of Tampa, USA in a Degree in Finance and also holds a Foundation Degree in Law from the University of Warwick UK.

He started his career at Holcim Lanka Limited in Colombo Sri Lanka as Business Development Manager from November 2009 to May 2013. Holcim was the largest cement manufacturer in Sri Lanka and a global conglomerate.

Currently, he is a Director of Serendib Engineering PLC, National Savings Bank Fund Management Company and several other private companies.

He was appointed to the board of directors of Sri Lanka Telecom PLC on 17th September 2018. He is also a directors of Mobitel (Private) Limited and SLT Property Management (Private) Limited.

Board of Directors



Mr. D J Stephen
Director

Mr. Joshua was appointed as an Independent Non-Executive Director of the Board of eChannelling PLC on the 26th September 2012. Mr. Joshua holds a Postgraduate Diploma in Marketing (Dip. M) from the Chartered Institute of Marketing, UK. He also holds a Masters in Business Administration (MBA) from University of Sri Jayawardanapura (Postgraduate Institute of Management - PIM). He is a well established practicing marketer with over twenty years of experience in the areas ranging from sales management, product/marketing management, export marketing, service marketing to direct marketing. He has worked in several well known Sri Lankan and multinational organizations, and has over the years acquired a vast amount of invaluable experience in all areas of sales and marketing management. He is a resource person attached to the University of Colombo (for the MBA

Program), he has successfully conducted several programmes on CRM and related areas with much success. He was lecturing at the Sri Lanka Institute of Marketing (SLIM) for the CIM (UK) offered by the Chartered Institute of Marketing (UK) as well as lecturing for the Diploma Programme offered by SLIM and the National Institute of Business Management (NIBM). He is an external faculty member of Post Graduate Institute of Management (PIM), conducting trainings for their Management Development Programmes. He is a visiting consultant attached to the external faculty of several well known organizations, conducting training programs on negotiations skills, personality development, leadership, people management skills, teamwork, decision making, selling skills, presentation skills, performance management, customer relationship management etc.

He has successfully conducted more than (600) six hundred training programmes. After having acquired a wealth of experience and having risen to the very top in sales and marketing management while being honoured with a MBA from the most prestigious tertiary level management education institution in Sri Lanka, Mr. Joshua finally gave into his entrepreneurial urge, and set up Kaizen Plus SkD (Pvt) Ltd., which essentially specialises in corporate training, management consultancy, outsourcing staff and recruitment with a corporate philosophy of 'Partnering

Continuous Excellence' within their client organizations. Recent addition to Kaizen Plus is the online recruitment portal www.jobsjobs.lk, which pioneered the mobile sms alert service for job seekers for the first time locally.

The background of the slide is a teal color with a network diagram overlay. The diagram consists of numerous white circular nodes of varying sizes, connected by thin white lines. The nodes are scattered across the frame, with a higher density in the lower-left and lower-right areas, creating a sense of interconnectedness and complexity.

Management Discussion and Analysis

This section explores how the Company creates value for all stakeholders through practical and careful management of capitals.

Financial Capital

eChannelling PLC's financial capital value is derived from the financial value created by operating the business. The Company applies technically sound financial principles, policies and procedures to ensure creating value for shareholders and other stakeholders. The Company manages financial resources in a prudent and optimised manner to ensure the best returns to shareholders and continued financial assets growth of the Company.

While the Company achieved volume growth in the year under review, many of the key financial indicators did not achieve growth due to eChannelling pursuing market penetration and product development strategies with a focus on increasing the customer base, encouraging repeat use of the eChannelling services and encouraging customers to utilise the new and innovative services such as the kiosk which were introduced by the Company during the year under review. The increases marketing, advertising and promotional activities of the Company are attributed to the reduced growth in profitability during the year under review. However, the Company expects this to be a short-term situation and forecasts a much higher growth in the coming years due to the increased market share which the Company has achieved in the year under review.

Some key financial indicators are discussed below.

Revenue

The Company recorded a revenue of Rs. 132.8 million for the year ended 31st December 2018 with a volume growth of 7% compared to the previous year. However, the overall revenue of the Company has declined by 2.4 % in 2018 compared to 2017 despite the increase in sales volumes mainly due to the focus on promoting eChannelling services at discounted prices to increase the customer base today for future revenue growth.

Key Strategic Imperatives for Creating Financial Capital Value



Increase in Short-Term Investments

Growth in Net Assets

Profit from Operations

The Company's profit from operations was Rs. 24.22 million for the year ended 31st December 2018 compared to Rs. 39.95 million for the year 31st December 2017. The primary reason for the reduction in operating profits is the increased administration, selling and distribution expenses which totalled Rs. 10.86 million which is a 12.78 % increase compared to the previous year mainly due to the increased promotional and marketing costs incurred by the Company in pursuing the strategic achievement in increasing the customer base and repeat appointments by existing customers.

Net Profit

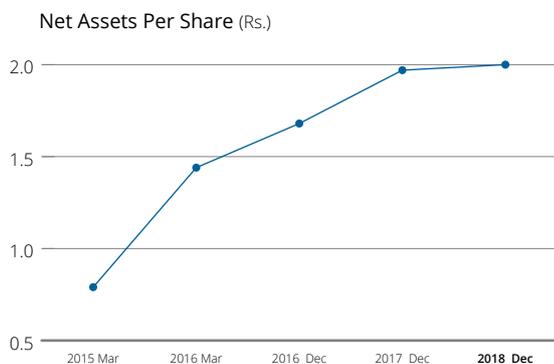
The net profit of the Company was Rs. 33.72 million for the year ended 31st December 2018 compared to Rs. 35.57 million for the year 31st December 2017. The reduction in profits in aligned to the reduction in revenue earned during the year and the increasing costs of marketing and advertising incurred during 2018.

Net Assets/Equity

The net assets of the Company have increased to Rs. 244.3 million as at 31st December 2018 compared to Rs. 240.6 million as at 31st December 2017. The fundamental reason for this is the increase in retained earnings which is re-invested in the business.

The Company's net assets per share has also been annually increasing for the last five years.

	31st March 2015	31st March 2016	31st December 2016	31st December 2017	31st December 2018
Net Assets Per Share (Rs.)	0.79	1.44	1.68	1.97	2.00

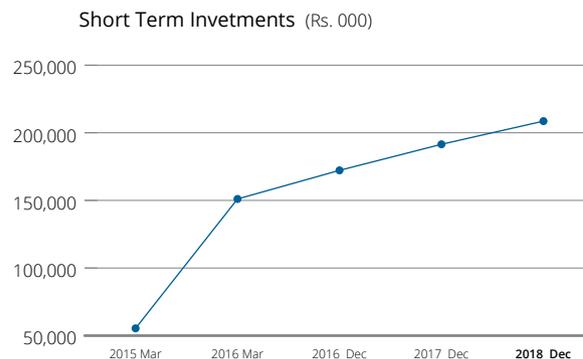


Current Ratio

The Company's current ratio stood at 4.56 as at 31st December 2018 compared to the 3.82 as at 31st December 2017. This shows the Company's ability to pay short-term and long-term obligation. The increasing current ratio is mainly due to the Company's gearing policy.

Short-Term Investments

The Company increased its short-term investments by Rs. 17 million during 2018, resulting in total short-term investments of Rs. 208.61 million as at 31st December 2018 which was a 8.9% increase compared to the previous year. The Company's short-term investments mainly consist of investments in fixed deposits which is considered a less risky investment yielding acceptable annual returns.

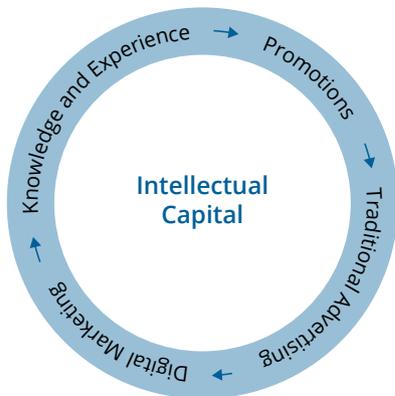


Intellectual Capital

eChannelling PLC creates value to all stakeholders in terms of intellectual capital mainly through marketing and promotional efforts. Such efforts endeavour to enhance the value of the Company's brand by creating a greater affinity for the eChannelling brand and making the Company's services the top-of-mind recall when considering channelling doctors at hospitals and clinics around the country. While the value created cannot be quantified separately, the inherent value of the intellectual capital of the Company is an integral part of the growth and success achieved over the years.

Another area that comprises the intellectual capital of eChannelling is the knowledge and experience of the management team and employees. By leveraging on their capabilities, eChannelling is able to obtain synergistic value which enable the Company's stakeholders to benefit from the knowledge and to work as one team at the Company.

The key elements of intellectual capital of eChannelling PLC.



Key Strategic Imperatives for Creating Intellectual Capital Value



To become the top-of-mind recall for eChannelling services by every person in the country

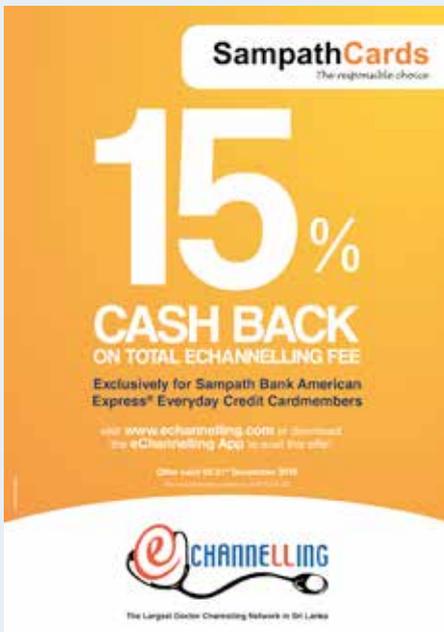
Creating Intellectual Capital Value through Marketing Initiatives

eChannelling endeavours to create intellectual capital value by leveraging on marketing and advertising undertaken in the course of doing business. By developing a detailed marketing plan and aligning it to the overall business vision and strategic objectives, the Company promotes the business products and services and creates awareness amongst existing and new customers to increase profitability and volume growth.

During the year under review, eChannelling engaged in a myriad of marketing and advertising initiatives to promote products and services and assist with market penetration efforts.

Digital Marketing

eChannelling increased its digital marketing budget by 200% for the year 2018 which resulted in growth in its Facebook page by increasing followers by 36,000 people. This was possible mainly due to the general and specific campaigns which the Company conducted on our Facebook page which encouraged people to use eChannelling's range of services. Further The Company sends e-flyers to select stakeholder groups and all customers about current promotions and new products and services which the Company introduces to the marketplace.



Sponsorships of Awareness Campaigns

The Company sponsored and participated in eight awareness programs throughout the year, some of which coincided with particular medical days. All awareness campaigns were conducted with the aim of educating the people about the dangers of these diseases, Diagnosis methods, available cures, and most importantly how to prevent illnesses by leading a healthy lifestyle, consuming nutritious food and avoiding unhealthy habits. These promotional campaigns were conducted in both traditional and social media in English, Sinhala and Tamil languages to reach the maximum number of people in the country.

Sponsorship and Awareness Campaign for National Drugs Day in collaboration with National Dangerous Drugs Control Boards (NDDCB) of Sri Lanka

Sponsorship and Awareness Program for World Diabetics Day in collaboration with Diabetes association of Sri Lanka

Sponsorship and Awareness Campaign via Digital Media for National STD/AIDS Control Program collaboration with Ministry of Health National STD/AIDS Control Program - at Badulla & Colombo

Sponsorship & Awareness Program for World Heart day in collaboration with Lanka Hospital & Sri Lanka Heart Association

Awareness Campaign for World Asthma Day (Distributed Information Card and Coupon Cards)

Sponsorship & Awareness Program for Dengue in collaboration with Rotaract Club - Jayawardhanapura and Municipal Council of Sri Lanka

Sponsorship and Awareness Campaign on World Suicide Prevention Day

Management Discussion and Analysis

National Drugs Day

Hot Line (24 Hours)
1984 / 011 2077778

International Day Against Drug Abuse and Illicit Trafficking 2018

Head Office
Kandy
☎ 0112 882784
☎ 0112 882795
☎ 0112 888799
☎ 0112 888781
☎ 0112 888782
☎ 0112 887005

Department and Rehabilitation Centres
Colombo - Theroopana
☎ 0112 / 2188000

Kandy
☎ 081 2315308

Salle
☎ 081 224461

Widussawala
☎ 081 3774032

Drug Counselling Centres
Diyatha
☎ 011 801294
☎ 011 801684

Makumbura
☎ 081 231534
☎ 011 820177

Channel your doctor conveniently with **eCHANNELLING** **225** FROM ANY NETWORK DIAL 1225 SLT

The National Dangerous Drugs Control Board

World Heart Day



world suicide prevention day 2018

**SPEAK UP!
REACH OUT!
LIVE!**

prevent suicides

Channel your Doctor conveniently

Download the eChannelling app through
Google Play Store | App Store

Log on to www.echannelling.com

225 FROM ANY NETWORK
DIAL 1225 SLT

eCHANNELLING
The Legated Doctor Counselling Network in Sri Lanka

WORLD AIDS DAY
1ST DECEMBER

**HIV පරීක්ෂාව
දැන්ම කර ගන්න
තොරතුරු
රහසිගතයි**

**පරීක්ෂාව
නොමිලේ
ප්‍රතිකාර ඇත**

Hotline
0703533633

MINISTRY OF HEALTH
NATIONAL STD/AIDS CONTROL PROGRAMME

WORLD AIDS DAY 1ST DECEMBER

eCHANNELLING
The Legated Doctor Counselling Network in Sri Lanka

World Suicide Prevention Day

STD/AIDS Control Programme

Dengue



Sponsorship of Medical Camps

During the year eChannelling also sponsored and participated in medical camps such as the Medical Camp at MAS, Thulhiriya in collaboration with Mobitel (Pvt) Limited, the Medical Camp at Winsetha Hospital, the Medical Camps organised for retired Government employees in Kollonnawa and Kelaniya.

Sponsorship and Participation at Medical Exhibitions and Medical Programs

The Company also sponsored several health and medical related programs organised by partner hospitals such as the Annual Clinic organised by Lanka Hospitals. The Company also sponsored and participated in medical and health related exhibitions such as the Medicare Exhibitions in Colombo and Jaffna, Ayurveda Expo Exhibition in Colombo and Silver Sponsorship for "Digital Health Expo - 2018" of the 3rd Commonwealth Digital Health conference at Cinnamon Grand Colombo Organized by Health Information Society of Sri Lanka (HISSL) partnership with Commonwealth Medical Association, Sri Lanka Medical Association and Health Ministry.

Press Releases to Promote the eChannelling Brand

The Company publishes press releases to create awareness of and inform stakeholders and the public of any major event or accomplishment which has been achieved. Accordingly, 12 press releases were issued during the year under review including occasions such as when the Company received the Online Brand of the Year – Silver accolade at the SLIM Brand Excellence Awards 2018.

Other Traditional Marketing and Advertising

eChannelling engages in traditional marketing and advertising to promote business and inform stakeholders of key events and initiatives of the Company. During 2018, the Company advertised in the daily newspapers, television, radio and magazines.

Awards and Accolades which Build Brand Value of eChannelling

Online Brand of the Year – Silver accolade at 2018 Sri Lanka Institute of Marketing Brand Excellence Awards



This Award re-instates the brand presence and acceptance by the people of the nation which has been built over the last 18 years through effective marketing initiatives and superior service. eChannelling PLC has today become a leading household brand name renowned for online bookings for doctor appointments in an effective, efficient and user-friendly manner.

Best Digital Health Care Platform accolade under the 'Health and Wellbeing' category at the South Asia mBillionth Awards 2018 in New Delhi, India



This Award showcases the overall value created to all stakeholders by building an effective brand over the last 18 years through targeted marketing initiatives and focus on superior customer service which is now internationally recognised.

The mBillionth Awards 2018 evaluated eChannelling across various parameters such as Content & Services, Impact & Sustainability, Functionality/Navigation, Interface & Visual Design USP & Strategic Value, Execution & Implementation, Accessibility and Overall Experience – all factors on which eChannelling scored the highest in the South Asian region in its category.

Creating Intellectual Capital Value through Knowledge Retention

An important way in which eChannelling creates intellectual capital value is through the retention of knowledge and know-how of the management and employees. The combined years of experience of the management in the fields of business management, financial management, accounting, human resource management, software development, sales and marketing, engineering, brand management, business development, and e-commerce has allowed the Company to thrive in a dynamically changing and developing e-commerce industry. Their guidance and experience have enabled the Company to grow and succeed over the last two decades and has also resulted in the dissemination of knowledge internally to employees. In addition, the Company's employees also bring their knowledge and learnings to enable eChannelling to progress in achieving its strategic plans and goals.



E-Channeling PLC was recognized at the 54th CA Sri Lanka Annual Report Awards with a bronze award in the service sector category.

Human Resource Capital

Human resource capital is an integral part of eChannelling PLC's value creation to the business and our stakeholders. The value created and enhanced enables the Company to add value to our employees while concurrently increasing the value provided to our external stakeholders. The Company's 32 employees benefit from our belief in training and development, work-life balance and career development.

The nature of the Company's business does not require high staff numbers. However, the Company provides new employment annually due to business growth and prosperity. During 2018 the Company recruited few employees for the software department which is a critical value adding unit of the business, and therefore consists of the highest number of employees. The Company also endeavours to maintain a balance of genders within our workforce and has in place initiatives to improve the gender representation of female employees in the coming years. We have in place strict HR policies which do not tolerate discrimination in the workforce and employment of child labour. The Company also continuously improves its HR functional and operations processes and systems to enable optimal output by employees with minimal hassles.

During 2018, the Company implemented a sophisticated Human Resource Information System (HRIS) which helped to further convert the internal work environment to a modern, convenient and effective workplace for both the Company and our employees. The HRM cloud-based solution which offers advanced functionalities and benefits for the eChannelling work environment includes the following key benefits - automated leave management system, HRIS with Mobile App which can be accessed from anywhere at any time, ideal solution for monitoring field staff attendance with advance technology and location tracking system, and easier monitoring and management functionalities.

Key Strategic Imperatives for Creating Human Resource Capital Value



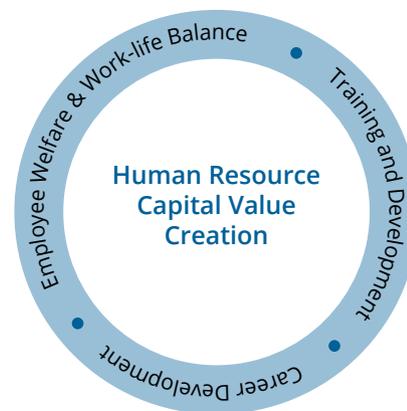
Continuously increase the training and development programs

Improve HR processes to enable more efficient management of resources

Encourage employees to build a career as opposed to doing a job

Increase employees' ability to balance work and life commitments balance in their lives

The key value drivers for human resource capital are explained below.



Training Programs in 2018 covered areas such as



IT Governance & Cyber Security



Strategic Planning & Sales Gearing



Business Communication Skills



HR in a Digital World



Microsoft Excel Advanced Skill Trainings



Funnel Management & Business Development Trainings



Customer Service Skills

As at 31st December 2018, all company employees were university degree holders or held a professional qualification to their relevant field of expertise.

Training and Development

Training and development initiatives are an important element in the Company's human resource value creation process. While the Company ensures that all employees have the requisite qualifications when recruited, the dynamic changes in today's business environment dictates that employees must remain up-to-date and current in their fields of expertise. Therefore, eChannelling has been increasing investment in training and development programs in the last few years and the Company invested Rs. 1.3M in 2018 towards training and development initiatives for employees.

In total, the Company offered 43 local training programs for employees including internal and external training which was aimed at enhancing their knowledge and learning about new developments in their specialization fields. All the employees received training during the year under review. Selected employees also attended the Cyber Security workshop and the Development Day Conference which is the largest software development conference held annually in Sri Lanka.

In addition, few employees got an opportunity to participate overseas conferences in Singapore which is one of the largest medical conferences of its type in the region where they were able to see and learn about new technological developments in healthcare, develop market-based knowledge, and build relationships with international organizations. Also attended to the mBillionth Awards ceremony in India.

A special 'In -House Business Communication Skill Program' aimed at enhancing the skills of employees was conducted by well-trained trainer who is in the industry from a long time as the resource person and nominated employees from each department were trained for a duration of three months. All employees who successfully completed the training were awarded a certificate.

Career Development

eChannelling believes that employees must prosper by building a career with the Company, not just doing a job. As a result, the Company ensures that employees work in an environment which is conducive to their personal development goals while meeting their career aspirations. The Company recruits people who will fit in with the Company culture where employees receive the encouragement needed to carry out their work with minimal guidance and direction from supervisors and managers. The Company has in place HR policies and tools which ensure that our employees are

able to build and maintain their career while ensuring the welfare of their family. This has resulted in a workforce where turnover is minimal, and most employees have been with the Company for over five years. The Company also has in place a performance appraisal system which works to help identify employee strengths and weaknesses thereby assisting in developing targeted training and skills development programs which enable our employees to prosper in their chosen career path.

Employee Welfare & Work-life Balance

Creating value for our human resource capital is the Company's beliefs in; and polices in relation to employees. We offer wages and general benefits aligned to the Sri Lankan Employment regulations (under the Shop and Office Act) and also based on industry best practices. Therefore, all employees, irrespective of grade or designation, receive the above minimal wage. In fact, the Company's employees receive a wage which is on par with industry wage rates. The Company also provides all employees with medical insurance for themselves and their families (if married). In addition, the below are key initiatives implemented towards employee welfare and work-life balance which is aligned to international HR practices and exceed local industry standards:

1. **Flexible Working Hours Policy** - which enables our employees to take care of their personal business which many include caring for children, dependent parents and ensuring that they are able to always be there for their families in times of need or unexpected emergency situations.
2. **Staff Mobile/Device Policy** – through a company provided allowance, employees can buy or upgrade their smart phones or smart devices every two years.
3. **Staff Loan Policy** – any permanent employee is eligible to apply for a staff loan with for any emergency without any interest element added which can be settled from his/her salary within six months.
4. **Educational Reimbursement Policy** – Any permanent employee is eligible for reimbursement of his/her professional fee, and fees paid to obtain an academic/professional qualification from the Company within pre-specified limits dependent on the bond agreement.

Events and Activities Organised for Employees

As part of the Company's work-life balance initiatives, during 2018, the following events and activities were organised for employees and their families to enable the formation of personal relationships and build solidarity amongst employees aimed at better employee workplace relationships and team working.

- **Annual Trip** - The event was Company sponsored for employees and their families. This helped enhance employee relationships and motivated employees by building team spirit and the integrity towards the Company.
- **Inter-Group Cricket Match** - The event was Company sponsored to encourage employees to participate in sports activities as a way towards developing a healthy lifestyle and to also build team working skills and abilities and bond with employees of other group companies.
- **Annual Dinner Dance Party** – This annual gathering of group employees was held in Colombo to build and enhance inter-group employee relationships. The event was attended by more than 1,500 group employees including employees from eChannelling PLC.
- **Annual Mobitel Avurudu Festivities** – This is another group event hosted and sponsored by parent company for all employees to build solidarity during this time of the Sinhala and Tamil new year which falls in April.

Management Discussion and Analysis



Enhancing Employee Motivation

As a part of our efforts to enhance the rapport between employees and the Company, and to build brand value and appreciation of corporate beliefs and value systems, employees are nominated to participate in events organised by our partner hospitals where they are given the chance to mingle with key management. We believe that this not only enhances the brand value of the Company, but also motivates employees to give their

best to the Company. In addition, employees are also shown they are valued by recognising the achievement of a work-related or personal milestone. The Company mission, vision and values are explained during the induction programme, realised through practice from the top-most management to the lowest level employees. Employees are also given branded merchandise such as T-shirts and umbrellas which they can proudly use and further enhance the eChannelling brand value.

Total Employees	2016	2017	2018
Males	20	20	22
Females	10	10	10
Total Employees	30	30	32

Service Years	2016	2017	2018
Less than one year	8	7	7
1 to 5 years	7	8	10
5 to 10 years	10	10	7
More than 10 years	5	5	8

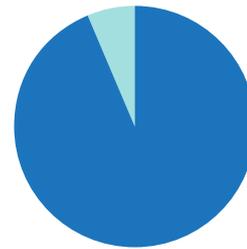
Age Group	2016	2017	2018
20 to 25 years	5	5	6
26 to 30 years	12	11	12
31 to 35 years	9	10	10
36 to 40 years	2	2	2
41 to 45 years	0	0	0
45 to 50 years	1	1	1
More than 50 years	1	1	1



Total Staff on 2018 **32**

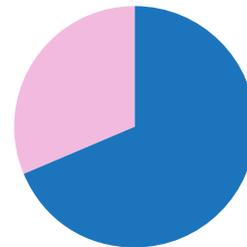
Permanent Staff **30** + **2** Probation

Staff Analysis



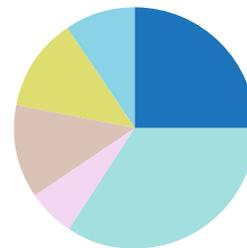
Probation 6%
Permanent 94%

ECL Gender Analysis - 2018



Female 31%
Male 69%

Department Wise Staff



IT 9%
Finance 13%
Contact Centre 13%
HR & ADM 6%
Software Development 34%
Marketing 25%

Social and Relationship Capital

Social and relationship capital are key capitals which create the greatest value for eChannelling PLC as the services we provide help to bridge the gap between healthcare providers and the public who seek appointments with doctors of their choice. Healthcare being a primary service of the economy the Company provides a critical link which enable the nation's citizens to obtain the services of healthcare providers in an easy and convenient manner. Thus, eChannelling's service range is extensive and is offered in many forms to cater to the myriad and differing needs of the people of the nation. Equally important is the relationships we create and maintain with our business partners and suppliers, mainly private and government hospitals across the country.

In addition, the Company also considers the wider impact of healthcare facilities to the nation's people and offers services which benefit the overall healthcare facilities of Sri Lanka.

Creating Value to Customers

The strategic imperative of the Company is to ensure that the nation's people, our customers, can reach and make appointments with healthcare providers in an easy and simple manner. Thus, eChannelling offers our services in several forms to ensure that the different requirements of people are met. Over the last 18 years, we have developed myriad ways of reaching our customers, and we continue to add to our partnerships and suppliers as well as our service/product offering to cater to the needs of customers. The following services were added and improved during the year under review as part of the company's continued efforts to enhance customer services and satisfaction.

Satisfaction rates of the Company's customers has remained high over the years. The Company often receives email feedback showcasing customer satisfaction.

Key Strategic Imperatives for Creating Social and Relationship Capital Value



Continuous addition of hospitals and clinics which will offer an expanding range of services for our customers enabling them to channel many different doctors

Inclusion of hospitals and clinics not just in primary cities and larger towns, but also in smaller, less populated towns and rural villages

Find innovative ways of reaching our customers to improve efficiency and user-friendly aspect of our service/product

Expanding our business partnerships island wide and internationally to include consultations from overseas healthcare providers

- Upgraded the eChannelling website to improve the user-friendliness to improve ease of use by customers
- Incorporated artificial intelligence base system through CHAT BOT service to facilitate doctor channelling through the Company's Facebook page.
- Partnered with third part Apps and websites such as Pay and Go, UPay, Ayubo Life, Lanka Hospital App and website, Mymed and ODoc.

- To enable our customers more up-to-the-minute updates on the status of their appointment with doctors, the Company rolled out a 'running number system' which lets customers know which patient is being served.
- Partnered with Lanka Hospitals (Pvt) Ltd to set-up Self-Help Kiosk Machines at no extra cost for greater convenience of walk-in patients thereby avoiding long queues.
- Partnered with Lanka Bell (Pvt) Ltd to enable their subscribers to channel doctors at hospitals of their choice by dialling 225 at their convenience.
- Launched 'eChannelling for Government Hospitals' in partnership with the Information Communication Technology Agency of Sri Lanka (ICTA) to extend the reach of our services to all who require same.

Service Portfolio

The Company's service portfolio has expanded over the years as shown below.

Portfolio of Services of eChannelling

- Direct Dial 225 to make an appointment from anywhere on any mobile network or Lanka bell land-line
- Direct Dial 1225 to make an appointment from anywhere at any time on the SLT land-line network
- Online channelling (web & App)
- Walk in to partner pharmacies Banks, Cooperate agents and make an appointment
- Pay and Go Kiosks located in public places are offer eChannelling service



Need Help Booking?

+94 (071) 0225225

info@echannelling.com

Portfolio of Services of eChannelling

- Online request for lab tests from preferred hospitals/ labs or the mobile lab testing unit
- Prescription drug delivery through the website
- Automated process for claiming refunds on the website
- eChannelling's own Self-Help Kiosk Machines (Feb 2018)
- Launch of 'eChannelling for Government Hospitals'
- New website for obtaining services from other non-health related service providers
- Video consulting
- Running Number system

The Company's latest product expansion strategy aimed at achieving high service levels and customer satisfaction. This new service offering will diversify from mainstream healthcare of people and allow for making appointments to other professions. eChannelling believes that expanding our expertise gained as an intermediary appointment channel can be expanded to create greater value to our customers. This new website and service will be in operations by mid-2019.

The growth in the Company's customer base over the years is testament to the acceptance and adoption of our services by the nation and our most critical measurements as to how we have created value to our customers.

Management Discussion and Analysis

Customer Privacy

Any online service provider must ensure customer privacy and for eChannelling this is an important criterion in running a successful and ethical business. As the Company deals with personal data of customers, all information is stored offsite at a highly secure reputed IDC access provider considered the most secure Data Centre in the country.

Customer Feedback

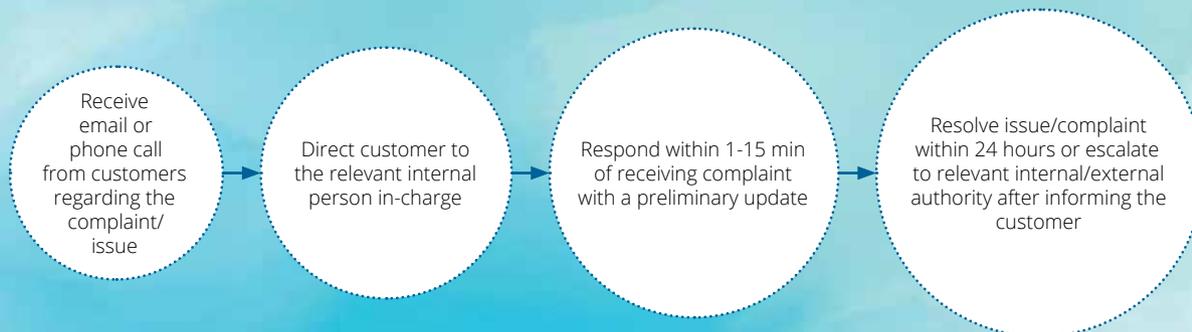
Customers are welcome to give feedback on services from the dedicated page on our website. eChannelling also has a

dedicated email for customer feedback and complaints. In addition, the dedicated customer care center which can be reached through the hotline has in place a process which deals with complaints in a prompt and responsible manner.



Customer Feedback
Hotline +94 (071) 0225225
info@echannelling.com

Customer Complaints Process (for Non-Routine Issues)



Creating Value to Business Partners and Suppliers

As an intermediary service provider, eChannelling enables our primary business partners, the hospitals, clinics and doctors to expand their reach to treat patients from across the country. As patients can now make a doctor's appointment at anytime from anywhere, demand for specialist doctor appointments have increased over the years as even those patients living in remote area may plan and visit doctors in primary cities or even larger towns. The Company's services have enabled our business partners to grow volumes and expand patient care.

This is re-iterated by the high satisfaction rates of our partner healthcare providers over the years. During 2018, eChannelling entered into partnerships with 38 private hospitals, and for the very first time partnered with 05 government hospitals to extend the reach of our target market.

During the last few years, the Company has been partnering with agents in rural areas of the country to assist customers to set up appointments via internet, by providing these agents a separate login and password. Alternately, the agents can contact the Company's call centre to make the appointment of behalf

of the customer. This service enables customers with little knowledge and limited access on internet facilities in some rural areas of the country to access the eChannelling services. During 2018 we entered into 23 partnerships with agents in the towns of Colombo, Gampaha, Kaluthara, Puttalam, Galle and Kandy, thereby increasing the total partnerships to 491.

Creating Value to the Community

The Company also endeavours to create value to the nation's communities through strategic decisions which concurrently achieve business and national objectives. One such endeavour has been our efforts to educate the public on illnesses and diseases which are prevalent in the country together with knowledge on identifying symptoms and the treatment required. This objective has been reached through our extensive marketing campaigns and our sponsorships of special medical days. Over the years the Company has successfully partnered with doctors and hospitals to conduct many such programs. Accordingly, in 2018 too, the Company held several such campaigns which are detailed in the section on intellectual capital on pages 20 to 24.

In addition, many of our services such as the book now pay later concept, as well as the partnerships with pharmacies in small towns and rural villages are undertaken in ensuring that our customers who are from all walk of life are able to successfully utilise the eChannelling services to make a difference in their healthcare regime and ultimately improve the healthcare operations of the country.

A milestone for eChannelling during 2018 in serving the community better was expanding our partner network to government healthcare facilities around the country. The launch of 'eChannelling for Government Hospitals' in partnership with the Information and Communication Technology Agency of Sri Lanka (ICTA) was done with the aim to build a healthier nation by upgrading the existing health care system in the country. We partnered with five large and renowned hospitals - the government-run hospitals in Dompe, Ampara, Wellawaya, and Wellisara, and the Castle Hospital in Colombo during the year

under review to facilitate greater convenience to patients by reducing appointment wait times and added trips to make appointment at the hospital. These government healthcare service facilities will also be benefited as they will now be in position to offer enhanced services to their patients by utilising technology to empower patients with modern healthcare facilities free-of-charge.

Over the years, the Company has developed an extensive network of over 240 recognised private hospitals, more than 5,500 doctors, over 2,000 outlets and coverage of any telecommunication network, over 490 agents, and now partners with government hospitals to extend the reach of eChannelling to benefit all people in the country, while serving our customers better.

Manufactured Capital

eChannelling PLC's manufactured capital is limited to the building from which the business operates from and the software used to enable business operations. The most value created within manufactured capital is be from software developed for the specific purposes of operating the e-channelling services offered by the Company. These include the e-channelling website, the Mobile App and the Call Centre software used for serving our customers safely and at high quality standards. We also use software for running the day-to-day business operations such as an accounting package and MS Office packages. We purchase licences for all software used and ensure that they are updated as required for optimal and bug-free usage.

The approach used by the Company for creating value for manufactured capital for our key stakeholder – our customers, is by concentrating on enhancing the user-friendliness of our website and the dedicated e-channelling Mobile App. By ensuring the technology used is up-to-date, we safeguard our electronic resources from viruses and bugs. As both the website and the Mobile App are also integrated with a payment gateways, we ensure that all measures to ensure security of data is incorporated with our systems. During the year under review the Company upgraded of the e-channelling website to enhance its

Key Strategic Imperatives for Creating Manufactured Capital Value



Ensure providing software which is user-friendly and easy to navigate

Use of high security features for data protection

Use of up-to date software technology

security features and incorporate a more user-friendly navigation and design.

The Company also ensures the building and equipment required to operate the business is in good condition and undertakes regular maintenance as required. All electronic equipment is regularly checked and receives servicing to ensure no breakdown which interrupt optimal business operations.



Natural Capital

The business model of eChannelling PLC is built to be sustainable by reducing the impact on the environment. Traditionally, doctor appointments could only be made by making a personal visit to the healthcare facility which then gave a printed receipt. However, the introduction of the e-channelling model has resulted in appointment being made online, by a phone call or through the mobile app, resulting in patients spending a few seconds from any location to make a doctor's appointment thereby reducing travel and getting a SMS and/or email notification confirming the appointment. These indirectly help in reduced fuel usage and reduced paper usage by the people using our services. This is our key method of creating value year-on-year, by encouraging the nation's people to continuously and repeatedly use our services, we are able to promote and indirectly create a situation of reducing pollution and use of scarce resources.

In other aspects eChannelling PLC's interaction with the environment is limited to everyday use of natural resources as part of conducting business. Some key areas that the Company focuses on are detailed below.

Reduced Usage of Paper

By adopting a policy of a paperless work environment, eChannelling has been able to reduce the paper used in day-today business operations. The Company focuses on communication through electronic means with internal personnel and as far as possible with external stakeholders. We use email as our main form of communication with phone calls for informal and non-critical work-related communication. The Company has a 'print only when mandatory' policy in place, as well as a 'print on both sides of the paper' mandate. This helps reduce the paper used within offices which is anyway limited as whenever possible, we provide electronic letters, invoices and receipts to our stakeholders, thus ensuring the reduced usage of paper. Internal memos and notices are also

Key Strategic Imperatives for Creating Natural Capital Value



Promoting a paperless working environment

Reducing energy usage

Enhancing our recycling and waste collection processes.

sent out electronically as appropriate. Using these methods, the Company has been able to reduce A4 paper usage by approximately 30% between 2017 and 2018.

Limiting Energy Usage

Electricity Usage

As the business operates mainly on an electronic platform, the Company uses energy to operate lights, computers and laptops, servers, and data storage centres. While, some energy is spent on in using such equipment, all measures to optimise energy usage are being adopted by the Company. Some areas which eChannelling focuses on are:

- Encouraging employees to switch off lights and ACs when offices and meeting rooms are not in use
- Promoting shutting down PCs and laptops at the end of the work day
- Putting PCs and laptops in sleep mode, thereby conserving energy when these computers are not in use

Management Discussion and Analysis

- Installing energy efficient lights in the work premises
- Installing Inverter-type ACs which consumes less energy

The Company uses electricity as the main source of energy from the National Electric Grid.

Fuel Usage

The business model of eChannelling encourages reduced fuel usage as we promote making doctor appointment using our website, mobile app, call centre and nearest eChannelling agents. In addition, the video consulting service offered to our customers to consult with doctors in overseas location such as UK and Singapore also result in reduced overseas travel for consultations.

Employees too are encouraged to reduce fuel usage in carrying out business operations by travelling in one vehicle. The Company also hires a vehicle which is used for group travelling to Company organised events and outings.

Waste Management

The Company generates waste due to everyday business operations. Most waste is organic, and paper based. There is also some plastic and other recyclable waste, as well as some e-waste generated in the course of business operations. At present all waste is disposed of using the Municipal Council Garbage disposal services. However, the Company ensures waste is segregated according to recyclable materials, and non-recyclable materials and organic waste so that these can be disposed of in the appropriate manner.

Reducing Emissions

The business operations together with specific initiatives mentioned above enable the Company to reduce air emissions and pollution of the air quality of the country. As these are indirect results of our business operations, we do not have a method to calculate emissions due to our business activities or initiatives.

Risk Management Review

Risk is defined as any event or incident which if occurs, will adversely affect the achievement of these expected goals and objectives including missed opportunities. Risk management refers to how an organisation manages these risks while carrying out its business activities to meet its long-term goals. Effective risk management plays a critical role in the achievement of an organisation's strategic goals and objectives. To ensure a strong risk management framework an organisation must have in place adequate controls, measures, and monitoring systems integrated into every business activity level across all of operations.

eChannelling PLC's risk management framework follows a simple yet comprehensive approach that identifies, defines, assess, quantifies, monitors and mitigates risks related to procedural, legal and regulatory compliance of business activities. The Company has embedded risk management principles and practices as an integral part of our corporate policies and procedures. The risk management guidelines specify a systematic identification, assessment, measurement and monitoring of the risk events in key areas that have been pre-identified as critical to business success. These areas which include strategic, credit, operational, finance, and external risks are monitored on a regular basis.

To inculcate a healthy risk management culture in the Company, regular training is given to the middle and senior management teams, as well as other employees to ensure that they are updated and made aware of the risk position and risk factors that can affect business operations.

The Company has in place a Risk Management Committee which overlooks and formulates the risk control strategies for the identified risk every department and ensures regular monitoring of risks. The Board-level Audit Committee has ultimate oversight for risk management and ensures the dedicated Risk Management Committee records and reports on risk status on a regular basis. The Company is now planning to have a separate board-level Risk Committee to address those issues, considering the importance of risk management.

While it is practically impossible to eliminate all identified risks, the success of a Company depends upon putting inadequate checks and balances to minimise or offset these risk incidents as and when they occur. The Company has in place adequate and well-established processes and procedure which helps manage these risks.

We have a stringent borrower selection process which ensures minimal credit risk, and employee training together with a robust audit mechanism helps manage operational risk. While the liquidity and sectoral risks are more external, the Company has a strict policy of adherence to regulatory guidelines which ensures orderly functioning of business activities in turn leading to adequate measures to address the sector risks. By utilising the Company's risk management framework, the Company is confident of pursuing its strategic goals and objectives in a risk-managed environment over the medium and long terms.

Risk Management Review

Identified Risks	Risk Mitigating Activities
<p>Economic Risks</p> <p>Economic risks are an ongoing risk that the Company faces mainly due to the nature of our business activities. Macro-economic conditions and levels of consumer spending are two key criteria that can adversely or positively affect the business outcomes of the Company.</p>	<ul style="list-style-type: none"> • Regular monitoring of economic indicators and changes in consumer spending patterns which form an important input in determining the service price and sale plan for the year. • Continuous focus on process efficiencies and productivity improvements is in place to mitigate increases in support services costs. • Maintaining a different pricing structure for Colombo customers and those customers in more remote geographic locations. • Ensuring a widespread geographic reach by partnering with hospitals and agents across the island.
<p>Operational Risk</p> <p>Operational risk is an inherent risk of carrying out day-to-day business activities due to human errors, frauds, and failures in systems and procedures and deviations from designing procedures; any of which could result in a financial and non-financial loss.</p> <p>The risks vary greatly depending on the type of contract and the compensation model. The degree of risk is proportionate to the size of the project and hinges on how well risk management is implemented by the Company. In addition, the choice of technology, method and suppliers also plays a part in operational risk factors that can affect the Company.</p>	<ul style="list-style-type: none"> • Extensive IT Policy enforcement, controls and regular reviews. • The Company has installed a comprehensive network security system. • Regular backups of all databases and mission-critical data and information. • Periodic security reviews are conducted, and recommendations given by the external IT risk assessment team for further improvements. • Regular maintenance of IT hardware. • Investment in modern technology. • Upscaling knowledge through training and development.

Identified Risks	Risk Mitigating Activities
<p>Credit Risk</p> <p>Credit risk relates to the potential losses arising from the failure of customers and business partners to perform contractual agreements with the Company by way of default.</p>	<ul style="list-style-type: none"> • Undertake a comprehensive review of the customer before credit is granted or extended. • Request an initial deposit from our agents. • Credit periods are pre-defined based on type of customer or agent and the length of their relationship with the Company. • Monthly trade receivable updates are mandatory to be reported to the Board of Directors. • Disallowing credit facility for new agents in their initial with the Company. Granting credit facilities, thereafter, based on the recommendation of marketing executives.
<p>Legal Risk</p> <p>Legal risk results from any adverse impact to business from the legal or regulatory framework which governs the Company and its transactions with third parties. Regulatory risks relate not only to general laws and regulations on business operations, but also to local regulations and agreements relating to construction operations and taxation as applicable to the different markets the Company operates in.</p>	<ul style="list-style-type: none"> • There is a proper internal control system to ensure compliance with all legal requirements. • Monthly compliance monitoring and mandatory reporting to the Board of Directors. • Being proactive in identifying any potential deficiencies and consequently setting-up compliance process to eliminate the possible threats. • Regular communications with company lawyers and incorporating their recommendations on corporate matters to counter any adverse effects to the business activities of the Company.

Risk Management Review

Identified Risks	Risk Mitigating Activities
<p>Liquidity Risk</p> <p>Liquidity risk relates to the inability or difficulties the Company may face in meeting its financial obligations as they become due without affecting normal business operations.</p>	<ul style="list-style-type: none"> • The liquidity position of the Company is reviewed regularly. • The Company maintains good relationships with bank to enable meeting any short-term funding requirements. • Company cash reserves have been invested in short term fixed deposits, call deposits, and treasury bills. • Period review of, and regular follow-up with trade debtors • Strategically planning future funding requirements and utilization of short-term borrowing facilities. • Ability to offer Company assets as collateral for future funding requirements.
<p>Competition Risk</p> <p>The competitive advantage we have enjoyed as the pioneer in e-channelling services in the country has reduced in the last two years due to growing competition from new e-channelling services having entered the market place. This situation has eroded our overall market share.</p>	<ul style="list-style-type: none"> • Allocating resources to maintain industry positioning including the practice of value engineering philosophy ensuring value addition to clientele. • Continuously evaluating new value-additions and seeking new opportunities. • Increasing efficiency through R&D, investment in innovative technology and the adoption of best practices. • Diversifying business operations to reduce the impact of competition. • Building stronger, and long-lasting relationships with our stakeholders. • Undertaking marketing and advertising campaigns aimed at showcasing the strength and experience of the Company.

Identified Risks	Risk Mitigating Activities
<p>Human Resource Risk</p> <p>The risk associated with losing talented employees and an environment of unpleasant employee-management relations.</p>	<ul style="list-style-type: none"> • The Company maintains a fair and transparent employee performance evaluation framework. • Maintaining an open-door policy and encouraging employees to talk to their managers without fear of repercussions. • Providing employment benefits aligned to industry standards. • Remuneration packages are benchmarked to ensure that they remain competitive, including incentive arrangement where appropriate. • Providing various employee benefits through the welfare society set-up for this purpose by the Company.
<p>Reputational Risk</p> <p>Reputational risk relates to the Company's brand and service-related reputation from the perspective of our stakeholders. Adverse publicity or negative review of the Company's services can affect e-Channelling's reputation and negatively impact brand value which could cascade to a negative impact on the stakeholder value creation process.</p>	<ul style="list-style-type: none"> • Engaging regularly with stakeholders to understand their concerns and offer them solutions. • The Company has in place a grievance handling process for employees as well as customers • Ensuring that any customer complaints are immediately and efficiently considered, and action taken to solve the issue in a mutually satisfactory manner. • Engaging in brand building campaigns • Developing organisational policies and procedures; and providing training to ensure all employees are able to act responsibly and behave appropriately in any situation.

Corporate Governance

The Board of Directors of eChannelling PLC recognises that strong corporate governance practices are the bedrock of sustainable value creation and is committed to upholding the highest standards of transparency, accountability and ethical conduct. In pursuit of achieving high standard of Corporate Governance the Board ensures the compliance of the regulations set out in the Listing Rules of the Colombo Stock Exchange (CSE), the Code of Ethics jointly issued by the Securities and Exchange Commission (SEC), the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Companies Act No. 7 of 2007 of Sri Lanka (Companies Act). The following diagram demonstrates the manner and the extent to which the eChannelling PLC adheres to the Code of Best Practice on Corporate Governance issued by the Securities and Exchange Commission and the Institute of Chartered Accountants of Sri Lanka.



The Company

A Directors

A 1 - Board Leadership

eChannelling PLC is headed by an effective Board of Directors with wide array of experience and currently comprises of the Chairman and six Directors. As evident from the profiles of Board of Directors, eChannelling PLC Board comprises of professionals as well as entrepreneurs who have many years of experience in the corporate world. The Board gives leadership in setting the strategic direction and establishing a sound control framework and is accountable for the governance of the Company. The Board's composition reflects a sound balance of independence and anchors shareholder commitment.

Responsibilities of the Board

The Board is responsible for the formulation and implementation of sound business strategies and is responsible for ensuring that the Company adheres to the relevant laws and regulations of the country, regulatory authorities, professional institutes and trade associations.

The Board is responsible for:

- Providing direction and guidance to the Company in the formulation of medium and long term strategies
- Reviewing and approving annual plans and long term business plans
- Tracking actual progress against plans
- Overseeing systems of internal control and risk management
- Reviewing HR policies and HR process on management succession planning
- Reviewing and approving investments, acquisitions, disposals and capital expenditure
- Monitoring systems of governance and compliance

Board meetings are held at least once a quarter. Sufficient time is dedicated at every meeting to ensure all responsibilities are discharged satisfactorily. Timely information is provided before a meeting with a clear agenda with the Board papers. Directors dedicate adequate time before a meeting to review Board papers. The Company convened four Board Meetings for the period. Information provided covers the monthly accounts and comparison of performance against the past data and the budget, are discussed and remedial action taken when necessary. Senior Managers make presentations on the performance in their respective area on request. When the Board requests additional information, this is also provided.

Board obtains professional advice when required at the expense of the Company. During the period professional advice was sought on legal, accounting and taxes.

The Directors have not formulated a formalised plan for training. The service and advice of the Company Secretary is made available to the Directors where necessary. The Company Secretary is responsible for keeping the Board informed of new laws, regulations and other requirements that are relevant to them as individuals as well as collectively as members of the Board.

A 2 - Chairman and Executive Director

A clear division of responsibility is maintained between the Chairman and the Executive Director ensuring that the balance of power and authority is preserved since the Positions of Chairman and Executive Director are separated.

A 3 - Chairman's and Executive Directors' Role

The Chairman ensures that;

- Good governance and effective discharge of Board functions by the Board Members at all times and implementations of decisions taken.
- Effective participation of both Executive and Non- Executive Directors and views of directors are ascertained.

- All Directors are encouraged to make an effective contribution.
- The Board is in full control of the Company's state of affairs and is aware of its obligations to shareholders and stakeholders.
- Proper conduct of meetings, accuracy and timeliness of information and accurate minutes.

The Executive Director ensures that;

- Implementation of policies and achieving of strategic objectives of the company.
- Ensures that the operating model of the Company is aligned to the short term and long term strategies pursued by the Company.
- Optimising the use of Company's resources within the framework of corporate and financial strategies, annual corporate plans and budget.
- Working closely with the senior management in identifying risks and initiating prompt action to mitigate such risk

A 4 - Financial Acumen

The Board includes directors who possess the necessary knowledge and experience to offer the Board guidance on financial matters. Audit and Related Party transaction Committees are headed by a qualified financial professional.

A 5 - Board Balance

There should be a balance of Executive and Non-Executive Directors such that no individual or small group of individuals can dominate the Board's decision-taking. The Board of eChannelling PLC currently comprises of seven Directors, one of whom is an Executive Non-Independent Director. Two of the five Non-Executive Directors have met the criteria for independence. All the Directors have made a declaration to that effect.

Corporate Governance

A 6 - Information to the Board

The code requires the Company's management to provide timely information to the Board in a form and of quality appropriate to enable it to discharge its duties. Procedures exist to ensure that Directors receive timely information on a monthly basis and a clear agenda and papers with guidance on contents.

A 7 - Appointments to the Board

There should be a formal and transparent procedure for the appointment of new Directors to the Board. The appointments to the Board are undertaken by the Board itself, taking into consideration the Board composition required and the strategic input required. This is done according to Articles of Association. All Board appointments are informed to the SEC as per the existing regulations. A profile of Directors' qualifications, experience and the other directorships are given under the Directors' profile section of the Annual Report. Details of the new Directors are disclosed to the shareholders at the time of their appointment by way of a public announcement as well as in the Annual Report.

A 8 - Retirement and Re-election

All Directors' should be required to submit themselves for re-election at regular intervals.

In terms of the Articles of Association, all the Directors are elected by the shareholders at the Annual General Meeting immediately after their appointment. Thereafter, each year one third of the Directors, other than the Chairman, and the Executive Director, retire by rotation. The Directors who hold office for a longest period retire and offer themselves for re-election with the recommendation of the Board of Directors. When they are re-elected at AGM, immediately after their appointment, they have to come up for re-election in three years or shorter period.

In terms of the Section 210 of the Companies Act No. 07 of 2007, Directors reaching the age of 70 years are recommended for re-election on a substantive motion by a shareholder. The profile

details of the Directors who are subject to re-election at the forthcoming AGM are given under the Report of the Directors of the Annual Report.

A 9 - Appraisal of Board Performance

The Board should periodically appraise their own performance in order to ensure that Board responsibilities are satisfactorily discharged. The Board annually undertake a self-evaluation of itself and that of its committees. The Board carries a quarterly follow up sheet on decisions made by it, and the time taken to implement them. This sheet is discussed at every other meeting to self-evaluate the Board.

A 10 - Disclosure of Information in respect of Directors

Details in respect of each Director should be disclosed in the Annual Report for information of the shareholders. Name, qualifications, brief profile, nature of expertise, names of other companies each director serves as a Director are given under the Directors Profile section of the Annual Report. Director's interests in the contracts with the company are disclosed on pages 55 to 57. Scheduled Board meetings and Committee meetings were arranged well in advance and all the Directors were expected to attend each Meeting. Any instance of non-attendance at Board meetings were generally related to prior business, personal commitments or illness.

B - Directors' Remuneration

B 1 - Directors' Remuneration

The Company should have a formal and transparent procedure for developing policy on executive remuneration and fixing the remuneration packages of individual Directors. No Director should be involved in deciding his/her own remuneration. Details of the Remuneration Committee and the statement of Remuneration policy are provided on the page 52 of the Annual Report.

B 2 - Level and Make-up of Remuneration

The Level of remuneration of both Executive and Non-Executive Directors should be sufficient to attract and retain the Directors

needed to run the Company successfully. A proportion of Executive Directors' remuneration should be structured to link rewards to corporate and individual performance.

Details of the Remuneration Committee and the Statement of Remuneration policy are provided in the Annual Report. Remuneration for Non-Executive Directors of the Company consist of a fee paid on monthly fixed basis. The Company does not have an employee share option scheme.

B 3 - Disclosure of Remuneration

The Company's Annual Report should contain a Statement of Remuneration Policy and details of remuneration of the Board as a whole.

The aggregate remuneration paid to Executive and Non-Executive Directors is disclosed on page 85 of this Report.

C - Relationship with Shareholders

C 1 - Constructive use of the Annual General Meetings (AGM) and conduct of General Meetings and building up relationships with Shareholders. Company should always encourage participation of the shareholders and solicit their views. The Annual General Meeting and the published reports of the Company are a means of communicating and encouraging shareholder and investor participation. The Board believes that maintaining a good relationship with shareholders is of prime importance. The members of the Board are present at the Annual General Meeting and are willing to answer questions raised by the shareholders. The Notice and the related documents are sent out to the shareholders 15 working days prior to the date of the AGM.

C 2 - Communication with Shareholders

The Board should implement effective communication with shareholders. The Company uses many methods to disseminate information to the shareholders, including the annual and quarterly financials, company publications, information sent to CSE etc.

The Annual Report produced for the year ended 31st December 2018, is available to all shareholders on the Company website or in paper form on request. Shareholders are invited to express their views on any issues of concern at the AGM. The Board will respond to all validly received shareholder correspondences and will direct the Company Secretary to send the response to the shareholder. Contact persons for shareholder matters are the Company Secretary and in the absence of them, the Executive Director.

C 3 - Major and Material Transactions

Directors should disclose to shareholders all proposed material transactions, which if entered into, would materially alter/ vary the net assets base of the Company. There is no materially significant related-party transactions or relationships between the Company and the Directors, subsidiary companies or related parties except for those disclosed in the Financial Statements for the year ended 31st December 2018.

D - Accountability and Audit

D 1 - Financial Reporting

The Board should present a balanced and understandable assessment of the Company's financial position, performance and prospects.

The Board through the Management is responsible for the preparation and fair presentation of the Financial Statements of the Company in accordance with the Sri Lanka Accounting Standards, comprising SLFRSs and LKAs. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of these financial statements. This includes selecting and applying appropriate accounting policies and making estimates that are reasonable.

Chairman's Review, Executive Director's Review and Annual Report of the Board of Directors on the Affairs of the Company are given on pages 4 to 11 and pages 55 to 57. The Independent Auditors' Report on the Financial Statements of the Company for the year ended 31st December 2018 is given on pages 60 to 63.

Corporate Governance

D 2 - Internal Controls

The Board should have a process of Risk management and a sound system of internal controls to safeguard shareholders' investments and the Company's assets. The Board is responsible for the effectiveness of the internal controls. The effectiveness of the internal control system is periodically reviewed by the Audit Committee and major observations are reported to the Board. The Board reviews the reports arising from internal audits. The Board has reviewed the internal control procedures in existence and is satisfied with its effectiveness.

D 3 - Audit Committee

The Board should establish formal and transparent arrangements for considering how they should select and apply accounting policies, financial reporting and internal control principles and maintaining an appropriate relationship with the Company's Auditors.

The Audit Committee among other functions reviews the operation and effectiveness of the internal control systems. The internal controls within the company are designed to provide reasonable assurance to the Directors and assist them to monitor the financial position of the Company.

The Audit Committee comprises of two Independent Directors and one Non-executive Non-independent Director of the Company. The General Manager, Senior Manager Finance and senior management members of the parent company attend the meetings on invitation. The Audit Committee Report is given in this Report.

D 4 - Code of Business Conduct & Ethics

The Companies must adopt a Code of Business Conduct & Ethics for directors and members of the senior management team and must promptly disclose any waivers of the Code for Directors or others.

The Code of Best Practice issued by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission is adopted by the Directors who then ensure that the company employees behave ethically.

D 5 - Corporate Governance Disclosures

The Company should disclose the extent of adoption of best practice in Corporate Governance.

Adhered to as per the Corporate Governance principles given in this Report.

Shareholders

E - Institutional Investors

E 1 - Shareholder Voting

Institutional shareholders have a responsibility to make considered use of their votes and should be encouraged to ensure their voting intentions are translated into practice.

All shareholders are invited for the AGM. Company uses the Annual General meeting as an effective channel to create a dialogue between Directors' and the shareholders. All shareholders are welcome to express their opinion. When evaluating Company's governance arrangements, particularly those relating to Board structure and composition, institutional investors should be encouraged to give due weight to all relevant factors drawn to their attention.

E 1 - Evaluation of Governance Disclosures

Institutional and individual shareholders are provided adequate financial information and other price sensitive and strategic information on the website of the company, to enable them to take decisions regarding their investments. Annual Reports are circulated to all registered shareholders within prescribed timelines. Shareholders are also able to contact the Company Secretary for obtaining further information/clarifications. Institutional investors are encouraged to give due consideration to matters relating to the governance arrangements, particularly relating to the structure and composition of the Board.

F - Other Investors

F 1 - Investing/Divesting Decision

Individual shareholders, investing directly in shares of companies should be encouraged to carry out adequate analysis or seek independent advice in investing or divesting decisions. The shareholders are provided with adequate information on the performance of the Company thereby encouraging them to analyse their investments adequately through CSE web site and other public announcements.

F 2 - Shareholder Voting

All shareholders are encouraged to participate in General Meetings and to exercise their voting rights.

Compliance with Corporate Governance Rules as in Section 7.10 of the Listing Rules of the Colombo Stock Exchange

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

Rule No.	Subject	Requirement status	Compliance	Details
7.10.1. (a)	Non-Executive Directors	Two or one third of the total no. of directors shall be non-executive directors whichever is higher.	Complied with.	There are seven Directors as at the date of the Annual Report. Out of which six Directors are non-executive directors.
7.10.2. (a)	Independent Directors	Two or one third of the non-executive directors whichever is higher shall be independent.	Complied with.	The Board comprises of two independent non-executive Directors as at the date of the Annual Report.
7.10.2. (b)	Independent Directors	Each non-executive director should submit a declaration of independence in the prescribed format.	Complied with.	All non-executive Directors have submitted their declaration of independence in the Prescribed format.
7.10.3. (a)	Disclosure relating to Directors	Names of independent Directors should be disclosed in the annual report.	Complied with.	The names of the Independent Directors are disclosed on the pages 12 and 16 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.

Corporate Governance

Rule No.	Subject	Requirement status	Compliance	Details
7.10.3. (c)	Disclosure relating to Directors	A brief resume of each director should be published in the annual report including the area of expertise.	Complied with.	A complete profile of Directors is provided on pages 12 and 16 of the Annual Report.
7.10.5	Remuneration Committee	A Listed company shall have a Remuneration Committee.	Complied with.	Please refer page 52 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 consists of two independent Directors.
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 of two independent Non- Executive Directors, or Non-Executive Directors, a majority of whom shall be independent whichever is higher.	Complied with.	The committee consists of two independent Directors and one Non-Executive Director. The Chairman of the committee is member of a recognized accounting body.

Regular Meeting

Board meetings are held quarterly whilst special board meetings are convened as the need arises. During 2018 the board held 07 scheduled meetings. Additionally the following sub-committees also met regularly as summarized below.

Director	Board Meetings	Audit Committee	Remuneration Committee	Related Party Transaction Reviewed Committee
Mr. P.G.K Sirisena	06/07	-	-	-
Mr. N.T.M Perera	07/07	-	-	-
Mr. L.M Paratz	07/07	-	-	-
Mr. K.D Senanayake	06/07	-	-	-
Mr. D.J Stephen	05/07	06/06	01/01	04/04
Mr. S.A Hettiarachchi	06/07	06/06	01/01	04/04
Mr. K.G.D Sudharshana	07/07	06/06	-	04/04

Audit Committee Report

Composition of the Audit Committee

The Audit Committee appointed by and responsible to the board of Directors, comprises of the following two independent Non-Executive Directors and one Non independent Non-Executive director.

Mr. S.A Hettiarachchi - Chairman

Mr. D.J Stephen

Mr. K.G.D Shudharshana

Brief profiles of each member are given on pages 12 to 16 of this report.

Their individual and collective finance knowledge and business acumen and the independence of the committee, are brought to bear on their deliberations and judgments on matters that come within the committee's purview.

The Company Secretary acts as the Secretary to the audit committee. The meetings were attended by the General Manager, Senior Manager Finance and senior management members of the parent company on invitation.

Charter of Audit Committee

The audit committee charter is periodically reviewed and revised with the concurrence of the board of directors. The terms of reference of the committee are clearly defined in the charter of the audit committee.

Rules on Corporate Governance under listing rules of corporate governance under Colombo Stock Exchange " Code of best practice on cooperate governance" issued jointly by Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka further regulate the composition, roles and functions of the Board Audit committee.

Meeting of Audit committee

The Committee met six times during the period. External Auditors were present at discussions where this was appropriate. The proceedings of the Audit Committee are regularly reported to the Board of directors.

The Objective and Role of the Audit Committee

The primary role of the audit committee is to ensure the integrity of the financial reporting, audit processes, 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.

Tasks of the Audit Committee

Financial Reporting System

The Committee reviewed the financial reporting system adopted by the company in the presentation of its quarterly and annual financial Statements to ensure reliability of the processes and consistency of the accounting policies and methods adopted and their compliance with the Sri Lanka Financial Reporting Standards. The Committee recommended the Financial Statements to the Board for its deliberations and issuance. The Committee in its evaluation of financial reporting system also recognized the adequacy of the content and quality of routine management information reports forwarded to its members.

Internal Audit

The Committee reviewed the process to assess the effectiveness of the Internal Financial Controls that have been designed to provide reasonable assurance to the Directors that assets are safeguarded and that the financial reporting system can be relied upon in preparation and presentation of Financial Statements.

External Audit

The Committee held meetings with the External Auditors to review the nature, approach, scope of the audit and Audit Management Letter of the Company.

The Audit Committee has reviewed the other services provided by the External Auditors to the company to ensure that their independence as Auditors has not been compromised.

Appointment of External Auditors

The Audit Committee has recommended to the Board of Directors that Messrs KPMG, Chartered Accountants will continue as Auditors for the financial year ending 31st December 2019.

Support to the Committee

The committee received information and support from management during the period to enable it to carry out its duties and responsibilities effectively.

Sri Lanka Accounting Standards

Committee reviewed the revised policy decisions relating to adoption of new and revised Sri Lanka Accounting Standards (SLFRS/LKAS) applicable to the company and made recommendations to the Board of Directors.

The committee would continue to monitor the compliance with the relevant Accounting Standards and keep the Board of Directors informed at regular intervals.

The committee has pursued the support of Messrs KPMG to assess and review the existing SLFRS policies and Procedures adopted by the company.



Sampath Hettiarachchi
Chairman

Audit Committee
26th February 2019

Remuneration Committee Report

Composition of the Committee

The Remuneration Committee appointed by and responsible for the Board of Directors comprises two independent Non-Executive directors. The Remuneration Committee comprised of the following members;

1. Mr. S.A Hettiarachchi - Chairman
2. Mr. D.J Stephen

The brief profiles of the Directors are given on pages 12 to 16 of the Annual Report. The committee members possess experience in the fields of management and human resources.

General Manager, Senior Manager Finance and senior management members of the parent Company assist the committee by providing relevant information and participating in its analysis and deliberations, except when their own compensation packages are reviewed. The committee had ensured that the Board is complying with the relevant Statutory Acts in relation to remuneration relating to directors.

The Scope of the Committee

The Committee is vested with power to evaluate, assess, decide and recommended to Board of Directors on any matter that may affect Human Resources Management of the company and specifically includes

- Formulate guidelines, policies and parameters for the compensation structures for all executive staff of the company.
- Review informations related to executive pay from time to time to ensure same is in par with the market/industry rates.

- Evaluate the performance of each department against the predetermined targets & goals.
- Approving annual salary increments, bonus, commission structures and staff benefits.

Remuneration Policy

The remuneration policy is to attract and retain a highly qualified and experience work force, and reward performance accordingly in the backdrop of industry norms.

Meetings

The committee held one time during the period under review.

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



Sampath Hettiarachchi
Chairman

Remuneration Committee
26th February 2019

Related Party Transaction Review Committee Report

Role of the Committee

The Committee assists the Board in reviewing all related party transactions carried out by the Company. The Committee also performs the oversight function on behalf of the Board in complying with the Listing Rules of the Colombo Stock Exchange and with the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission.

Composition of the Committee

As required by the SEC under its Code of Best Practice for Listed Companies, the Related Party Transactions Review Committee was formed with effect from the 28th April 2016. The Committee will act with the intention of ensuring, on behalf of the Board, that all related party transactions of eChannelling PLC are consistent with the Code of Best Practices on Related Party Transactions issued by the SEC.

The Related Party Transaction Review Committee comprises two Independent Non-Executive Directors and one Non-Independent Non-Executive Director. The Committee comprised of the following members;

Mr. S.A. Hettiarachchi – Chairman

Mr. D.J. Stephen

Mr. K.G.D. Sudharshana

Brief profiles of each member are given on pages 12 to 16 of this report.

Company Secretary acts as the Secretary to the Related Party Transaction Review Committee. The meetings were attended by the General Manager, Senior Manager Finance and senior management members of the parent company on invitation.

Policies and Procedures

The members of the Board of Directors of the Company have been identified as Key Management Personnel. In accordance with the Related Party Transaction Policy, the declarations are

obtained from each Key Management Personnel of the Company for the purpose of identifying parties related to them. Based on the information furnished in these declarations, the Company retrieves data on related party transactions from the database of the Company.

Mandate and Responsibilities

- To review in advance all proposed related party transactions of the company, either prior to the transactions being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.
- Seek any information the committee requires from management, employees or external parties to with regard to any transaction entered in to with a related party.
- Obtain knowledge or experience to access all aspects of proposed related party transactions where necessary including obtaining appropriate professional and expert advice from suitably qualified persons.
- To recommend, where necessary, to the board and obtain their approval prior to the execution of any related party transaction.
- To monitor that all related party transactions of the entity are transacted on normal commercial terms and are not prejudicial of the entity and its minority shareholders.
- Meet with the management, auditors as necessary to carry out the assigned duties.
- To review the transfer of resources, services, or obligations between related parties regardless of whether a price is charged.
- To review the economic and commercial substance of both recurrent /non recurrent related party transactions.

Related Party Transaction Review Committee Report

- To monitor and recommend the acquisition or disposal of substantial assets between related parties, including obtaining competent independent advice from independent professional experts with regard to the value of the substantial assets of the related party transaction.

Meetings

During the year under review the Committee met four times and the Committee reviewed all the related part transactions and the nature of the such transactions at its meetings and communicated the observations and recommendations of the Committee to the Board of Directors.

The following types of related party transactions at Sri Lanka Telecom PLC and Mobitel (Pvt) Ltd are brought to the attention of the Board;

- Services provided and payments made to related parties
- Assets purchased and payments made to related parties
- Review of such transactions and determining whether to permit or prohibit the transaction

The Committee in discharging its functions primarily relied on processes that were validated from time to time and periodic reporting by the relevant entities and Key Management Personnel (KMP) with a view to ensuring that:

- there is compliance with the Code;
- shareholder interests are protected; and
- fairness and transparency are maintained

Declaration

A declaration by the Board of Directors in the Annual Report as a negative statement to the effect that no related party transaction falling within the ambit of the rule 9.3.2 of Listing Rules of the Colombo Stock Exchange was entered into by the Company during the year, is given in the Report of Directors on page 36 and 37. All other related party transactions that could be classified as related party transactions in terms of LKAS 24-'Related Party Disclosures', are given in Note 25 to the Financial Statements.



Mr. S.A. Hettiarachchi
Chairman

Related Party Transaction Review Committee
26th February 2019

Report of Directors

The Board of Directors are pleased to present their Report and the Audited Financial Statements of the Company for the period ended 31st December 2018. The details set out herein provide pertinent information required by the Companies Act, No.7 of 2007, the Colombo Stock Exchange Listing rules and are guided by recommended best accounting practices.

Review of the Period

The Chairman's Review and Executive Director's Review describe the Company's affairs and mentions important events of the period.

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.

Auditor's Report

The Auditor's report on the financial statements is given on pages 60 to 63.

Financial Statements

The financial statements of the Company are given in pages 64 to 101.

Accounting Policies

The accounting policies used in preparation of the Financial Statements of the Company are given at pages 68 to 84 of the Annual Report as required by Section 168 (1) (d) of the Companies Act.

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 25 to the Financial Statements (Related Party Transactions).

Director's Remuneration and Other Benefits

Director's remuneration in respect of the Company for the financial period ended 31st December 2018 is given in Note 10 to the Financial Statements.

Corporate Donations

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

Directors and their Shareholdings

Directors of the Company and their respective shareholdings as at 31st December 2018 are as follows.

	31.12.2017	31.12.2018
Mr. P.G.K. Sirisena	Nil	Nil
Mr. D.J. Stephen	Nil	Nil
Mr. S.A. Hettiarachchi	Nil	Nil
Mr. D.K. Senanayake	Nil	Nil
Mr. L.M. Paratz	Nil	Nil
Mr. N.T.M. Perera	Nil	Nil
Mr. K.G.D. Sudharshana	Nil	Nil

In terms of Article 86 and 87 of the Articles of Association of the Company Mr.K.G.D.Sudharshana and Mr.S.A. Hettiarachchi retire by rotation and being eligible offer themselves himself for re-election.

The Board has determined that two of the Non-Executive Directors viz. Mr. S.A. Hettiarachchi and Mr. D.J. Stephen are "Independent" as per the criteria set out in the Listing Rules of the Colombo Stock Exchange and the said Directors have submitted signed declarations in this regard.

Report of Directors

Auditors

The Financial Statements for the period ended 31st December 2018 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 LKR360,000 (2017 – LKR 305,000) as audit fees by the Company.

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.

Investments

Details of investments held by the Company are disclosed in Note 19 & 20 to the Financial Statements.

Intangible Assets

An analysis of the Intangible Assets of the Company, additions and impairments during the period and amortisation charged during the period are set out in Note 15 to the Financial Statements.

Property, Plant and Equipment

An analysis of the property, plant and equipment of the Company, additions and disposals made during the period and depreciation charged during the period are set out in Note 14 to the Financial Statements.

Capital Commitments

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

Stated Capital

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

Reserves

Retained earnings as at 31st December 2018 amount to LKR 150,283,464. Movements are shown in the Statement of Changes in Equity in the Financial Statements.

Events Subsequent to the Reporting Date

No significant events have occurred since the reporting date other than those disclosed in Note 27 to the Financial Statements.

Going Concern

The Board of Directors is satisfied that the Company will continue its operations in the foreseeable future. For this reason, the Company continues to adopt the going concern basis in preparing the Financial Statements.

Employment Policies

The Company identifies Human Resource as one of the most important factors 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.

There are no material issues pertaining to the employees and industrial relations which require disclosure.

Taxation

The tax position of the Company is given in Note 12 to the Financial Statements.

Disclosure as per Colombo Stock Exchange Rule No.7.6

	29.12.17	31.12.18
Market price per share	5.90	4.30
Highest share price during the period	8.30	7.00
Lowest share price during the period	5.40	4.00

Shareholding

The number of registered shareholders of the Company as at 31st December 2018 was 1,772.

Major Shareholders

The twenty largest shareholders of the Company as at 31st December 2018, together with an analysis are given on page 104.

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.

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.

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.

Contingent Liabilities

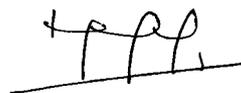
There were no material contingent liabilities outstanding as at 31st December 2018.

Annual General Meeting

The Nineteenth Annual General Meeting of the Company will be held at Orchid Room of the Bandaranaike Memorial International Conference Hall (BMICH) Baudhaloka Mawatha, Colombo 07 on 28th March 2019 at 1.00 p.m.

For and on behalf of the Board of Directors of

E-CHANNELLING PLC



P G Kumarasingha Sirisena
Chairman



Nalin Perera
Director



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

5th March 2019

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Independent Auditor's Report



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

Tel : +94 - 11 542 6426
Fax : +94 - 11 244 5872
+94 - 11 244 6058
Internet : www.kpmg.com/lk

To the Shareholders of E-CHANNELLING PLC Report on the Audit of the Financial Statements Opinion

We have audited the financial statements of E-Channelling PLC ("the Company"), which comprise the statement of financial position as at December 31, 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information as set out on pages 64 to 101.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2018, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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. Mihular FCA	P.Y.S. Perera FCA	C.P. Jayatilake FCA
T.J.S. Rajakarier FCA	W.W.J.C. Perera FCA	Ms. S. Joseph FCA
Ms. S.M.B. Jayasekara ACA	W.K.D.C. Abeyrathne FCA	S.T.D.L. Perera FCA
G.A.U. Karunaratne FCA	R.M.D.B. Rajapakse FCA	Ms. B.K.D.T.N. Rodrigo FCA
R.H. Rajan FCA	M.N.M. Shameel ACA	Ms. C.T.K.N. Perera ACA

Principals - S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA



Revenue recognition

Refer to Note 8 (page 85) to these financial statements.

Risk Description	Our response
<p>Revenue is recognized predominately from the operational system of e-channeling. Initiating & recording customer channeling transactions are initially recorded in the e channeling system and from which revenue reports are generated. Based on these reports financial information including revenue are recorded in the general ledger manually. Revenue recognition, including the existence and accuracy of revenue, is considered as a key audit matter because of the inherent risks involved in revenue and the significant reliance on the e-channeling operationing system.</p>	<p>Our audit procedures included but not limited to;</p> <p>Involving our internal IT specialists, in evaluating the design, implementation and operating effectiveness of key internal controls over the capturing and recording of e-channeling transactions in the system.</p> <p>Comparing the monthly manual journal entries relating to the aggregate revenue balance recorded in the accounting system with reports generated by the IT system.</p> <p>Selecting a sample of revenue transactions, comparing the details therein with the corresponding trade receivables and/or cash receipts.</p>

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report



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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are



based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with ethical requirements in accordance with the Code of Ethics regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3272.

Chartered Accountants
Colombo, Sri Lanka

26th February 2019.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st December		2018	2017
	Note	Rs.	Rs.
Revenue	08.	132,805,602	136,129,453
Cost of sales		(14,500,388)	(12,146,388)
Gross profit		118,305,214	123,983,065
Other income	09.	1,747,703	938,020
Administrative expenses		(83,495,689)	(79,725,609)
Selling and distribution expenses		(12,337,695)	(5,246,396)
Profit from operations	10.	24,219,533	39,949,080
Finance income	11.	22,072,111	22,786,124
Profit before income tax expense		46,291,644	62,735,204
Income tax expense	12.	(12,571,494)	(27,163,512)
Profit for the year		33,720,150	35,571,692
Other comprehensive income			
Items that will not be reclassified to profit & loss			
Remeasurement of employee benefit obligation	23.2	648,474	(368,099)
Related tax		(181,573)	103,068
Equity investment at FVOCI-netchange in Fair Value		(8,378)	(157,270)
Other comprehensive income for the year, net of tax		458,523	(422,301)
Total comprehensive income for the year		34,178,673	35,149,391
Earnings per share	13.	0.28	0.29

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 December,	Note	2018 Rs.	2017 Rs.
ASSETS			
Non Current Assets			
Property, plant & equipment	14.	8,678,187	12,571,218
Intangible assets	15.	670,352	1,756,291
Deferred tax assets	16.	2,070,845	126,167
Total Non Current Assets		11,419,384	14,453,676
Current Assets			
Inventories	17.	931,415	1,430,225
Trade & other receivables	18.	59,566,303	72,896,032
Amount due from related parties	25.2	29,841,251	41,414,132
Short term investments	19.	208,610,325	191,474,971
Equity Investment	20.	1,802,764	1,811,142
Cash & cash equivalents	21.	5,700,694	4,934,307
Total Current Assets		306,452,752	313,960,809
Total Assets		317,872,136	328,414,485
EQUITY AND LIABILITIES			
Equity			
Stated capital	22.	93,758,316	93,758,316
Retained earnings		150,283,464	146,629,267
FVOCI reserve		233,954	242,332
Total Equity		244,275,734	240,629,915
Non Current Liabilities			
Employee benefits	23.	6,503,844	5,756,832
Total Non Current Liabilities		6,503,844	5,756,832
Current Liabilities			
Trade & other payables	24.	60,056,104	40,324,459
Amount due to related parties	25.3	402,690	-
Current tax liabilities		6,633,764	9,574,803
Bank overdraft		-	32,128,476
Total Current Liabilities		67,092,558	82,027,738
Total Liabilities		73,596,402	87,784,570
Total Equity & Liabilities		317,872,136	328,414,485

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

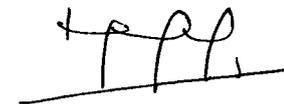
I certify that these Financial Statements are in compliance with the requirements of Companies Act No 07 of 2007.



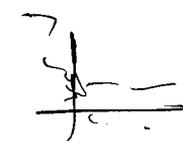
A.R.R.D. Alahakoon
Senior Manager Finance

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

Approved and signed for and on behalf of the Board of Director;



P.G.K. Sirisena
Chairman



Nalin Perera
Director

26th February 2019
Colombo.

Statement of Changes in Equity

	Stated Capital Rs.	FVOCI Reserve Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01 January 2017	93,758,316	399,602	111,322,606	205,480,524
Comprehensive income for the year				
Profit for the year	-	-	35,571,692	35,571,692
Other comprehensive income	-	(157,270)	(265,031)	(422,301)
Total comprehensive income for the year	-	(157,270)	35,306,661	35,149,391
Balance as at 31 December 2017	93,758,316	242,332	146,629,267	240,629,915
Balance as at 01 January 2018	93,758,316	242,332	146,629,267	240,629,915
Comprehensive income for the year				
Profit for the year	-	-	33,720,150	33,720,150
Other comprehensive income	-	(8,378)	466,901	458,523
Total Comprehensive income for the year	-	(8,378)	34,187,051	34,178,673
Transaction with owners of the Company				
Distributions to owners				
Final dividend - 2017	-	-	(30,532,854)	(30,532,854)
Total transactions with owners of the Company	-	-	(30,532,854)	(30,532,854)
Balance as at 31 December 2018	93,758,316	233,954	150,283,464	244,275,734

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

Figures in brackets indicate deductions.

Statement of Cash Flows

For the year ended 31st December	2018 Rs.	2017 Rs.
Cash Flow From Operating Activities		
Profit before tax	46,291,644	62,735,204
Adjustments for :		
Provision for depreciation	5,476,713	4,630,966
Provision for amortization	1,714,723	2,880,054
Provision for employee benefits	1,529,676	1,320,373
Interest income	(22,072,111)	(22,786,124)
Profit on disposal of property, plant and equipment	-	(905,758)
Operating Profit before Working Capital Changes	32,940,645	47,874,715
(Increase)/Decrease in inventories	498,810	(1,047,937)
(Increase)/Decrease in trade & other receivable	9,674,634	(33,699,210)
(Increase)/Decrease in related party receivable	11,572,881	(29,070,119)
Increase/(Decrease) in related party payable	402,690	(86,512)
Increase/(Decrease) in trade & other payables	19,291,983	1,723,083
Cash (Used in)/ Generated from Operations	74,381,643	(14,305,980)
Interest received	19,650,480	21,655,341
Tax paid	(13,983,693)	(24,604,715)
Employee benefits paid	(134,190)	-
Net Cash (Used in)/ Generated from Operating Activities	79,914,240	(17,255,354)
Cash Flow From Investing Activities		
Acquisition of property plant and equipment	(1,583,682)	(7,696,713)
Acquisition of intangible assets	(628,784)	-
Net proceed from short term investment	(14,713,723)	(18,130,921)
Cash proceeds from disposal of property, plant and equipment	-	2,622,400
Net Cash (Used in) Investing Activities	(16,926,189)	(23,205,234)
Cash flow from Financing Activities		
Dividends paid	(30,093,188)	-
Net Cash Used in Financing Activities	(30,093,188)	-
Net increase/(decrease) in Cash & Cash Equivalents	32,894,863	(40,460,588)
Cash & cash equivalents at beginning of the year	(27,194,169)	13,266,419
Cash & Cash Equivalents at end of the year	5,700,694	(27,194,169)
Analysis of Cash and Cash Equivalents (Note 21)		
Cash at bank	5,694,594	4,885,269
Cash in hand	6,100	49,038
Bank overdraft	-	(32,128,476)
	5,700,694	(27,194,169)

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

Figures in brackets indicate deductions.

Notes to the Financial Statements

01 Reporting entity

1.1. Domicile and Legal Form

E-Channelling PLC (the “Company”), is a public limited liability quoted Company incorporated on 27 July 2000 and domiciled in Sri Lanka. The address of the Company’s registered office is No 409, R. A. De Mel Mawatha, and Colombo – 03.

1.2. Principal Activities and Nature of Operations

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

1.3. Parent & Ultimate Parent

Mobitel (Pvt) Ltd is the parent of E-Channelling PLC which holds 87.59% shares of E-channeling PLC. Sri Lanka Telecom is the ultimate parent of the company.

1.4. Number of Employees

The total number of employees of the Company as at 31st December 2018 is 32 (2017 Dec – 31).

02 Basis of preparation

2.1 Statement of compliance

The Statements of Financial Position, Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows, together with the notes, (the “Financial Statements”) of the Company as at 31st December 2018 and for the year then ended have been prepared in accordance with Sri Lanka Accounting Standards 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.

The financial statements were authorized for issue by the Board of Directors on 26th February 2019.

2.2 Basis of measurement

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

- Financial assets at Fair Value through Other Comprehensive (FVOCI) Income are measured at fair value; and
- Employee benefits are measured at present value

2.3 Functional and presentation currency

The financial statements of the company 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, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

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

Note 3.3.1 - Impairment of trade receivables

Note 3.5.2 - Employee benefit obligations

Note 3.6.9 - Deferred taxation

(i) Measurement of fair values

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

Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, Company assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SLFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

03 Significant accounting policies

The Company has initially applied SLFRS 15 and SLFRS 9 from 1st January 2018. But they do not have a material effect on the Company's Financial Statements.

Except for the above, The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements.

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.

Notes to the Financial Statements

Foreign exchange differences arising on translation are recognized in the Statement of profit or loss.

3.3 Financial instruments

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.3.1 Financial Assets

Policy applicable from 1 January 2018

Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) - debt investment; fair value through other comprehensive income (FVOCI) - equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Company financial assets classified and measured at amortized cost are limited to its trade debtors, related party receivables, short term investments and cash & cash equivalents.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Company's investment in equity investments are classified as Fair Value through OCI.

Financial assets - Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional

Notes to the Financial Statements

compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial Assets

Policy applicable before to 1 January 2018

The Company classified its financial assets into one of the following categories:

- loans and receivables;
- held to maturity;
- available for sale; and
- at FVPL, and within this category as:
 - held for trading;
 - derivative hedging instruments; or
 - designated as at FVTPL

Financial assets – Subsequent measurement and gains and losses:

Financial assets at FVTPL	Measured at fair value and changes therein, including any interest or dividend income, were recognised in profit or loss.
Held-to-maturity financial assets	Measured at amortised cost using the effective interest method.
Loans and receivables	Measured at amortised cost using the effective interest method.
Available-for-sale financial assets	Measured at fair value and changes therein, other than impairment losses, interest income and foreign currency differences on debt instruments, were recognised in OCI and accumulated in the fair value reserve. When these assets were derecognized, the gain or loss accumulated in equity was reclassified to profit or loss.

3.3.2 Financial liabilities – Classification, subsequent measurement and gain and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held – for – trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.3.3 De-recognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.3.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.4 Impairment

Policy applicable from 1 January 2018

Financial instruments and contract assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

Notes to the Financial Statements

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables is always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 180 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 360 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures to recovery of amounts due.

Policy applicable before 1 January 2018

For an investment in an equity instrument, objective evidence of impairment included a significant or prolonged decline in its fair value below its cost. The Company considered a decline of 20% to be significant and a period of nine months to be prolonged.

Notes to the Financial Statements

Financial assets measured at amortised cost	<p>The Company considered evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet individually identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.</p>
	<p>In assessing collective impairment, the Company used historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.</p>
	<p>An impairment loss was calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses were recognised in profit or loss and reflected in an allowance account. When the Company considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through profit or loss.</p>
Available-for-sale financial assets	<p>Impairment losses on available-for-sale financial assets were recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified was the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increased and the increase was related objectively to an event occurring after the impairment loss was recognised, then the impairment loss was reversed through profit or loss. Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale were not reversed through profit or loss.</p>

Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

3.4.2 Property, plant and equipment

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

Basis of Recognition

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

Basis of 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.

Subsequent costs

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

De-recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de recognition of an item of property, plant and equipment is included in statement of profit or loss when the item is derecognized. When replacement costs are recognized in the carrying amount of an item of property, plant and equipment,

Notes to the Financial Statements

the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalised. At each such capitalization, the remaining carrying amount of the previous cost is derecognized.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset or other amount substituted for cost, less its residual value. Depreciation is recognized in the statement of profit or loss on straight-line basis over the estimated useful lives of each item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

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

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

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

Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

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

Software

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

Amortisation

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

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

License Software	03 Years
Hospital net Software	10 Years

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

De-recognition

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

3.5 Liabilities and provisions

3.5.1 Provisions

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

3.5.2 Employee benefits

a) Defined contribution plans

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

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in accordance with the respective statutes and regulations.

Employees' Provident Fund

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

Employees' Trust Fund

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

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

b) Defined benefit plans - retiring gratuity

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

The liability is not externally funded nor actuarially valued. Under the payment of Gratuity Act No 12 of 1983, the liability to an employee arises only on completion of five-years of continued service.

Notes to the Financial Statements

3.5.3 Capital commitments & contingencies

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

3.5.4 Events after the reporting date.

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

3.6 Statement of comprehensive income

3.6.1 Revenue recognition

The Company has initially applied SLFRS 15 – “Revenue from contracts with customers” from 1 January 2018.

Performance obligations and revenue recognition policies

SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised.

As per the standard, revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer. Determining the timing of the transfer of control at a point in time or over time require judgement.

- Company recognizes revenue from customers as and when the channeling appointments are booked.
- Other revenue recognised as follows:
 - Call charges income – based on the confirmed calculation reports sent by telephone operators.
 - Revenue from membership cards – Fee charged when issuing membership cards.
 - Network commission income – Network commission is the platform sharing commission and recognized when service provided.
 - D- Doctor notification income – SMS charges for notifying the Doctors and recognized when service provided.

3.6.2 Profit on disposal of property, plant & equipment

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

3.6.3 Dividend income

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

3.6.4 Interest income

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

3.6.5 Expenditure

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

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

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

3.6.6 Finance income

Finance income comprises interest income.

3.6.7 Income tax expense

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

3.6.8 Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment made to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

3.6.9 Deferred tax

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

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

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

Notes to the Financial Statements

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

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

3.6.10 Value Added Tax (VAT)

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

3.6.11 Nation Building Tax (NBT)

The Company is liable to pay Nation Building Tax (NBT) at specified rate.

3.6.12 Basic earnings per share (EPS)

The financial statements present basic earnings per share (EPS) for its ordinary shareholders. The 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 outstanding during the period.

3.7 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.

04 Operating segment

There are no reportable operating segments.

05 Statement of cash flow

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

Cash and cash equivalents comprise of cash in hand and cash at bank.

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

The following SLFRS have been issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) that have an effective date in the future and have not been applied in preparing these financial statements. Those SLFRS will have an effect on the accounting policies currently adopted by the Company and have an impact on the future Financial Statements.

The following new standard is not expected to have a significant impact on the Company's Financial Statements.

a) SLFRS 16 – Leases

SLFRS 16 eliminates the current dual accounting model for lessees which distinguishes between On-Balance Sheet finance leases and Off-Balance Sheet operating leases. Instead, there will be a single On-Balance Sheet accounting model that is similar to current finance lease accounting. SLFRS 16 is effective for annual reporting periods beginning on or after 01 January 2019.

07 Change in accounting policy

The Company has applied IFRS 15 (See A) and IFRS 9 (See B) from 1 January 2018. Due to the transition methods chosen by the Company in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards.

A. SLFRS 15 Revenue from Contracts with Customers

SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced LKAS 18 Revenue, LKAS 11 Construction Contracts and related interpretations. Under SLFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

There was no significant financial impact due to adaption of SLFRS 15 for these financial statements.

B. SLFRS 9 Financial Instruments

SLFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces LKAS 39 Financial Instruments: Recognition and Measurement.

The following table below explain the original measurement categories under LKAS 39 and the new measurement categories under SLFRS 9 for each class of the Company's financial assets and financial liabilities as at 1 January 2018.

Notes to the Financial Statements

	Original classification Under LKAS 39	New classification under SLFRS 9	Original carrying amount under LKAS 39	New carrying amount under SLFRS 9
Financial assets				
Equity Investments	Available-for-sale	FVOCI- equity instruments	1,811,142	1,811,142
Trade Receivables	Loans and receivables	Amortised cost	62,101,776	62,101,776
Amount due from related parties	Loans and receivables	Amortised cost	41,414,132	41,414,132
Short Term Investments	Loans and receivables	Amortised cost	191,474,971	191,474,971
Cash and cash equivalents	Loans and receivables	Amortised cost	4,934,307	4,934,307
Total financial assets			301,736,327	301,736,327
Financial liabilities				
Trade payables	Other financial liabilities	Other financial liabilities	29,129,882	29,129,882
Bank overdraft	Other financial liabilities	Other financial liabilities	32,128,476	32,128,476
Total financial liabilities			61,258,358	61,258,358

For the year ended 31st December

2018

2017

Rs.

Rs.

08. Revenue

The effect of initially applying SLFRS 15 on the Company's revenue from contracts with customers is described in Note 7. Due to the transition method chosen in applying SLFRS 15, comparative information has not been restated to reflect the new requirements.

Revenue from customers		
Revenue from portals	112,839,562	112,972,895
Revenue from no-show refund	13,644,436	15,703,646
Doctor notification income	1,641,210	3,550,543
	128,125,208	132,227,084
Other revenue		
Call charges income	1,391,399	2,051,380
Revenue from membership cards	899,180	1,019,682
D-Doctor notification income	-	18,130
Software and network commission income	2,389,815	813,177
	4,680,394	3,902,369
	132,805,602	136,129,453

09. Other income

Dividend income	14,218	13,664
Profit on disposal fixed assets	-	905,758
Un-allocated Member Deposit income	1,733,485	-
Other income	-	18,598
	1,747,703	938,020

10. Profit from operations

Profit from operations is stated after charging all the expenses including the following

Depreciation	5,476,713	4,630,966
Amortization	1,714,723	2,880,054
Salary related expenses	24,465,331	21,499,402
EPF	3,624,800	3,224,910
ETF	724,960	644,982
Auditor's fee	360,000	305,000
Non audit related fee	91,423	26,520
Employee benefits	1,529,676	1,320,373
Legal expenses	796,338	3,286,848
Directors' remuneration	4,549,238	3,596,953

Notes to the Financial Statements

For the year ended 31st December	2018	2017
	Rs.	Rs.

11. Finance income

See accounting policies in Notes 3.3.1. The effect of initially applying SLFRS 9 is described in Note 7.

Interest income from short term investments	21,684,051	21,401,892
Interest income from saving accounts	388,060	1,384,232
Finance income	22,072,111	22,786,124

12. Income tax expense

Current taxation	14,672,250	18,721,598
Under provision in respect of previous years	25,495	9,232,669
Origination/(Reversal) of deferred tax (Note 16)	(2,126,251)	(790,755)
	12,571,494	27,163,512

12.1 Reconciliation between accounting profit to income tax expense

Profit before tax	46,291,644	62,735,204
Exempt (income)/expenses	-	(13,664)
Disallowable expenses	9,527,263	10,211,090
Allowable expenses	(3,418,018)	(6,069,783)
Total taxable income	52,400,889	66,862,847
Income tax at 28%	14,672,250	18,721,598
	14,672,250	18,721,598

13. Earnings per share

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

For the year ended 31st December	2018	2017
Profit attributable to equity holders of the company (Rs.)	33,720,150	35,571,692
Weighted average number of ordinary shares	122,131,415	122,131,415
Earnings per share (Rs.)	0.28	0.29

14. Property, plant & equipment

	Computer equipment Rs.	Computer servers Rs.	Furniture & fittings Rs.	Office equipment Rs.	Total 2018 Rs.	Total 2017 Rs.
Cost						
Opening balance	14,307,188	41,426,759	5,995,383	1,651,148	63,380,477	61,241,643
Additions during the year	892,400	-	145,000	546,282	1,583,682	7,696,713
Disposals during the year	-	-	-	-	-	(5,557,879)
Closing balance	15,199,588	41,426,759	6,140,383	2,197,430	64,964,159	63,380,477
Accumulated depreciation						
Opening balance	12,805,092	35,805,591	624,177	1,574,399	50,809,259	50,019,530
Charge for the year	1,125,071	2,610,793	1,502,024	238,825	5,476,713	4,630,966
Disposals during the year	-	-	-	-	-	(3,841,237)
Closing balance	13,930,163	38,416,384	2,126,201	1,813,224	56,285,972	50,809,259
Carrying amount						
As at 31 December 2018	1,269,425	3,010,375	4,014,182	384,206	8,678,187	-
As at 31 December 2017	1,502,096	5,621,168	5,371,206	76,749	-	12,571,218

14.1 Fully depreciated assets

Property, Plant and equipment includes fully depreciated assets which are still in use as at reporting date amount into Rs. 44,422,916/- (31.12.2017- Rs. 43,529,439/-)

Notes to the Financial Statements

As at 31 December,	2018 RS.	2017 RS.
15. Intangible assets		
Cost		
Opening balance	21,861,281	21,861,281
Additions during the year	628,784	-
Closing balance	22,490,065	21,861,281
Accumulated amortization		
Opening balance	20,104,990	17,224,936
Amortization for the year	1,714,723	2,880,054
Closing balance	21,819,713	20,104,990
Carrying amount	670,352	1,756,291

Intangible assets consist of software licences and hospital net software used by the Company. eChannelling software was purchased in 2001 at Rs, 30,000,000/- has been fully amortised.

As at 31 December,	2018 Rs.	2017 Rs.
16. Deferred taxation		
Opening balance	126,167	(767,656)
Origination/(Reversal)of timing differences – recognised in profit or loss	2,126,251	790,755
Origination/(Reversal) of timing differences – recognised in other comprehensive income	(181,573)	103,068
	2,070,845	126,167
Deferred tax (liabilities) / assets have derived as follows;		
Temporary difference from property, plant & equipment	249,768	(1,485,746)
Temporary difference from employee benefits	1,821,077	1,611,913
	2,070,845	126,167
Tax at	28%	28%
17. Inventories		
Member cards	931,415	1,430,225
Closing balance	931,415	1,430,225

As at 31 December,

2018

2017

Rs.

Rs.

18. Trade & other receivables

See accounting policies in Notes 3.3.1. The effect of initially applying SLFRS15 & SLFRS 9 is described in Note 7.

Trade receivable	46,532,903	62,101,776
Provision for impairment of trade receivable (Note 18.1)	(2,104,352)	(2,104,352)
	44,428,551	59,997,424
Advance, prepayments and other receivables (Note 18.2)	13,737,380	9,124,359
WHT and tax receivable	1,400,372	3,774,249
	59,566,303	72,896,032
18.1 Provision for impairment of trade receivable		
Opening Balance	(2,104,352)	(2,104,352)
Provision during the year	-	-
Closing balance	(2,104,352)	(2,104,352)
18.2 Advance, prepayments and other receivables		
Advance, prepayments and other receivables	16,302,380	11,689,359
Provision for impairment	(2,565,000)	(2,565,000)
Balance as at the end of the year	13,737,380	9,124,359
19. Short term investments		
See accounting policies in Notes 3.3.1. The effect of initially applying SLFRS 9 is described in Note 7.		
Investment in fixed deposits	203,186,981	188,473,258
Interest receivable	5,423,344	3,001,713
	208,610,325	191,474,971

Notes to the Financial Statements

20. Equity investments

See accounting policies in Notes 3.3.1. The effect of initially applying SLFRS 9 in the Company's financial instruments is described in Note 7. Due to the transition method chosen in applying SLFRS 9, comparative information has not been restated to reflect the new requirements.

Equity securities designated as at FVOCI

At 1 January 2018, the Company designated the investments shown below as equity securities at FVOCI because these equity securities represent investments that the Company intends to hold for the long term for strategic purposes. In 2017, these investments were classified as available-for-sale – see Note 7.

Name of the company	31 December 2018			31 December 2017		
	No. of shares	Cost (Rs.)	Market value (Rs.)	No. of shares	Cost (Rs.)	Market value (Rs.)
Citrus Leisure PLC	31,099	944,741	149,275	31,200	944,741	234,000
Taj Lanka Hotels PLC	10,000	606,702	130,000	10,000	606,702	159,000
Blue Diamonds Jewellery Worldwide PLC	700	2,372	350	700	2,372	630
Serendib Hotels PLC (Voting)	7	162	119	7	162	140
Serendib Hotels PLC (Non Voting)	93	1,628	1,525	93	1,628	1,488
York Arcade Holdings PLC	10	3,847	850	100	3,847	1,400
Ambeon Holding PLC	100	7,100	1,110	100	7,100	1,210
Nations Trust Bank PLC	102	8,100	9,098	100	8,100	7,800
Seylan Bank PLC (Non Voting)	105	7,500	8,190	103	7,500	8,982
Kalamazoo Systems Ltd	1,100	11,396	4,180	1,100	11,396	4,950
Lankem Developments Ltd	100	58.90	410	100	58.90	710
Citrus Beach Resort Ltd	20	20	76	20	20	222
Lake House Printers and Publishers PLC	10,697	1,093,983	1,497,580	10,697	1,093,983	1,390,610
		2,687,611	1,802,764		2,687,611	1,811,142

As at 31 December,	2018 Rs.	2017 Rs.
21. Cash & cash equivalents		
Cash at bank	5,694,594	4,885,269
Cash in hand	6,100	49,038
	5,700,694	4,934,307
Bank overdraft	-	(32,128,476)
Cash and cash equivalents for the purpose of statement of cashflows	5,700,694	(27,194,169)
22. Stated capital		
Issued and fully paid 122,131,415 shares	93,758,316	93,758,316
	93,758,316	93,758,316

As at 31 December,		2018	2017
		Rs.	Rs.
23. Employee benefits			
Opening balance		5,756,832	4,068,360
Provision for the year (Note 23.1 & 23.2)		881,202	1,688,472
		6,638,034	5,756,832
Payments during the year		(134,190)	-
Closing balance		6,503,844	5,756,832
23.1 The amount recognized in the statement of profit or loss as follows;			
Current service cost		924,229	916,231
Interest cost		605,447	404,142
		1,529,676	1,320,373
23.2 The amount recognized in the statement of other comprehensive income as follows;			
Actuarial loss/(Gain)		(648,474)	368,099
		881,202	1,688,472
23.3	The employee benefit obligation is calculated based on an internally developed method. Principal assumptions used are as follows;		
	Rate of discount	11%	10%
	Rate of salary increment	10%	10%
	Retirement age	55	55
23.4	Sensitivity of assumptions used		
	If one percentage point change in the assumed discount rate would have the following effects:		
	Increase by one percentage	343,653	317,162
	Decrease by one percentage	(366,993)	(339,064)
	If one percentage point change in the assumed annual average salary increment rate would have the following effects:		
	Increase by one percentage	(366,993)	(335,907)
	Decrease by one percentage	349,751	319,976

Notes to the Financial Statements

As at 31 December,	2018 Rs.	2017 Rs.
24. Trade & other payables		
Trade payables	51,071,528	29,129,882
Accrued expenses	8,984,576	11,194,577
	60,056,104	40,324,459

25. Related party transactions

Company carried out transactions in the ordinary course of business with parties who are defined as related parties as per LKAS 24 "Related Party Disclosure".

25.1 Parent and ultimate controlling party

Mobitel (Pvt) Ltd is the parent company of eChannelling. Sri Lanka Telecom PLC is the ultimate Parent.

The amounts receivable from or payable to related parties as at 31st December 2018, are disclosed below,

25.2 Amounts due from related parties

As at	31.12.2018 Rs.	31.12.2017 Rs.
Mobitel (Pvt) Ltd	29,841,251	40,091,874
Sri Lanka Telecom PLC	-	1,322,258
	29,841,251	41,414,132

25.3 Amounts due to related parties

Sri Lanka Telecom PLC	402,690	-
	402,690	-

25.4 Transactions with related entities

Name of the Related Party	Relationship	Nature of Transaction	01-01-2018	01-01-2017
			to 31-12- 2018	to 31-12- 2017
			Transaction Amount Rs.	Transaction Amount Rs.
Sri Lanka Telecom PLC				
	Ultimate parent	IDC Payments	4,263,839	4,706,414
		Telephone charges	206,551	76,859
Mobitle (Pvt) Ltd				
	Immediate parent	Mobile charges	894,880	747,574
		Call Charges Income	1,361,508	2,051,380
		Staff welfare	300,000	125,000
		Building Rent	4,255,200	1,576,000
		Cost reimbursement of fixed assets	-	5,995,383

25.5 Transactions with Government of Sri Lanka (GOSL) and its Related entities

Entity related to the Government of Sri Lanka (GOSL) by virtue of its ultimate parents major shareholder is the Government of Sri Lanka (GOSL), which holds 49.5% of ownership of the Sri Lanka Telecom PLC.

During the year company has carried out transactions with other Government related entities in the ordinary course of business.

However, there is no individually significant transactions with Government related entities except as disclosed above.

25.6 Transactions with Key Management Personnel (KMP)

According to Sri Lanka Accounting Standard (LKAS) 24 - Related Party Disclosure, " Key Management Personnel " are those having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director(whether executive or otherwise) of that entity.

Accordingly the directors of the company are classified as KMP of the Company. The compensation paid to KMP as short term employment benefits is disclosed in Note 10 to the financial statements.

Notes to the Financial Statements

26. Financial Risk Management

The effect of initially applying SLFRS 9 on the Company's financial instruments is described in Note 7. Due to the transition method chosen, comparative information has not been restated to reflect the new requirements.

Overview

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

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

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

Risk Management Framework

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

26.1 Credit Risk

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

26.1.1 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 December 2018	31st December 2017
Trade Receivables	44,428,551	59,997,424
Short Term Investments	208,610,325	191,474,971
Amount due from related parties	29,841,251	41,414,132
Cash at bank	5,694,594	4,885,269
	288,574,721	297,771,796

26.1.2 Management of Credit Risk

Trade Receivables

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

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

As at 31st December 2018

Age analysis of trade receivables

	Not Past Due	Less than 30 days	31 to 60 days	Past due but not impaired		Impaired	Total
				61 to 90 days	More than 91 days		
Trade receivables	-	43,874,785	138,954	234,949	2,284,216	(2,104,352)	44,428,551

As at 31st December 2017

Age analysis of trade receivables

	Not Past Due	Less than 30 days	31 to 60 days	Past due but not impaired		Impaired	Total
				61 to 90 days	More than 91 days		
Trade receivables	-	59,780,480	14,022	175,030	2,132,243	(2,104,352)	59,997,424

Short term investments

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

Cash & cash equivalents

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

Notes to the Financial Statements

26.2. 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.

26.2.1 The maturity analysis of liabilities

As at 31 December,	2018			2017		
	Carrying amount	6 months or less	6-12 months	Carrying amount	6 months or less	6-12 months
Non derivative financial liabilities						
Trade payables	51,071,528	51,071,528	-	29,129,882	29,129,882	-
Amount due to related parties	402,690	402,690	-	-	-	-
Bank Overdraft	-	-	-	32,128,476	32,128,476	-
	51,474,218	51,474,218	-	61,258,358	61,258,358	-

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

26.2.2 Management of liquidity risk

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

- Regularly monitoring the Company's assets and liabilities in order to forecast cash flows for future purpose.
- Arrange adequate facilities with banks as contingency measures.
- Daily monitoring the facility limits, i.e. overdrafts with banks

26.3 Market Risk

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

26.3.1 Currency Risk

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

26.3.2 Interest Rate Risk

Interest rate risk is the risk to the Company's earnings and economic value of equity ("EVE") arising from adverse movements in interest rates.

The Company does not have any floating rate borrowings nor any deposits which earn interest at floating rate. Therefore the interest rate risk to the Company is minimal.

26.4 Fair values of financial instruments

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

Notes to the Financial Statements

As at 31 December 2018					Carrying amount
	Fair value - hedging instruments	Mandatory at FVTPL - others	FVOCI - debt instruments	FVOCI- equity instruments	Financial assets at amortised cost
Financial assets measured at fair value					
Equity Investments	-	-	-	1,802,764	-
	-	-	-	1,802,764	-
Financial assets not measured at fair value					
Trade Receivables	-	-	-	-	44,428,551
Amount due from related parties	-	-	-	-	29,841,251
Short Term Investments	-	-	-	-	208,610,325
Cash and cash equivalents	-	-	-	-	5,700,694
	-	-	-	-	288,580,821
Financial liabilities not measured at fair value					
Trade payables	-	-	-	-	-
Amount due to related parties	-	-	-	-	-
	-	-	-	-	-

As at 31 December 2017					Carrying amount
	Fair value - hedging instruments	Mandatory at FVTPL - others	FVOCI - debt instruments	FVOCI- equity instruments	Financial assets at amortised cost
Financial assets measured at fair value					
Equity Investments	-	-	-	1,811,142	-
	-	-	-	1,811,142	-
Financial assets not measured at fair value					
Trade Receivables	-	-	-	-	62,101,776
Amount due from related parties	-	-	-	-	41,414,132
Short Term Investments	-	-	-	-	191,474,971
Cash and cash equivalents	-	-	-	-	4,934,307
	-	-	-	-	299,925,185
Financial liabilities not measured at fair value					
Trade payables	-	-	-	-	-
Bank Overdraft	-	-	-	-	-
	-	-	-	-	-

Fair value						
Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
-	1,802,764	1,802,764	-	-	1,802,764	
-	1,802,764	1,802,764	-	-	1,802,764	
-	44,428,551	-	-	-	-	
-	29,841,251	-	-	-	-	
-	208,610,325	-	-	-	-	
-	5,700,694	-	-	-	-	
-	288,580,821	-	-	-	-	
51,071,528	51,071,528	-	-	-	-	
402,690	402,690	-	-	-	-	
51,474,218	51,474,218	-	-	-	-	

Fair value						
Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
-	1,811,142	1,811,142	-	-	1,811,142	
-	1,811,142	1,811,142	-	-	1,811,142	
-	62,101,776	-	-	-	-	
-	41,414,132	-	-	-	-	
-	191,474,971	-	-	-	-	
-	4,934,307	-	-	-	-	
-	299,925,185	-	-	-	-	
29,129,882	29,129,882	-	-	-	-	
32,128,476	32,128,476	-	-	-	-	
61,258,358	61,258,358	-	-	-	-	

Notes to the Financial Statements

The Company has not disclosed the fair values for financial instruments such as trade & other receivables, amounts due from/to related parties, short term investments, trade & payables, since their carrying value are a reasonable approximation of fair values, due to short term maturity periods.

26.5 Financial assets by fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

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

26.6 Capital Management

The primary objective of the company's capital management is to ensure that it maintains a strong financial position and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure, and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares, have a rights issue or buy back of shares.

	31-Dec-18	31-Dec-17
Total liabilities	73,596,402	87,784,570
Less : Cash and cash equivalents	5,700,694	4,934,307
Adjusted net debt	67,895,708	82,850,263
Total equity	244,275,734	240,629,915
Adjusted net debt to adjusted equity ratio	28%	34%

27. Events Occurring after the Reporting Date

There were no material events occurring after the reporting date as at 31 December 2018 that require adjustments to or disclosure in the Financial Statements other than the following disclosure.

28. Capital Commitments and contingencies

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

29. 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 December	2015 (31 March)	2016 (31 March)	2016 -Dec (9 Months)	2017	2018
Revenue	163,143,864	216,633,120	112,024,232	136,129,453	132,805,602
Administrative expenses	(62,011,082)	(102,574,926)	(64,079,199)	(79,725,609)	(83,495,689)
Profit from operating activities	99,513,279	102,323,634	34,825,687	39,949,080	24,219,533
Profit before taxation	103,137,548	110,415,778	48,071,518	62,735,204	46,291,644
Profit for the year	63,811,398	78,947,419	27,933,709	35,571,692	33,720,150
Total Assets	176,666,927	243,876,534	255,229,680	328,414,485	317,872,136
	-	-	-	-	-
Equity	96,124,083	176,146,518	205,480,524	240,629,915	244,275,734
Total Liabilities	80,542,844	67,730,016	49,749,156	87,784,570	73,596,402
Total Equity and Liabilities	176,666,928	243,876,534	255,229,680	328,414,485	317,872,136
Other Information					
Earnings Per Share (Rs.)	0.52	0.65	0.23	0.29	0.28
Market Price Per Share (Rs.)	11.50	8.00	7.00	5.90	5.90
Net Assets Per Share (Rs.)	0.79	1.44	1.68	1.97	2.00
Dividend Payout Ratio (%)	-	-	-	-	0.89
Current Ratio (Times)	1.93	3.58	5.32	3.82	4.56

Shareholder Information

Analysis of Shareholders According to the Number of Shares as at 31.12.2018

Shareholdings	Number of Share holders	Resident			Non Resident			Total		
		No.of Shares	Percentage (%)	Number of Share holders	No.of Shares	Percentage (%)	Number of Share holders	No.of Shares	Percentage (%)	
1 to 1,000 Shares	1,047	314,072	0.26	4	1,454	0.00	1,051	315,526	0.26	
1,001 to 10,000 Shares	524	1,989,462	1.63	4	25,400	0.02	528	2,014,862	1.65	
10,001 to 100,000 Shares	164	5,080,268	4.16	2	125,000	0.10	166	5,205,268	4.26	
100,001 to 1,000,000 Shares	24	5,466,004	4.48	1	993,137	0.81	25	6,459,141	5.29	
Over 1,000,000 Shares	2	108,136,618	88.54	0	0	0.00	2	108,136,618	88.54	
	1,761	120,986,424	99.07	11	1,144,991	0.93	1,772	122,131,415	100	

Categories of Shareholders	Number of Shareholders	Number of Shares
Individual	1,701	13,910,570
Institutional	71	108,220,845
	1,772	122,131,415

Issued share capital as at 31st December 2018	122,131,415
Less	
Parent Company	106,974,618
Subsidiaries of parent	-
Subsidiaries of Company	-
Directors shareholding	-
Spouses & children under 18 of Directors	-
CEO, spouse & children under 18	-
Over 10% holding	
Public holding	15,156,797
Number of Shareholders representing the public holding	1,771
Public holding as at % of issued share capital	12.41%

The Company complies with option 2 of the Listing Rules 7.13.1(b) Less than Rs. 1 Bn Float Adjusted Market Capitalization which requires 10% minimum Public Holding

Shareholder Information

List of 20 Major Shareholders Based on Their Shareholding

No	Name of shareholder	31 st December 2018	
		No of Shares	% Holding
1	Mobitel (Pvt) Ltd	106,974,618	87.59
2	Mr. G.C. Goonetilleke	1,162,000	0.95
3	Mr. F.N. Herft	933,137	0.81
4	Mr. P. Rathnayaka	840,000	0.69
5	Mr. M.M. Fazal & Mr. M.F.M Fazeel	345,570	0.28
6	Dr. M.M. Rinoza	322,400	0.26
7	Mr. M. Fazal	300,032	0.25
8	Mr. M.A.B. Morahela	292,300	0.24
9	Mr. A.H. Munasinghe	277,031	0.23
10	Mrs. N.D. Palliya Guruge	260,000	0.21
11	Mr. H.A.V. Starrex	239,181	0.20
12	Mr. Z.G. Carimjee	231,933	0.19
13	Mr. D.K.A.K. Weeratunga	219,544	0.18
14	Mr. P.A.G. Weerakoon Banda	208,714	0.17
15	Mrs. T.R. Selvanayagam	201,000	0.16
16	EST.Of.Lat L.S.I. Perera (Deceased)	195,260	0.16
17	Mr. M.H.A. Kamil	179,138	0.15
18	MBSL/H.W.R.S. Jayawardena	177,511	0.15
19	Mr. D.P. Kumarasingha	174,989	0.14
20	Dasatha Investments Limited	163,331	0.13

Notice of Annual General Meeting

E-CHANNELLING PLC – PQ 205

NOTICE IS HEREBY GIVEN that the Nineteenth Annual General Meeting of the E-Channelling PLC will be held at Orchid Room of the Bandaranaike Memorial International Conference Hall (BMICH) Baudhdhaloka Mawatha, Colombo 07 on 28th March 2019 at 1.00 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 December 2018, with the Report of the Auditors thereon.
2. To re-elect Mr. K.G.D.Sudharshana a Director who retires at the Annual General Meeting in terms of Article 86 and 87 of the Articles of Association of the Company.
3. To re-elect Mr. S.A.Hettiarachchi Director who retires at the Annual General Meeting in terms of Article 86 and 87 of the Articles of Association of the Company.
4. To re-appoint Messrs KPMG, Chartered Accountants as Auditors of the Company and to authorize the Directors to determine their remuneration
5. To authorize the Directors to determine contributions to charities for the year ending 31st December 2019.

BY ORDER OF THE BOARD OF DIRECTORS OF



E-CHANNELLING PLC
S S P CORPORATE SERVICES (PRIVATE) LIMITED
SECRETARIES

5th March 2019

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, No 409, R A De Mel 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) ofor failing him.

Mr. Pallewatta Gamaralalage Kumarasinghe Sirisena	of Colombo or failing him
Mr. Dallas Joshua Stephen	of Dehiwala or failing him
Mr. Sampath Arunapriya Hettiarachchi	of Nugegoda or failing him
Mr. Dumidu Kanishka Senanayake	of Colombo or failing him
Mr. Lawrence Michael Paratz	of Colombo or failing him
Mr. Nalin Tyrone Marcilan Perera	of Colombo or failing him
Mr. Kapugama Geeganage Dayaneth Sudharshana	of Colombo

as my/our proxy to represent me/us and vote on my/our behalf at the Nineteenth Annual General Meeting of the Company to be held on 28th March 2019 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 December 2018, with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect Mr K.G.D.Sudharshana a Director who retires 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"/>
3. To re-elect Mr. S.A.Hettiarachchi Director who retires 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-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"/>
5. To authorize the Directors to determine contributions to charities for the year ending 31st December 2019.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day of Two Thousand and Nineteen.

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.

Form of Proxy

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 No 409, R A De Mel 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.

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 Diri Savi Board of the Colombo Stock Exchange.

Company Registration Number

PQ 205

Board of Directors

Mr. P.G.K.Sirisena - Chairman
Mr. N.T.M.Perera
Mr. L.M.Paratz
Mr. D.K.Senanayake
Mr. K.G.D.Sudharshana
Mr. S.A.Hettiarachchi
Mr. D.J.Stephen

Secretaries of the Company

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

Auditors

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

Lawyer(s)

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

Bankers

Sampath Bank PLC
Nations Trust Bank PLC
People's Bank
Commercial Bank of Ceylon PLC
National Development Bank
Seylan Bank PLC
Amana Bank PLC
DFCC Bank
Citi Bank

Registered Office of the Company

No.409, R.A.De.Mel Mawatha, Colombo 03.

Contact Details

Telephone No: (+94) 112 502 225
Fax No: (+94) 112 553 686
Website: www.echannelling.com
E-mail: info@echannelling.com



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