

SETTING THE PACE FOR



Lifestyles

@CHANNELLING

CONTENTS

Our Vision | Our Mission | **02**

Financial Highlights | **03**

Chairman's Message | **04**

Board of Directors | **08**

Engaging With Stakeholders | **12**

Material Matters | **15**

Management Discussion and Analysis

Financial Capital Review | **18**

Intellectual Capital Review | **21**

Human Capital Review | **28**

Social and Relationship Capital Review | **35**

Manufactured Capital Review | **47**

Natural Capital Review | **49**

Our Contribution to Sustainable Development Goals | **52**

Risk Management Review | **57**

Corporate Governance | **64**

Audit Committee Report | **75**

Remuneration Committee Report | **78**

Related Party Transactions Review Committee Report | **79**

Statement of Directors in relation to their responsibility for the preparation of Financial Statements | **81**

Report of Directors | **82**

Financial Statements

Independent Auditor's Report | **87**

Statement of Profit or Loss and Other Comprehensive Income | **90**

Statement of Financial Position | **91**

Statement of Changes in Equity | **92**

Statement of Cash Flows | **93**

Notes to the Financial Statements | **94**

Five Year Performance Summary | **138**

Shareholder Information | **139**

GRI Index | **141**

Notice of Annual General Meeting | **143**

Form of Proxy | **147**

Corporate Information Inner Back Cover

SETTING THE PACE FOR



Lifestyles

The financial year 2021 proved to be a pivotal year for eChanneling PLC as it transformed itself to be an integrated digital lifestyle provider. As customers embraced digital adoption and technology we strived to enrich our service offering by enhancing our reach across a wider cross-section of service providers whilst providing a range of timely services. Moving ahead as a future-fit entity we strive to create a digitally-driven medical ecosystem that would promote the overall well-being and health of our nation by enhancing the accessibility of medical services in a seamless platform.

 **CHANNELLING**

OUR VISION

To be the Nation's channeling hub by providing digital life style solutions

OUR MISSION

Provide healthcare & life style information infrastructure in Sri Lanka and help its people live a vibrant Life

OUR VALUES

PASSION FOR INNOVATION
EMPOWERMENT
TRUST
RELIABLE
ORGANIZED
LOYAL
EFFICIENT
UNITED
MOTIVATED



About
the Company

<https://www.echannelling.com/company>

FINANCIAL HIGHLIGHTS

	Year ended 31st December 2021	Year ended 31st December 2020
	Rs.	Rs.
Revenue	193,249,235	130,061,513
Profit from operations	55,864,007	23,012,013
Profit before income tax expense	68,691,890	40,142,538
Profit for the year	53,372,312	30,002,621
Total Assets	464,057,524	392,240,694
Net Assets	344,954,055	291,259,261
Current Net Assets	338,488,319	281,018,473
Net Assets Value Per Share	2.82	2.38
Earning Per Share (EPS)	0.44	0.25
Return on Investment (ROI)	15.47%	10.30%
Gross Profit Ratio	77.9%	80.9%
Operating Profit Ratio	28.9%	17.7%

Return on Investment (ROI)

15.47%

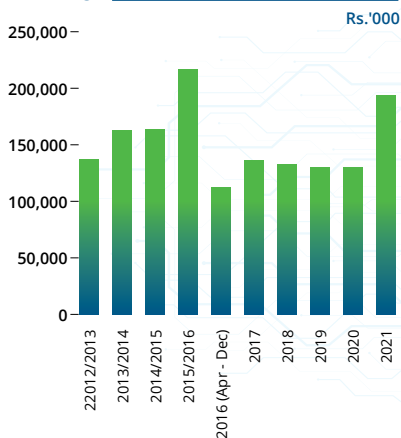
Total Assets

464Mn

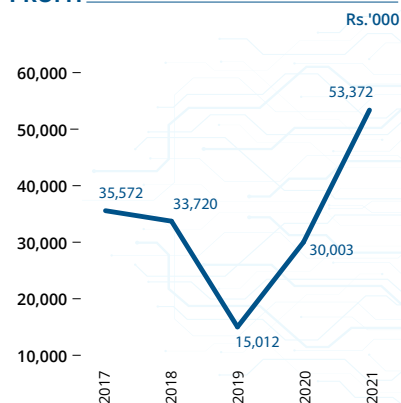
Short Term Investments

244.6Mn

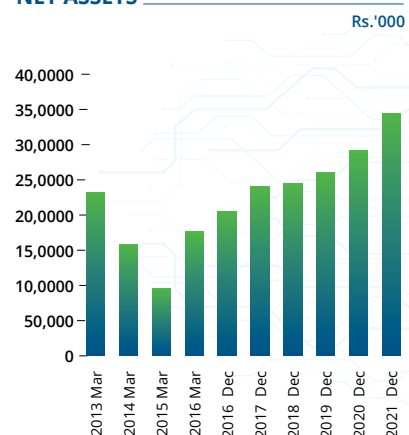
REVENUE



PROFIT



NET ASSETS



CHAIRMAN'S MESSAGE

"To fulfil the Company's transformational goals of becoming a true digital lifestyle service provider in the longer term, we will slowly and steadily execute our strategy to build our non-healthcare services portfolio."



Dear Shareholders,

The year 2021 was an exciting year for eChannelling PLC as we embarked on transforming our business from the sole focus of doctor channelling services to becoming a digital lifestyle services provider. Supporting this transformation is the trajectory of the Company's strong performance in 2021, enabling us to form a firm foundation for our strategic relaunch and future growth.

This shift in our business offering is to align the Company's prospects with the changing needs of consumers and the rapid acceptance and integration of technology to increase efficiency and ease the burden of everyday activities. Accordingly, the Company redesigned and launched our new logo in 2021 to reflect our new strategic thinking and our aim to serve the broader needs of our target markets while building on our fundamental knowledge of being an appointment provider for doctor consultations.

In 2020, considering the COVID-19 pandemic and its impact on people's lives, we discovered the foresight of the Company's business concept of automating patient appointments and offering other healthcare-related services on a digitalised platform. This foresight continued to reward the Company in 2021 as the pandemic continued with new variants of the virus emerging and the government being compelled to continue to implement lockdowns and advocate for limited interaction amongst the population. Resultantly, more people converted to

using the eChannelling appointment platform enabling the Company to realise a substantial growth in new customers, revenue, and profitability.

Macroeconomic Overview

During 2021 the global and local healthcare sector recorded expanded growth mainly due to the COVID-19 pandemic which had a positive impact on the Company's revenue and business growth. This was mainly due to an increasing number of people moving to obtain virtual healthcare services such as audio and/or video doctor consultations and leaning towards completing their healthcare needs on a digital platform as much as possible.

From a local economic perspective, while demand for healthcare services was on the rise, increasing inflationary pressures and a deteriorating disposable income position towards the latter part of the year impacted consumer buying power resulting in impacting the way in which people obtained healthcare services. This had a negative impact on the Company's business as lower-income demographics resorted to visiting dispensaries and general practitioners in proximity to their residence rather than obtain the services of medical practitioners in hospitals.

Exchange rate fluctuations and inflationary pressures also had an indirect impact on the Company's business operations causing cost increases leading to increased operating costs. The impact was particularly realised when purchasing

information technology hardware and software to offer efficient and uninterrupted services to our customers.

Performance Overview

As eChannelling offers healthcare affiliated services, the Company's services continued to be in demand during the curfew and lockdown periods in 2021 as people had to consult doctors for medical treatments, although macroeconomic factors marginalised growth towards the latter part of the year. The Company's digitalised service offering ensured that our customers were able to access our services without interruption while satisfying their increased demand for access to remote appointment facilities and virtual healthcare services such as telemedicine to consult their general practitioners and other specialist doctors. Accordingly, the Company value-added to our existing healthcare services portfolio and expanded the geographical reach to additional towns and cities by onboarding 16 hospitals, 65 pharmacies, and other clinics and medical facilities to offer automated doctor appointment services.

The Company successfully continued to achieve revenue and profitability targets by strategically providing services that satisfied the prevailing healthcare needs of our customers. The continuing impact of the COVID-19 pandemic resulted in new services being added to our healthcare services portfolio which drove business growth in the last two years. In addition, the beginning of or diversification to offer non-healthcare

related services created more value for the Company and with a positive effect on our financial performance. Accordingly, the Company recorded a 49% growth in revenue amounting to Rs. 193.25 million for the year under review compared to Rs. 130.06 million earned in 2020. The Company also recorded a growth of 76% to Rs. 53 million as profit for the year compared to Rs. 30 million earned in 2020. The total assets of the Company amounted to Rs. 464 million at the end of 2021 compared to Rs. 392 million recorded as at December 31 2020. Offering Uninterrupted Services

The Company achieved remarkable growth in new customer acquisitions and expanded significantly in terms of revenue and profits during the year under review. Much of this success is attributed to the COVID-19 pandemic and its impact on economic activity, which enabled the Company as an essential services provider to offer uninterrupted services due to our digital service offering. Our virtual business platforms were a great advantage in this regard, as were the partnerships with hospitals, clinics, and pharmacies which enabled us to meet the growing demand for digital appointments by our customers.

Offering Holistic Healthcare Services

Despite the many challenges that prevailed in the operating environment, much of it driven by the pandemic and impacting healthcare services, eChannelling has notably risen to the

CHAIRMAN'S MESSAGE

task and continued to create value for all stakeholders.

The pandemic operating environment resulted in the Company predominantly focusing on healthcare service offerings, with an inclination towards pandemic-related healthcare services and accessibility. We continued to offer appointments for PCR and antigen testing and obtaining the COVID-19 vaccination. We also introduced a 'Home Care Service' facility where patients infected or suspected of being infected with the virus could consult doctors using either of our audio or video consultation services.

The existing services offered by the Company were also well-embraced by people needing healthcare services as they were able to do so by limiting contact and maintaining safety practices as advised for the prevention of the spread of COVID-19. Resultantly, the virtual doctor consultation service gained popularity during the year as people were able to maintain social distancing while still getting the needed healthcare services from doctors.

We added new partnerships to our hospital and pharmacy networks so that we could create greater value for our customers by automating the purchase of medicines and enabling them a wider choice of hospitals for obtaining their healthcare needs. A key achievement for the Company in this regard is the partnership with the National Transport Medical Institute (NTMI) where people

requiring a medical examination for obtaining a driving license can make an appointment using the eChannelling digital platforms. Overall, our efforts to value-add for our customers enabled us to reach a wider target market while enhancing our service offerings.

The integration of technology within our business functions and processes gave us a considerable advantage to remain operational despite lockdowns while safeguarding both our employees and customers. Much of our technological success is attributed to SLT-Mobitel whose technology and platforms have contributed to the digitalisation needs of the Company while enabling us to enrich the healthcare and other service standards of the nation. Furthermore, we were able to continue to build on our service offering and expand our geographical reach as communication technology infrastructure in the country was expanded to cover areas with limited internet access previously. Technology integration also played a part in creating value for our customers as we were able to offer them a mobile app and a more sophisticated website which is more user friendly and easy to navigate.

Building a Non-Healthcare Services Portfolio

While we continued to keenly build our healthcare services portfolio, the new direction embarked on by the Company continued to be developed in small stages in 2021. One of the first successes in this regard is our partnership with the DS

Office in Thimbirigasyaya to automate the appointment process for obtaining birth/death certificates, marriage licences, permits for land and other development projects, and pension-related services among others, for the greater convenience of our customers.

Maintaining Transparent and Ethical Business Practices

Amidst the many changes that took place in the Company's business operations during 2021, we remained diligent in ensuring that our business operations remained transparent and ethical. We continued to implement good corporate governance practices and comply with the requirements as set out by the Colombo Stock Exchange and the Securities and Exchange Commission. Furthermore, as a provider of healthcare-related services, the Company is privy to the confidential information of our customers, and we continued to remain mindful of the need for data protection and customer privacy. As a digital services provider, ensuring data and systems security is also a critical aspect of our business operations building an organisation reputed to be trustworthy.

From the perspective of our shareholders, we continue to report using the Integrated Reporting (IR) Framework developed by the International Integrated Reporting Council (IIRC). We also have where possible, increased disclosures from a sustainability perspective by applying the Global Reporting Initiative (GRI) standards as relevant. Our efforts

at sharing pertinent information with our stakeholders were also recognised in 2021 when the eChannelling PLC Annual Report 2020 received the Silver Award under the Service Sector category for the first time at the Annual Reports Awards Ceremony held annually by the Institute of Chartered Accountants of Sri Lanka. I am also proud to note that many of the Company's service offerings and activities contribute toward the achievement of the United Nations Sustainable Development Goals (SDGs), as captured in relevant areas throughout this annual report.

Future Focus

The stellar 2021 results demonstrate eChannelling's ability to evolve through strategic shifts, consolidate services and proactively develop timely new revenue streams. This is the basis for our transformation towards becoming a digital lifestyle services provider and a critical strategic change to safeguard the Company's sustainable future. This was also one of the biggest changes implemented at eChannelling PLC in our 20-year history and made possible because of the expertise and experience built over two decades by operating digital services platforms for our core business offering of healthcare services. We expect this new strategic direction to provide more scalability and accelerate business growth, resulting in a future that will undoubtedly be exciting for eChannelling PLC with its robust strategic plan to empower lives and grow business to continue its position as the leader in the digital service space.

To fulfil the Company's transformational goals of becoming a true digital lifestyle service provider in the longer term, we will slowly and steadily execute our strategy to build our non-healthcare services portfolio. Plans are in place to continue to enhance our non-healthcare service providers in the coming year and this will continue to be built sustainably in the coming years.

Furthermore, in the coming years, we continue to remain focused on building on our fundamental healthcare services portfolio, working towards automating the entire personal healthcare service value chain. To make this a reality, we will continuously improve our relationship with existing partner works while we build new partnerships with government and private hospitals, clinics, specialist medical service providers, pharmacies, medical testing facilities, and other related service providers to comprehensively expand our reach in every part of the country and across a cross-section of customers.

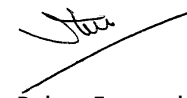
The continued development of technology together with the greater consumer acceptance of technologically driven services will continue to play a significant role in the Company's sustainable business operations. Consequently, researching, analysing, and strategically adopting modern technology will support eChannelling's future endeavours leading to long-term viability and fulfilment of our strategic goals.

Appreciations

While the year has been exciting for the Company it has also had many challenges as can be expected when changes take place. All the progress made thus far, and our strategic transformation as a digital services provider would not have been possible without the support of our parent companies, Mobitel (Pvt) Ltd and SLT PLC. The dedication of the management and employees was also integral to ensuring the Company's success in 2021, and I take this opportunity to thank them for their hard work. I also thank my fellow Board of Directors for their advice and support throughout the year.

Business success is not possible without the trust and cooperation of all stakeholders. I thank our customers, business partners, regulators, healthcare authorities, telecommunication regulators, and all others who have contributed to the growth of eChannelling PLC during the year.

In conclusion, I look forward to the coming year, where eChannelling is set to take forward our transformation within the digital ecosystem of our nation, by accelerating and enabling significant strategic shifts in digital lifestyle services through cutting edge products and superior service offerings.



Rohan Fernando
Chairman

BOARD OF DIRECTORS

Mr. Rohan Fernando

Chairman
*Non Independent
Non Executive Director*



Mr. Lalith Seneviratne

*Non Independent
Non Executive Director*



Mr. Lawrence Paratz

*Non Independent
Non Executive Director*



Mr. Sudharshana Geeganage

*Non Independent
Non Executive Director*



Mr. Sampath Hettiarachchi

*Independent
Non Executive Director*



Mr. Dallas Stephen

*Independent
Non Executive Director*



Mr. Rohan Fernando

Chairman

Non Independent Non Executive Director

Mr. Rohan Fernando was appointed as Non Independent Non Executive Director/ Chairman of the Company on 7th February 2020. He also serves as Director/Chairman of Sri Lanka Telecom PLC, Mobitel (Private) Limited, SLT Digital Info Services (Private) Limited, SLT Visioncom (Private) Limited, SLT Human Capital Solutions (Private) Limited, Sky Network (Private) Limited, SLT Property Management (Private) Limited, Sri Lanka Telecom (Services) Limited, Mobit Technologies (Pvt) Ltd. and Director of Galle Submarine Cable Depot (Private) Limited.

Mr. Fernando has over 41 years of experience in the tea industry and has been successful in innovation, promoting and marketing the traditional beverage of tea in many variants. He is the creator of the global tea brand HELADIV registered in 40 countries. He began his career as a Tea Taster at Carson Cumberbatch & Co., Ltd. in 1975. Mr. Fernando joined Brooke Bond Ceylon Limited and served as a Manager in the Tea Department from 1979 to 1989 with a secondment of one year as a Tea Trader, at its headquarters in the United Kingdom in 1982.

In 1990, he established HVA Lanka Exports as a joint venture with the Dutch agricultural conglomerate HVA Holdings by and expanded the organisation to include several subsidiary companies, HVA Foods PLC., HVA Beverages & HVA Holdings. He functioned as the Chairman and CEO of the HVA Group as well as HVA Farms (Pvt) Ltd., an organic agro-resort in the NWP. Currently he serves on the board of HVA

Foods PLC as its Founder-Adviser. He served on the Colombo Tea Traders Association as a member and also as a Director on the Sri Lanka Tea Board and as an Independent Director of the Sri Lanka Industrial Technology Institute from 2015 to 2016. He is also an Independent, Non-Executive Director of Ceylinco Insurance (General) Ltd.

Mr. Fernando functioned as the President of the National Chamber of Exporters in 2008 and 2009. He served as the elected Chairman of the Tea Exporters Association of Sri Lanka from 2014 to 2016. He is a National award winner since 1997 at the NCE Exports Awards and was selected "Exporter of the Year" winning Gold awards in 4 categories, in 1999. He was also awarded "Sri Lankan Entrepreneur of the year 2015," winning the National Gold award and "Sri Lankan Entrepreneur of the year 2015," with a Provincial Gold award.

He is a multi-disciplined sportsman having represented the school at Rowing, Volleyball, Tennis and Hockey. He represented and captained Sri Lanka at Rowing. He functioned as the president of the Sri Lanka Amateur Rowing Association for several years and was also a senior member of the National Olympic Committee. Currently, he serves as a member of the National Sports Council of Sri Lanka.

Mr. Lalith Seneviratne

Non Independent Non Executive Director

Mr. Lalith Seneviratne, was appointed to the Board as a Non Independent Non – Executive Director on 7th February 2020. He serves on the Boards of Sri Lanka Telecom PLC, Mobitel (Pvt) Ltd. Sri Lanka Telecom (Services) Ltd. SLT Digital Info Services (Pvt)

Ltd., SLT Visioncom (Pvt) Ltd. and Mobit Technologies (Pvt) Ltd.

He is an Engineer by training. He has over thirty-six year's experience in the corporate field, primarily with Motorola Corporation.

Mr Seneviratne obtained a Bachelor's degree in Electronics from the University of Kent, UK and a Masters degree in Electrical Engineering from the University of Calgary, Canada. He pursued a career in telecommunications starting in 1982 at the then Sri Lanka Telecommunications Department (present day SLT). In 1988, he became the Head of Engineering of Celltel, setting up South Asia's first mobile telephone network.

In 1990, Mr Seneviratne accepted a position with Motorola Corporation and moved to Singapore on a regional role. During this period he developed Motorola's relationship with SLT that enabled SLT to provide telephone service to remote areas including restoring telephone service to Jaffna in 1996.

Since leaving Motorola Mr Seneviratne has carried out several professional consulting assignments in telecommunications and renewable energy, while engaging in rural electrification activities during his spare time. He was part of a team that set up four grid connected mini hydropower systems. He implemented Sri Lanka's first off-grid village solar electrification system in 2001 and Sri Lanka's first off-grid village biomass electrification system in 2004.

During the period 2006 to 2009, Mr Seneviratne was a member of the Board of Directors of Lanka Transformers Ltd and its Chairman during the latter part. He was a

BOARD OF DIRECTORS

member of the inaugural governing board of the Sri Lanka Sustainable Energy Authority.

Currently Mr Seneviratne is a member of the Board of Directors of four mini hydropower companies – M/s Escas Owala Pvt Ltd, Escas Ankanda Pvt Ltd, Escas Diggala Pvt Ltd, and Escas Kiula Pvt Ltd.

Mr Seneviratne is the recipient of the Year 1999 Motorola CEO Award for Volunteerism. For his voluntary services to the Department of Wildlife Conservation he was made an Honorary Director in the Department. For his innovation he was elected a Lemelson Fellow and for his sustainable development activities he was elected an Ashoka Fellow. On the 20th Anniversary of the Internet Society of Sri Lanka, he was recognised as one of twenty-five people having contributed to the early development of the Internet in Sri Lanka.

Mr Seneviratne is a Chartered Engineer and a Member of the Institution of Engineering & Technology, UK.

Mr. Lawrence Paratz

Non Independent Non Executive Director

Mr. Lawrence Paratz was appointed to the Board of e-Channelling PLC as a Non-Independent Non-Executive Director with effect from 20th September 2016. He serves on the Boards of Sri Lanka Telecom PLC, Mobitel (Pvt) Ltd, SLT Property Management (Pvt) Ltd., Sri Lanka Telecom (Services) Ltd, SLT Visioncom (Pvt) Ltd, Mobit Technologies (Pvt) Ltd. and SLT Digital Info Services (Pvt) Ltd.

Mr. Lawrence 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 41 years experience in all facets of the telecommunication 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 also serves on the Board of Real Thing AI Pty Ltd, an Australian high technology company with subsidiaries in the USA and UK, and Razorback Pty Ltd, a company incorporated in Victoria, Australia. He is an Advisor to major companies in the Australian Telecommunication market.

Mr. Paratz has had 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. Sudharshana Geeganage

Non Independent Non Executive 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 member of the Audit Committee and Related Party Transaction Review Committee. 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), Chartered Financial Analyst (CFA) and an alumnus of Stanford Lead programme. Mr. Geeganage counts over 26 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 telecommunication provider in Sri Lanka, heading Finance and Corporate Strategy functions.

Mr. Sampath Hettiarachchi

Independent Non Executive Director

Mr. Hettiarachchi was appointed as an Independent Non-Executive Director of the Board of eChannelling PLC on 1st May 2013. He is the Chairperson of the Audit Committee, Related Party Transaction Review Committee and Remuneration Committee. From 2008 to 2013, he was the Chief Financial Officer at Lanka Hospitals Corporation PLC. Mr. Hettiarachchi has over 27 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. Dallas Stephen

Independent Non Executive Director

Mr. Joshua was appointed as an Independent Non-Executive Director of the Board of eChannelling PLC on the 26th September 2012. He is a member of the Audit Committee, Related Party Transaction Review Committee and Remuneration Committee. 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 (700) seven 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 Head Hunting, with a corporate philosophy of 'Partnering Continuous Excellence' within their client organizations. His client organizations consist of some the prominent entities from diverse sectors , such as banking , fast moving consumer goods, Insurance, manufacturing, retail , technology, services Exports etc.

ENGAGING WITH STAKEHOLDERS

Connecting with our stakeholders is the highest priority as it significantly impacts our business activities. The organization's reputation depends on the stakeholders' perceptions and the behavior. Therefore understanding, the changing behavior and different reactions, and perceptions will guide us to craft powerful business strategies and reach our strategic aspirations.



We believe that by approaching stakeholder engagement effectively we can ensure organizational goals and strategies are achieved in line with the needs of each stakeholder. Ultimately by supporting our goals and objectives




we will be better positioned to nurture relationships and meet stakeholder needs.

As we identify strong communication and engagement methods, we can facilitate constant engagement by ensuring transparency and maintain responsive relationships which will enhance our service quality and the organizational image. Our organization operates on a platform where our stakeholders engage with many different roles, and we believe our strong stakeholder engagement process will drive us towards future focused strategies to meet the evolving needs of our stakeholders.



Our stakeholders are:

- **Shareholders**
- **Investors**
- **Employees**
- **Business partners**
- **Customers**
- **Suppliers**
- **Government regulators**
- **Communities**

Type of Stakeholder	Method of Engagement	Material Topics and Concerns
SHAREHOLDERS 	<ul style="list-style-type: none"> • Annual General Meetings • Interim finance statements Quarterly annual report • announcements made in the CSE as and when required 	<ul style="list-style-type: none"> • Return on Investment (ROI) • Sustainable growth • Corporate governance • risk management
INVESTORS 	<ul style="list-style-type: none"> • Annual & Quarterly Reports. • Notices to CSE (in compliance with requirements) 	<ul style="list-style-type: none"> • Sustainable growth and returns • Good governance and transparency. • New opportunities for business growth
EMPLOYEES 	<ul style="list-style-type: none"> • Performance appraisal manual • Email communications • Multi-level staff meetings as required • Work life balance 	<ul style="list-style-type: none"> • Competitive remuneration and benefits • Training and development • Job security • Career progression opportunities • An ethical work place • Work life balance

Type of Stakeholder	Method of Engagement	Material Topics and Concerns
<p>BUSINESS PARTNERS</p> 	<ul style="list-style-type: none"> • Provide channeling management system with its product features. • Enhance efficiency by providing the queue management system. • Enhance effectiveness by providing the hospital information systems. • Modifications and product enhancements with new features for betterment. • Conduct programs and sponsorships for relevant categories. 	<ul style="list-style-type: none"> • Customer- centric service • Customer security and privacy • Enhanced service quality • Compliance handling • Provide health related services affordability of the service. • Enhance the service to cover urban and rural areas. • Adoption of state-of-the-art technology • Maintain conducive relationships with hospitals and health organizations.
<p>CUSTOMERS</p> 	<ul style="list-style-type: none"> • Through our website. • By dialing 225 (24 hours). • By dialing 1225 from a SLT number. • Through the app (android and iOS). • Island wide agencies • Banking partners. • Social media platforms. • Running number system for busy customers. • Special promotions. • Value added service • Compliance handling system 	<ul style="list-style-type: none"> • Expand services to reach maximum customers • Quality of service • Access given to private hospitals for affordable rates (Colombo and suburb areas) • Save customers valuable time by providing value added services • Zero downtime and seamless service without interruptions through superior software • Attracting and retaining the customer base • Innovative with new and value-added services to ensure exceptional customer experience.
<p>SUPPLIERS</p> 	<ul style="list-style-type: none"> • Maintain healthy relationships. • Growth potential. • Regular meetings for different requirements. • Contract negotiations. • Product quality management within accepted standards. • Contractual performance 	<ul style="list-style-type: none"> • Fair and transparent quotation process. • Negotiate with suppliers with mutual understanding. • Completing transactions on a timely manner. • Ease of working. • Maintaining a vendor register

ENGAGING WITH STAKEHOLDERS

Type of Stakeholder	Method of Engagement	Material Topics and Concerns
GOVERNMENT REGULATIONS 	<ul style="list-style-type: none"> • Actively participating in related meetings and forums. • Provide value added services to enhance government services. • Provided our software on FOC basis with the request. • Submit data in a timely manner as a support for National Researches. • Taxation paid on time. 	<ul style="list-style-type: none"> • Compliance with laws and regulations • Contribute to the development of health care regulations • Check policies and procedures with relevant government sector before executing. • Healthy relationships with relevant departments.
COMMUNITY 	<ul style="list-style-type: none"> • Conducting various medical campaigns. • Conduct awareness campaigns in Colombo and rural areas. 	<ul style="list-style-type: none"> • CSR initiatives • Commitment to community • Caring and responsible health care service provider • Following ethical business practices

Reporting Cycle and Date of Most Recent Previous Report

The Annual Report 2021 of eChannelling PLC reports for the 12 months period from 1st January 2021 to 31st December 2021. This period is consistent with the Company's usual annual reporting cycle. The Company's most recent report was for the financial year 2020.

Reporting Framework

Integrated Reporting

- International Integrated Reporting (IIR) Framework issued by the International Integrated Reporting Council (IIRC) in December 2013
- A Preparer's Guide to Integrated Corporate Reporting' in year 2015 and relevant Supplement in year 2017 issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)

Sustainability Reporting

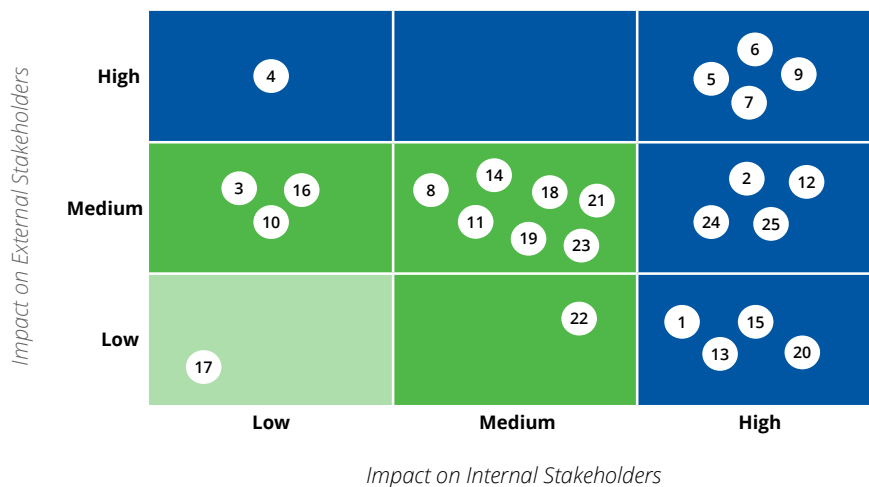
- GRI Sustainability Reporting Standards 2016 - Core option
- UNGC Principles and UN Sustainable Development Goals

The company has adopted GRI Sustainability Reporting Standards 2016 for the second time for Sustainability Reporting. However an independent assurance report has not been obtained due to the external limitations.

MATERIAL MATTERS

We constantly engage in open and detailed discussions with all stakeholder groups to understand their material issues, concerns and expectations. The identified issues are then classified based on their degree of importance to stakeholders and their ability to impact value creation. This enables us to derive insights, which are fed into our strategy planning process to define our strategic objectives. We periodically review these issues, identify the potential impact on our short-term and long-term goals and take corrective action, if required.



















































Material issues are those that may significantly enable. us to create and deliver value to our stakeholders in the short, medium and long-term. These are also issues that can exert considerable influence on the decisions made by our stakeholders. As responsible stewards, we owe it to our stakeholders to periodically assess both our internal aspects and the external business environment, and their interaction in order to identify and deal effectively with material issues. Accordingly, we arrive at a materiality matrix and rate the issues on their criticality. This matrix has been formed based on the issues that are important to our stakeholders and our organisation.



Material matter identification process of the Company

Identify issue	Evaluating & Priorities	Respond and Monitor
<ul style="list-style-type: none"> Matters raised by stakeholders Continues monitoring of the external environment Business model and the risks associated with the same Internal deliberations/research 	<ul style="list-style-type: none"> Based on the level of stakeholder concern Impact on the Company's ability to create value 	<ul style="list-style-type: none"> Specific actions are decided on and monitored regularly

MATERIAL MATTERS

No	Material Matters	GRI Standard	Level of Impact	
			To the Company	To the Stakeholder
1	Adopting new technology	No GRI		
2	Anti-corruption	205		
3	Child labor	408		
4	Community development	413		
5	Corporate governance	102		
6	Customer privacy	418		
7	Customer satisfaction	416		
8	Diversity and equal opportunity	405		
9	Economic performance	201		
10	Effluents and waste	306		
11	Emissions	305		
12	Employee health and safety	403		
13	Employee training and development	404		
14	Energy consumption	302		
15	Expertise acquisition and retention	401		
16	Forced or compulsory labor	409		
17	Human rights	412		
18	Indirect economic impacts	203		
19	Materials	301		
20	Marketing and labeling	417		
21	Nondiscrimination	406		
22	Procurement practices	204		
23	Public policy	415		
24	Regulatory compliance	419		
25	Risk management	202		


 High  Medium  Low

MANAGEMENT
**DISCUSSION AND
ANALYSIS**



FINANCIAL CAPITAL REVIEW



Key Strategic Priorities 2021 	Actions/Activities Implemented in 2021 
INCREASE PROFITABILITY	<ul style="list-style-type: none"> • Implementation of new services • Increase in market share of existing services • Implementation of cost-efficient internal processes and other cost-cutting initiatives
INCREASE SHORT-TERM INVESTMENTS	<ul style="list-style-type: none"> • Re-investing fixed deposits at maturity at higher rates • Periodically review market interest rates and invest with low-risk banks offering higher rates with greater benefits
COMPLIANCES MONITORING	<ul style="list-style-type: none"> • Continuous monitoring at management, audit committee, and BOD levels.
RETURNS TO SHAREHOLDERS	<ul style="list-style-type: none"> • Targeted growth in revenue through new services offerings • Improve market perception of the Company to increase share price
STRONG BUDGET CONTROLS	<ul style="list-style-type: none"> • Set up daily monitoring regimes for revenue and costs. • Link cost management to individual KPIs.

Our Approach

The Company takes a prudent approach to financial resource management to support the administration of multiple business needs while growing the financial assets base and financial value and viability of eChannelling PLC. Furthermore, the Company requires to maintain a strong capital base and liquidity position to create value for other capitals and meet and exceed the value creation expectations of our stakeholders in a sustainable manner. A critical element of creating financial capital value is the need to operate in an ethical

and transparent manner by following all relevant financial standards and adhering to local laws and regulations. The Company has implemented sound financial principles, accounting practices and policies, and accounting standards to ensure the best possible outcome in managing our financial position. The Company also has in place robust financial controls and assurance systems to ensure adherence to all required financial standards, rules, and regulations. Being listed on the Colombo Stock Exchange (CSE), eChannelling PLC also complied with all rules and regulations of the Securities

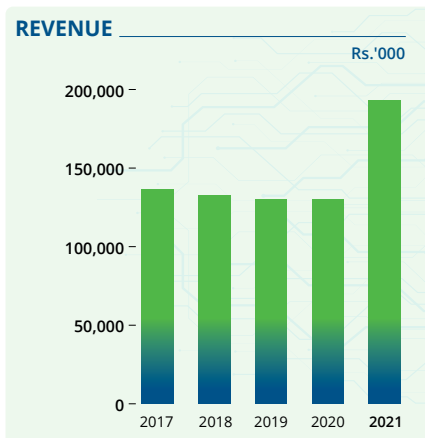
and Exchange Commission and the CSE, thereby reducing any negative impact on financial resource management.

Performance of the Income Statement

The Company's focus on expanding healthcare-related channelling services together with the expansion to non-healthcare related segments has had a positive impact on the income statement and resulted in creating financial capital value for our shareholders and investors.

Revenue

The Company's revenue increased significantly in the financial year ended 2021, mainly a result of the contribution by the medical examination service offered for obtaining a driving licence as regulated by the National Transport Medical Institute (NTMI). Thus, the Company recorded revenue growth of 49% to reach Rs. 193.25 million compared to the Rs. 130.06 million recorded in 2020.



Operating Profit

The Company's operating recorded a significant increase of 143% in the financial year ended 2021 to reach Rs. 55.9 million compared to Rs. 23 million recorded in 2020. This increase is mainly attributed to the increase in the revenue earned for the year with marginal increases in administrative expenses and selling and distribution costs of 14% and 17%, respectively.

Profitability

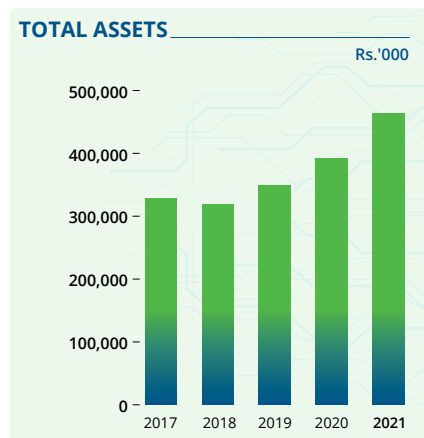
The Company's profit before taxation (PBT) increased substantially by 71% in the financial year ended 2021 to reach Rs. 68.7 million compared to Rs. 40.14 million in 2020. The Company also recorded Rs. 53.4 million as profit for the year compared to Rs. 30 million earned in 2020. The overall increase in profitability is a result of the success of the Company's expansion into non-traditional healthcare-related services.

Performance of the Balance Sheet

The significant growth achieved in eChannelling PLC's balance sheet position over the years is a result of the strategic measures taken to maintain a healthy financial position to enable sustainable growth of the Company and create value for shareholders. The success of the strategies implemented is seen in the year-on-year growth in the total equity position of the Company strengthening the balance sheet position and improving the capital base.

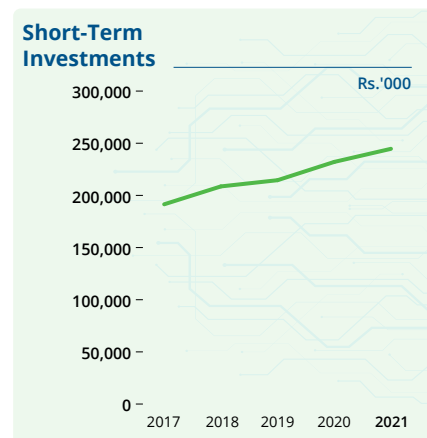
Total Assets

The total assets of the Company increased by 18% in 2021 to Rs. 464 million compared to Rs. 392.24 million recorded at the year-end in 2020. Cash and cash equivalents which increased by 614% to reach Rs. 76.33 million by the year-end was the largest contributor to increasing total assets.



Short-Term Investments

The Company's short-term investments achieved a marginal growth of 5.4% in 2021 compared to the 8.2% growth realised in 2020. The total short-term investments of eChannelling PLC amounted to Rs. 244.65 million at the close of the financial year ended 31st December 2021. The Company's short-term investments comprise of investments in fixed deposits, a less risky investment yielding acceptable annual returns.

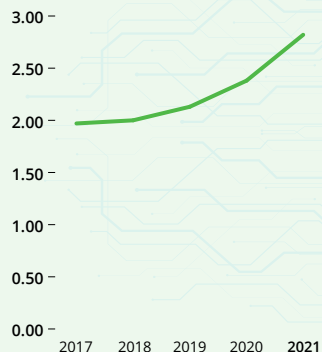


Net Assets Per Share

The growth in the Company's assets base continues to significantly improve the net assets per share position year-on-year. The net assets per share increased by 18% in 2021 to Rs. 2.82 compared to Rs. 2.38 recorded in the previous fiscal year-end.

FINANCIAL CAPITAL REVIEW

Net Assets Per Share (Rs)



Liquidity Position

The Company continues to maintain a healthy liquidity position with no borrowings resulting in maintaining a strong balance sheet position and an acceptable current ratio. The current ratio showed a marginal decline to 4.20 in 2021 compared to 4.30 recorded as of 31st December 2020. The main reason for this decline is the Company's expansion plans and diversification into new related business areas to enable us to main a sustainable business while capitalising on emerging opportunities in the marketplace.

The Company is satisfied with the current ratio levels maintained over the last six years as we can support our ability to meet short-term and long-term obligations to shareholders and other stakeholders in a timely manner.

Earnings Per Share

The Company earnings per share (EPS) realised a significant increase of 78% in 2021 due to the increasing revenues supported by efforts to maintain marginal increases in costs. As a result, the EPS stood as 0.44 at the end of 2021 compared to 0.25 recorded at the end of 2020.

Share Price

The strategic initiatives to move into non-traditional healthcare and non-health channelling services has resulted in increasing the value of the Company in the marketplace. The success of eChannelling PLC's business plans in the last year is seen in the increase in the share trading price of the Company at the Colombo Stock Exchange (CSE) which recorded Rs. 26.20 as of 31st December 2021 compared to Rs. 7.10 on 31st December 2020.

INTELLECTUAL CAPITAL REVIEW



Our Approach



Our marketing, promotional, and sponsorship efforts are aligned with and indirectly contribute towards meeting the UN's Sustainable Development Goal of Good Health and Well-being.

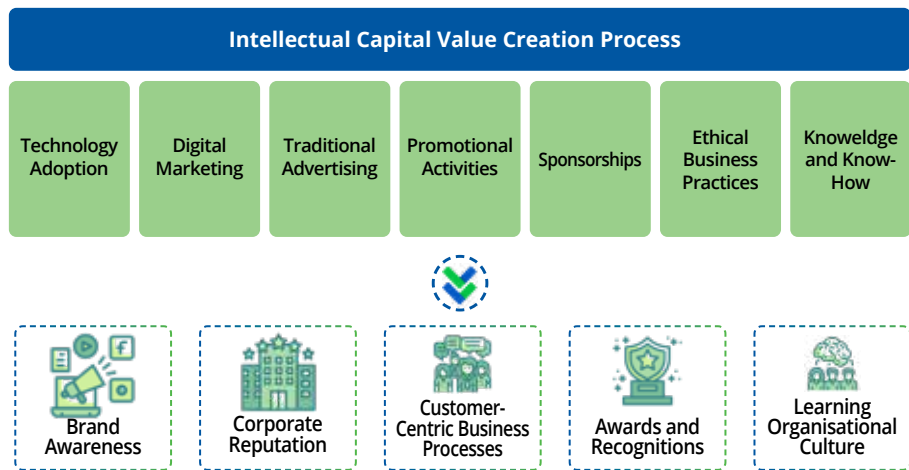
As an organisation whose products and services are offered on a predominantly digital platform, several aspects of intellectual capital are embedded as part of our business operations enabling eChannelling to increasingly create intellectual capital value to benefit our stakeholders, business operations, and the nation's population.

One of the most important aspects of intellectual value creation for the Company is our brand reputation which we have steadily built over the last 20 years. This reputation has supported the Company's endeavours throughout these years and has been the foundation on which we have laid-out our transformative directives in 2021 to lead to a

Key Strategic Priorities 2021 	Actions/Activities Implemented in 2021 
<p>INCREASE AWARENESS OF THE ECHANNELLING BRAND AS “THE NATION’S LIFESTYLE CHANNELLING HUB”</p>	<ul style="list-style-type: none"> • Changed the logo to represent the new business areas of the Company. • All branding at partner business operations updated. • Created awareness of the brand through social media and traditional marketing campaigns • Cascaded the new brand to internal stakeholders.
<p>TO RETAIN THE MARKET POSITION AS THE FOREMOST BRAND OFFERING DIGITAL AND AUTOMATED HEALTHCARE AND NON-HEALTHCARE APPOINTMENT SERVICES IN THE COUNTRY.</p>	<ul style="list-style-type: none"> • Researched and identified new service offerings to meet changing market demand and new consumer trends. • Continued to improve and enhance existing service offerings with new value additions.
<p>KNOWLEDGE ENHANCEMENT TO REMAIN SUSTAINABLE IN AN EVER-CHANGING TECHNOLOGY-ORIENTED OPERATING ENVIRONMENT</p>	<ul style="list-style-type: none"> • Continued to remain vigilant of emerging global technological changes. • Adapted emerging and new technologies to increase customer experience. • Ensure function-specific employees receive training opportunities to understand technology changes and learn about emerging technologies.
<p>INCREASE THE INHERENT KNOWLEDGE OF THE BUSINESS TO SUCCESSFULLY PENETRATE WITHIN THE CHOSEN DIVERSIFIED CHANNELLING SERVICE OFFERINGS</p>	<ul style="list-style-type: none"> • New partnerships to accumulate knowledge of non-core services required to reach and meet consumer expectations. • Capitalise on learning opportunities and train employee to develop new skills and expand knowledge required for business success.

INTELLECTUAL CAPITAL REVIEW

revolutionised change in our business operations for a sustainable future. The trust and acceptance of the nation's people and our stakeholders have enabled eChannelling to build bridges, create vast knowledge-based assets to penetrate within our niche market of digitalising healthcare services while overcoming challenges. It is also this premise on which we are traversing new paths and creating more value for our stakeholders as we shift to navigate through Blue Ocean markets as we diversify our business and encompass our new strategic focus on becoming a national provider of digital services in the coming years.



Incorporating tried, tested, and emerging technology supports the Company's efforts to bring the latest technologies to our customers to increase the efficacy of our product delivery. The Company's traditional and digital advertising efforts support information sharing and create greater market awareness about our reach and services. Investing in increasing inherent knowledge and know-how adds value to the business and our employees and enables the Company to satisfy consumer needs. The Company's ethical business practices coupled with our

corporate values ensure that we remain cognisant of the true corporate culture of eChannelling PLC.

The Company's intellectual capital value contributes towards creating value for other capitals while playing an integral role in eChannelling's sustainable business growth.

Brand Awareness and Corporate Reputation

The eChannelling PLC reputation and brand has been built over 20 years

propelled by our focus on offering innovative and customer-centric digital channelling services that were lacking in the marketplace. Aspects such as business conduct, customer services, and reliable and uninterrupted services have contributed towards our market reputation while enabling the Company to increase its customer base annually.

The year under review was a transformational year for the Company as we moved away from the pure healthcare service offerings to offer a more diversified channelling platform for offering digital appointments across multiple business segments aligned to market demand. The success of this transformation is attributed to the existing reputation of the Company and the widespread acceptance of the eChannelling brand as a foremost digital appointment platform in the industry and by consumers.



This new growth avenue of the Company required us to revamp our logo to capture the future essence of the eChannelling brand to incorporate the concept of 'The Nation's Digital Lifestyle Channelling Hub'.

With this logo change, the Company also implemented an internal and external re-branding exercise, which required re-branding of our digital and social media platforms, below the line and other

marketing materials, and an overhaul of all branded stationery and paraphernalia, as required.

This change in our logo was possible due to our existing customers' overall acceptance of the Company's services and the increasing demand for a more diversified channelling service in Sri Lanka.

Awards and Recognitions

Awards received over the years affirm that the Company is on the right path to creating intellectual capital value for our stakeholders. In 2021, eChannelling PLC for the very first time received the Silver Award for our Annual Report 2020 under the Service Sector Organisation category at the 56th Annual Reports Awards organised by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).



Digital Marketing

The Company continued to use digital media, especially social media platforms such as Facebook, Instagram, and YouTube to create awareness of the products and services offered, promotions conducted, corporate developments, and to provide information on health and wellness topics to the public. The Company's communications and marketing are conducted in three languages – Sinhala, English, and Tamil, to ensure all demographics of the population can benefit from our marketing and communication endeavours.

In addition to social media marketing, our website and the mobile app are used for marketing purposes ensuring all key stakeholders receive timely and relevant information about the Company. Furthermore, eChannelling continues to use other forms of digital media such as

emails, SMS, and other electronic means to distribute information and circulate marketing and promotional materials to specific segments of our customers.

Some of our key campaigns during 2021 revolved around adopting preventive practices related to the COVID-19 pandemic and promoting a healthy lifestyle. The goals of our marketing campaigns continued to revolve around creating greater awareness of diseases and illnesses, encouraging the population to become more self-aware of symptoms that can lead to sicknesses, and general tips and advice on maintaining healthful lifestyles.

INTELLECTUAL CAPITAL REVIEW

Key Digital Media Campaigns 2021

Social Media Campagins

- Vaccination reservation for COVID 19
- COVID-19 Awareness Campaigns
- eChannelling Services Awareness Campaigns
- Expansion of Geographical Reach
- Health and Important day Awareness Campaigns



Digital Media Campaigns

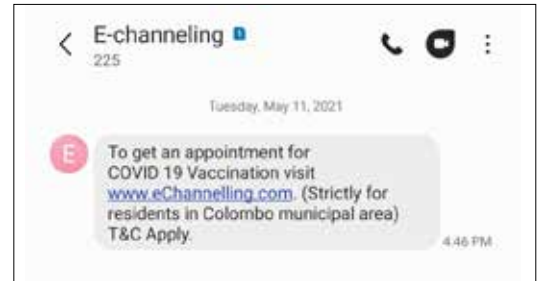
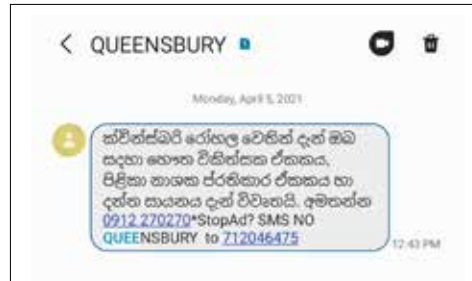
- E-Flyers
- SM promo Campaigns

Influencer Marketing

- E-Flyers
- SM promo Campaigns



To reserve convenient date & time to take your medical certificate for driving license at any National Transport Medical Institute branch. Dial 225 from any Mobile, 1225 from SLT or visit www.echannelling.com. T&C Apply.
*StopAd? SMS NO eChannelling to 712046475



INTELLECTUAL CAPITAL REVIEW

Traditional Marketing

Traditional marketing continued to remain important in our efforts to reach the widely dispersed target consumers who belong to different demographic strata. Accordingly, the Company invested Rs. 10.3 million in both above-the-line (ATL) and below-the-line (BTL) marketing activities including advertising in printed magazines, branding of our service-provider partners, NTMI branch branding, use of light panels, hoardings, branding of doctor name boards, posters, leaflets, and other point-of-sale marketing materials such as tabletop notices, stickers, etc., during the year under review.

The collage displays several marketing assets for eChannelling:

- Top Left:** A poster with the text "CHANNEL YOUR DOCTOR from any SLT branch" and "Channel specialist doctors from private hospitals islandwide through this service". It features an image of a doctor and a patient.
- Top Middle:** A poster for the "Dial 225" service, stating "From any network" and "1225 From SLT-Mobile". It includes instructions to log on to www.echannelling.com and download the app from the App Store or Google Play.
- Top Right:** A poster showing a man in a hospital bed looking at a smartphone displaying a map. Text includes "ඔබ උගම සිටින වෛද්‍යවරයා අවිද්‍යා මධ්‍යස්ථානයේ සිටින විටත් ඔබට අවිද්‍යා මධ්‍යස්ථානයේ වෛද්‍යවරයා සොයාගැනීමට සහ ඔබට ඔබේ වෛද්‍යවරයා සමඟ පැමිණීමට අවස්ථාවක් ඇත." and "The quickest way to find and book a doctor near you!".
- Middle Left:** A poster with the text "ඔබේ වෛද්‍යවරයා මෙහිදී එසේම සැරසේ Channel your Doctor Here".
- Middle Right:** A poster with the text "ඔබේ වෛද්‍යවරයා සොයාගැනීමට සහ ඔබට ඔබේ වෛද්‍යවරයා සමඟ පැමිණීමට අවස්ථාවක් ඇත." and "Book your doctor appointment conveniently via eChannelling with our all new location search and running number feature allowing you to track your appointment in real-time." It also includes the text "Enjoy a hassle-free service when you want to visit a medical centre or a general practitioner with eChannelling."
- Bottom Left:** A poster titled "Consultants List" showing a grid of names and contact information.
- Bottom Middle:** A poster for "New Deimon Hospital" with the text "Channel your Doctor conveniently at New Deimon Hospital via eChannelling".
- Bottom Right:** A poster with the text "විද්‍යා මධ්‍යස්ථානයේ වෛද්‍යවරයා සොයාගැනීමට සහ ඔබට ඔබේ වෛද්‍යවරයා සමඟ පැමිණීමට අවස්ථාවක් ඇත." and "To book your appointment". It includes the eChannelling app logo and the text "Download the eChannelling app" with "Available on the App Store" and "GET IT ON Google play". It also includes the website "www.echannelling.com".

We follow the principles of ethical and transparent marketing and comply with the rules and regulations for safe and trustworthy advertising and marketing as advocated by the relevant Sri Lankan authorities. As a result, there were no instances of non-compliance with any product/service labelling or marketing communication regulations or laws during 2021.

Promotional Activities

Promotional activities play a dual role in encouraging new customers to try our services while rewarding existing customers for their loyalty. In 2021, the Company offered several promotions which supported business growth and enabled us to increase our total customer base and improve our customer retention and repeat customer ratios.



Sponsorships

The Company uses sponsorships to enhance our corporate reputation and increase brand awareness of our products and services within specific target consumer groups. Often, sponsorships also enable us to carry forward our promise as detailed in the eChannelling vision and mission statements. Accordingly, in 2021, the Company sponsored several key events and projects that aligned with our purpose.

- Sponsored the digital awareness campaigns for the National Road Safety program in collaboration with the Sri Lanka Medical Association as a Digital Healthcare Partner

- Circulated the awareness SMS campaign Program for scientific study by recording breathing-related sounds using a smartphone. Supported the research project conducted by the Faculty of Medicine and the Postgraduate Institute of Medicine of the University of Colombo in collaboration with the Ministry of Health as a Communications partner by circulating via SMS an invitation to participate in the scientific study by recording breathing-related sounds using a smartphone. For more details, visit: www.svasa.sshield.org.



Customer-Centric Business Processes

The Company makes strategic and timely investments in information technology and digitalisation as part of our efforts to enable efficient and user-friendly, customer-centric business processes to create long term value for two key stakeholder groups – customers and employees. Being dependent on technology to bring to market our products we must ensure that such technology is current, updated, bug-free, secure, and user-friendly from

both internal and external perspectives. Adopting effective technology ensures our employees can seamlessly offer services to our customers while our customers can make use of our digital tools to fulfil their appointments needs without hassle. We also periodically review and update our business processes based on changes to best practices in conducting business in the digital sphere. Streamlining business processes supports our efforts to serve our customers efficient while building on our brand reputation and thereby increasing the intellectual capital value of the Company.



Knowledge and Know-How towards a Learning Organisational Culture

Knowledge, skills, and experience of employees are important elements that add value to our intellectual capital value and drive towards the development of a learning organisational culture. Our employees' personal experiences, their educational background, their experience working in diverse industries and fields, and the skills they bring to the Company also add value to our business that ultimately creates intellectual capital value benefiting a wider stakeholder group.

Such knowledge gathered over the years also supports business growth and enables the Company to overcome internal and external environmental challenges and make the most of emerging opportunities in the marketplace. The Company encourages our employees to try out new ideas and innovations as these are learning experiences with the success or failure of such activities adding to our repertoire of inherent and learned knowledge leading to long term sustainable business operations.

HUMAN CAPITAL REVIEW



Key Strategic Priorities 2021 	Actions/Activities Implemented in 2021 
EMPLOYEE HEALTH AND SAFETY	Developed and implemented a COVID-19 Infectious Disease Control Policy.
IMPROVE HR PROCESSES FOR EFFICIENT RESOURCE MANAGEMENT	Cloud-based HR system with remote access.
CONTINUOUS EMPLOYEE TRAINING AND DEVELOPMENT	Shifted to virtual training to ensure continued learning.
SUPPORT EMPLOYEES TO BALANCE WORK AND LIFE COMMITMENTS	Offered flexible working hours and remote working options.
ENHANCED REWARDS AND BENEFITS	<ul style="list-style-type: none"> • Gave an average 6-month bonus. • Increased training programs offered. • Insurance cover.

team ensures that employees have the freedom to approach the management on any issues or concerns, or even to discuss new ideas.



OUR HR POLICIES CONSIDER ASPECTS OF HUMAN RIGHTS, NON-DISCRIMINATORY EMPLOYMENT PRACTICES, EQUAL OPPORTUNITIES OF EMPLOYMENT, RIGHTS OF EMPLOYEES TO ENTER INTO COLLECTIVE BARGAINING AGREEMENTS, NO CHILD LABOUR, STRICT ADHERENCE TO LOCAL EMPLOYMENT LAWS, AND THE ADOPTION OF INTERNATIONAL BEST PRACTICES FOR LABOUR.

Our Approach

The power behind the growth and development of our business remains our people. While our leadership envisions the path of eChannelling's future business development, it is the management and employees who implement the strategic plans to achieve this envisioned growth and new business opportunities. Accordingly, the Company treats our people fairly and ethically, by guaranteeing them equal opportunities in employment and career development

while treating them respectfully as individuals with equal rights.

The Company's commitment to our people remains strong. We provide them with training and development opportunities, reward them for their performance, and empower them to reach their full potential in their chosen professional fields.

Furthermore, the Company's open-door policy together with our small

for business expansion. The small employee cadre is also an advantage as all employees are aware of new developments and other critical aspects related to the Company's performance.

To support us in this objective, the Company has in place strong HR policies and procedures which are reviewed and upgraded regularly to align with the changing operating environment and the evolving needs of employees. During the

year under review, the Company updated our HR policies to account for the revised work practices and increased health and safety needs to protect employees in the prevailing COVID-19 pandemic environment. Furthermore, we also launched a **COVID-19 Infectious Disease Control Policy** to strengthen our efforts towards employee well-being and safety and health as well as to create a safe and secure work environment for all.

Overview



We support the United Nations Sustainable Development Goals (SDGs) on **Gender Equality in our employment practices**

We support the United Nations Sustainable Development Goals (SDGs) on Gender Equality in our employment practices.

The digital nature of business operations requires a limited employee cadre enabling the Company to work on a lean business model. However, during the year under review, in line with the proposed business transformation, the Company re-structured our human resources function to enable us to seamlessly fulfil our business goals in the coming years. Furthermore, we are also planning to strengthen our employee cadre in the coming year to meet the emerging requirements that stem from the Company's plans to become "The Nation's Lifestyle Channelling Hub".

The total full-time permanent employees of the Company on 31st December 2021 were 30, two of whom are still under probation and will be merged to the full-time cadre in 2022.

The small employee cadre ensures that all employees are aware of the key developments taking place within the Company and all are free to approach the management to discuss any issues or concerns regarding their work and job requirements, compensation and benefits, co-workers or supervisors, and Company goals and objectives. There have been no employee grievances during the year under review. The small employee cadre also allows for the management to have many opportunities to interact with employees on a one-on-one basis thereby resolving any minor concerns and/or issues as and when they occur.

The Company does not employ child labour and only employs individuals over the age of 18 years. The Company's employees have chosen to not be a part of any labour unions.



Equality, Non-Discrimination, and Gender Balance

The Company's employees are treated equally whether they are male or female, from different ethnicities, or different age groups. We are cognisant that equality and non-discrimination are core human rights concepts. Thus, we ensure that non-discrimination and equal opportunity are rooted within our HR principles and all recruitment, promotions and other employment-related decisions made by basing on the ability of the individual to

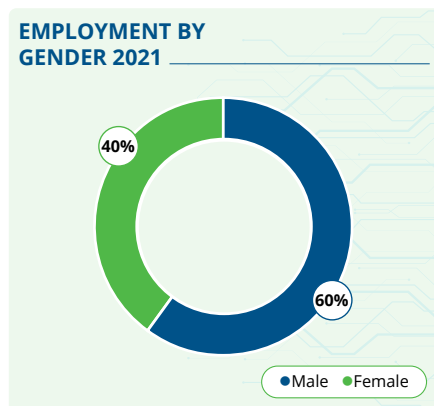
HUMAN CAPITAL REVIEW

do the job without regard to personal characteristics that are unrelated to the inherent requirements of the job role.

Total Employment by Department and Gender - 2021

Department	Total	Female	Male	Female (%)	Male (%)
Administration	2	1	1	50%	50%
Business Development	7	2	5	29%	71%
Contact Centre	4	1	3	25%	75%
Finance	5	2	3	40%	60%
Information Technology	3	-	3	-	100%
Software Development	9	6	3	67%	33%

Total Employees	30	12	18	40%	60%
------------------------	-----------	-----------	-----------	------------	------------



Our performance-based culture ensures equal opportunities for employment from recruitment to promotions, and in terms of compensation and remuneration. We also have a balanced team whose knowledge and experience in various fields supports business growth and development. Of the total, 50% of the Company's employees range between 20 to 35 years, making them a part of

the Millennial and Generation Z cohorts. This is a competitive advantage, as eChannelling's business is founded on technology, and the highly tech-savvy and technology-oriented workforce will propel the Company's sustainable long-term growth objectives to fruition.

Career Development

As a key pillar that creates and adds value to our employees, the Company focused on supporting employees to achieve their expectations in terms of climbing the career ladder. Resultantly, we believe in internal promotions as a first step to fulfilling vacancies before advertising them to the external market. In 2021, the Company promoted three employees. To provide a comprehensive working experience, we also empower employees and encourage them to make suggestions for business development and growth. The Company also practices job enhancement and value additions to existing job roles, often at the behest of the employees themselves. Career development is also impacted by the Company's recruitment process and performance management systems. Thus, we pay special attention to these processes to ensure employees are treated fairly and can achieve their career aspirations.

Total Employment by Department and Gender - 2021

Age Group	2016	2017	2018	2019	2020	2021
20 to 25 years	5	5	6	7	3	1
26 to 30 years	12	11	12	8	7	8
31 to 35 years	9	10	10	8	8	6
36 to 40 years	2	2	2	7	7	11
41 to 45 years	0	0	0	1	1	2
45 to 50 years	1	1	1	1	1	1
More than 50 years	1	1	1	1	1	1
Total Employees	30	30	32	33	28	30

Recruitment and Staff Turnover

The Company's recruitment process only considers the educational background, experience, skills, and subject matter knowledge of individuals applying for an open position in the organisation. Our recruitment process is systematic and entails a series of interviews at different levels testing both soft skills and professional competencies. Only candidates who meet the high expectations of the management and are considered as the right fit for the organisational culture and prospective growth of the business with the ability to create value for the business and our stakeholders are given employment offers.

The Company also realises annual staff turnover as a normal part of business operations. Such turnover is usually minimal, and employees resign due to reaching retirement age, for personal reasons, for more lucrative opportunities in the marketplace, or to migrate overseas. During the year under review, we recruited four people while two employees resigned from their positions with the Company. Employee satisfaction with their careers at eChannelling is seen in the limited year-on-year employee turnover. On average, an employee remains with the Company for 6.5 years.

	2016	2017	2018	2019	2020	2021
Employee Turnover	2	2	4	3	6	7

Service Years	2016	2017	2018	2019	2020	2021
Less than one year	9	7	3	6	1	4
1 to 5 years	9	11	13	11	7	5
5 to 10 years	10	10	12	7	9	9
10 to 15 years	2	2	4	8	8	9
More than 15 years	0	0	0	1	3	3

Total Employees	30	30	32	33	28	30
------------------------	-----------	-----------	-----------	-----------	-----------	-----------

Performance Management

As part of the Company's efforts to strengthen our HR processes and systems and create value for employees, we strengthened our formal performance management system during the year. The system now pre-defines each employee's KPIs depending on the department KPIs and organisational goals. All employees went through the self-appraisal process and received their one-on-one discussions with their immediate supervisor at the year-end review. In the coming financial year, the system will review employee performance bi-annually which will increase the overall effectiveness of employee performance and enable the management to set goals and KPIs more realistically.

Training and Development

Training and development play a dual role – adding value to the business and creating value for employees' personal growth and career development. Accordingly, the Company offers various types of training to our employees in any given financial

year. In 2021, the Company organised and conducted 15 training programmes to train 26 employees in different areas as required by the performance appraisal results. Considering the pandemic situation, all training programs were conducted virtually during the year under review.



HUMAN CAPITAL REVIEW



Rewards and Remuneration

The Company's rewards and remuneration create value and support the other key pillars of employee value creation. This aspect is inherently linked to employee satisfaction and motivation levels, as well as employee welfare and well-being. The Company is aware that rewards and remuneration address all employees' basic compensation needs to live a happy life at an acceptable standard of living.

All employees receive monetary and non-monetary benefits as befits their grade and position within the Company. The Company offers fair compensation and benefits as per the local laws and regulations of the country, and the parent company's policies of employee remunerations.

We review rewards and remuneration annually to ensure they are in line with industry standards and incorporate increased costs of living and inflation rates, as relevant. Salary increments and bonuses

are based on employee performance, achievement of KPIs, and satisfactory completion of job responsibilities. During the year under review, the Company based employees' annual bonuses based on the performance ratings resulting from the upgraded performance appraisal system.

The Company follows a strict policy of settling employee dues on time, usually at the end of the month.

The Company also has a leave policy aligned to the Shop and Office Act of Sri Lanka. As such maternity leave is offered according to the Act. In addition, the Company also voluntarily offers paternity leave. In 2021, one employee took maternity leave and two applied for and received paternity leave. Employees who took maternity leave returned to work on completion of the leave period.

Salaries and Wages

- Paid on time with annual increments.

Biannual Bonus Scheme

- Available to all employees who have worked with the Company for over one year.
- Employees who have been with the Company for less than one year receive a bonus on a pro-rate basis.

Staff Medical Insurance Policy

- In partnership with Sri Lanka Insurance Corporation Limited the Company covers employees and their immediate families (spouse and children) under the staff medical insurance policy. Coverage includes in-patient benefits, out-patient benefits, maternity charges, and some other benefits.

Leave and Vacation Policy

- All permanent employees are eligible for the mandated 14 days of annual leave and 7 days of casual leave as per the Shop and Office Act of Sri Lanka.
- An additional 07 days of medical leave is also given.
- Maternity leave is granted as per the employment regulations of the country.
- On a need basis, the Company also approves compassionate leave and paternity leave.
- Special leave for COVID-19 on a need basis

Flexible Working Hour Policy

- Employees can work flexible hours during the work week if they clock in the requisite 09 work hours weekly at our office premises, and business is not adversely impacted.

Staff Mobile/Device Policy

- Employees are given the option to buy or upgrade their smartphones or smart devices every two years with the Company providing an allowance for the purchase aligned to the employee grade.

Staff Loan Policy

- All permanent employees are eligible to apply for a staff loan which is equivalent to their basic salary multiplied by 2.5 times for any emergency without an interest being charged and with a repayment period of six-monthly instalments which is deducted from their monthly salary without adversely impacting 40% of employees' take-home salary.

Educational Reimbursement Policy

- All permanent employees are eligible to obtain reimbursement on the annual fee paid to professional organisations, and fees paid to obtain an academic/professional qualification (within pre-agreed limits) from the Company dependent on the bond agreement.

Option to Purchase Used Laptop

- The employee is given the first choice to purchase a laptop being replaced by the Company at a minimal cost of Rs. 10,000/-.

eChannelling Health & Well-Being Policy

- Employees receive training, care, and tips to maintain good physical and mental well-being, especially that which arises due to work-related stress.

Remote Working/Working from Home Policy

- To ensure the health and safety of employees, the Company developed and implemented the working from home policy in 2020.

Work-Life Balance

To create real value for our employees, the Company is keen to establish a work-life balance to enable employees to manage their personal commitments with their professional responsibilities. Work-life balance is also important to keep employees satisfied and motivated. This concept has been critical in the last two years where employees were required to work from home while managing the additional personal responsibilities that arose due to the prevailing pandemic environment.

Employee Engagement and Motivation

As part of our efforts to keep employees engaged and maintain high levels of motivation, the Company organises various events and programs for employees throughout the year. These events also support building trust and comradeship

between teams. As most employees worked from home during the year, we organised several online games to facilitate employee engagement and dissipate the feeling of working in silos. These events helped employees regain the feeling of teamwork and working together as one family while being rewarded with cash prizes for placing at first or second place in the games.

Guess the Song



HUMAN CAPITAL REVIEW



We support the United Nations Sustainable Development Goals (SDGs) on **Good Health and Well-Being as part of our employee welfare activities.**

Employee Welfare

The eChannelling “Health and Well-Being Policy” guides our efforts related to employee well-being and good health. As part of the Company’s welfare initiatives, during 2021, we sponsored COVID Home Care packages for all our employees and their immediate families who were infected with the virus. This care package included a dedicated doctor for 14 days, the provision of an Oximeter and free medication.

Occupational Health and Safety

The last couple of years has increased the Company’s focus on the health and safety of employees due to the pandemic outbreak. To ensure employees safety and health, the Company’s management continued to encourage employees to work from home and limited employee visits to our office premises for critical work functions which required their physical presence. When visiting the office, employees were expected

to adhere to all government-mandated COVID-19 safety rules, such as wearing face masks, temperature checks, hand washing, sanitising, and social distancing. The Company also continued to monitor employees’ exposure to the virus and sponsored PCR tests for unwell employees.

Employee Grievances

Any minor and/or non-critical issues faced by employees are handled on a one-on-one basis by the employee and immediate supervisor. The Company has had no major issues related to employee grievances in the year under review.

SOCIAL AND RELATIONSHIP CAPITAL REVIEW



Our Approach





Our community-related advocacy supports the United Nations Sustainable Development Goals (SDGs) **on Good Health and Well-Being**



We support the United Nations Sustainable Development Goals (SDGs) **on Responsible Consumption and Production by best in class procurement practices.**

Our approach to creating value for social and relationship capital encompasses the need of our diverse stakeholder groups—customers, business partners, government, suppliers, and the wider community. It also considers the growing and more demanding requirement of the public to utilise information technology to complete mundane daily tasks and expedite and make more efficient lifestyle channelling needs which now expand beyond the healthcare services sphere. For the Company to remain sustainable in this changing operating environment it is imperative that we cultivate close

Key Strategic Priorities 2021 	Actions/Activities Implemented in 2021 
<p>CONTINUOUS INNOVATION TO MEET CUSTOMER NEEDS AND IMPROVE EFFICIENCY, USER-FRIENDLY ASPECTS OF THE COMPANY'S SERVICES.</p>	<ul style="list-style-type: none"> • Drug delivery from the nearest pharmacy in the town. • Homecare packages for corporate and retail clients. • Post care packages for customers who require post-recovery from illnesses. • Introduced the tele channelling feature through the doctor app for both iOS and Android devices. • Relaunch of the eChannelling revamped website with the latest UX/UI features.
<p>EXPAND BUSINESS PARTNERSHIPS LOCALLY AND INTERNATIONALLY TO OFFER A WIDER CHOICE AND VARIETY OF HEALTHCARE-RELATED SERVICES.</p>	<ul style="list-style-type: none"> • District Secretariat (DS) Office partnership • Launched the National Pharmacy Helpline, the first of its kind in Sri Lanka.
<p>SUPPORT THE HEALTHCARE GOALS OF THE GOVERNMENT</p>	<ul style="list-style-type: none"> • Adding hospitals and clinics in smaller, less populated, and/or rural towns and villages within the channelling network. • Introducing services that are specific to the pandemic – PCR and antigen test appointments, vaccination appointments
<p>SUPPORT THE HEALTHCARE-RELATED NEEDS OF THE NATION'S POPULATION THROUGH SPONSORSHIP AND OTHER COMMUNITY PROJECTS.</p>	<ul style="list-style-type: none"> • Collaboration with SLMA-Safe Sri Lanka road safety campaigns to create awareness of safe driving • Other CSR activities
<p>EXPAND CHANNELLING SERVICES TO SUPPORT EMERGING AND GROWING MARKETPLACE NEED FOR DIGITAL SERVICES</p>	<p>Expanded our retail approach to integrate seamlessly within the concepts of digitalised service offerings.</p>

SOCIAL AND RELATIONSHIP CAPITAL REVIEW

relations with our key stakeholders to enable us to identify with their diverse and changing requirements while ensuring our business remains relevant and viable.

Accordingly, the Company has devised specific strategies to create long-lasting value for our different stakeholder groups. We work towards developing and offering new products/services for our customers and expanding our geographic reach across the country to offer our services to smaller and less developed towns. Identifying with the increasing use of digitalisation, we endeavour to make available our e-channelling platform across various digital devices to make services easily accessible across a wider cross-section of consumers. The Company's rising focus on diversifying our services also enables our customers to access added products and services from one platform while increasing their choice of services and service providers.

Our strategies to create value for our customers also support the growth of our business partner network while creating value for this stakeholder group. Our business partners they too can grow their bottom line and increase their reach as eChannelling continues to expand our geographic presence. The Company's increasing footprint in non-healthcare services also increases opportunities for other types of related businesses to increase their customer base, and reach pockets of consumers who were otherwise hard to reach .

We support the United Nations Sustainable Development Goals (SDGs) on Responsible Consumption and Production by best in class procurement practices.

Our community-related advocacy supports the United Nations Sustainable Development Goals (SDGs) on Good Health and Well-Being

As the Company business is founded on offering healthcare services to the nation's population, our business goal is well-aligned to support the government's healthcare goals. Furthermore, our expansion of services in the non-healthcare sector promotes greater awareness in the market of myriad services available locally, thereby benefiting the economy of Sri Lanka.

The Company's efforts to create social and relationship capital extend to the wider community. We advocate and sponsor many community events, activities, and projects which add value across societal groups, benefiting them in the long term. Furthermore, our services too are geared to benefiting the public at large and making healthcare and other services more reachable, which also support the achievement of Good Health and Well-Being, one of the UN Sustainable Development Goals (SDGs).

Overview

The year 2021 was a transformative year for the Company. We worked towards adding value for our stakeholders by

offering a wider services portfolio to encompass a larger variety of non-healthcare related services in addition to the expansion of our healthcare-related service portfolio through our e-channelling platform.

With the continuing pandemic situation, we also added services that would support our stakeholders in managing the prevailing situation more effectively while being able to adhere to the precautions of social distancing and obtaining vaccinations.

Our Customers

Our customers are the most important part of our business. They are the people who demand our services and resultantly drive business growth. To create value for our customers, we focus on being customer-oriented. This simply means that we prioritise and allocate adequate resources to improve and enhance specific customer-centric services and product offerings. Accordingly, our focus for 2021 remained on customer convenience, modernisation of our services, making services available across a range of technology platforms and other traditional channels, expanding our geographic presence by partnering with healthcare and non-healthcare service providers, making digital channels more user-friendly, and the use of third-party services such as online payment gateways.

New Product/Service Offerings

Giving due consideration to the prevailing pandemic conditions and the need for monitoring patients quarantined

at home, the Company introduced the 'Home Care' Service. This service supports the monitoring of COVID-19 positive asymptomatic and mildly symptomatic patients, who have been deemed fit for home quarantine by the government healthcare services by providing a dedicated doctor consultation and remote monitoring of the patient's health condition via Audio/Video facility, together with the provision of an Oximeter and Blood Pressure Monitor for their use for a specified period.



Simple and User-Friendly Process for Making Appointments

The launch of the National Pharmacy Helpline by eChannelling together with SLTMobitel in collaboration with the Society of Government Pharmacist Association (SGP) under the Health Ministry will create value for both the Company's existing customer base and the wider community. The idea behind the National Pharmacy Helpline is to enhance the healthcare experience of the public across the island by providing them with easy access to medical advice on prescriptions and doorstep delivery of medicines by government registered pharmacies across the island.



120 dedicated national pharmacies



Anyone can dial 120 from any telco network

Use the various eChannelling digital and traditional channels to make hassle-free appointments

Choose from our range of healthcare and non-healthcare service offerings

Choose a preferred payment method

Visit the healthcare and non-healthcare service provider location physically or utilise our virtual consultation services as preferred/offered

Conclude the service by:

Making a follow up appointment

In case of doctor cancellation, automated process to claim refunds

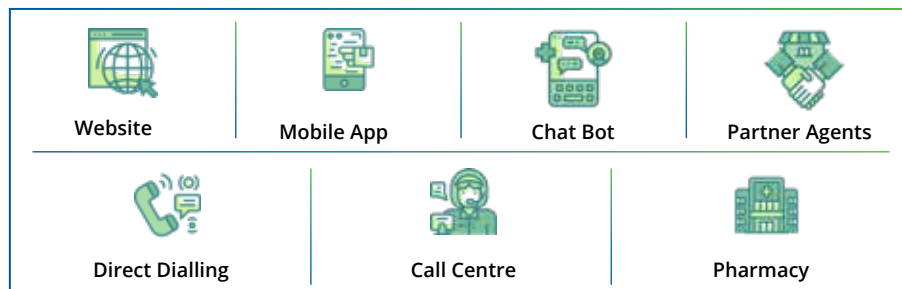
On successful conclusion of consultation, use digital systems to fulfill prescriptions

Customer Convenience

Our efforts to increase customer accessibility have resulted in the Company's services being available through diverse traditional channels and digital platforms. We also offer a range of value-added services that increases customer convenience and satisfaction when using the Company's products.

SOCIAL AND RELATIONSHIP CAPITAL REVIEW

eChannelling's Service Channels

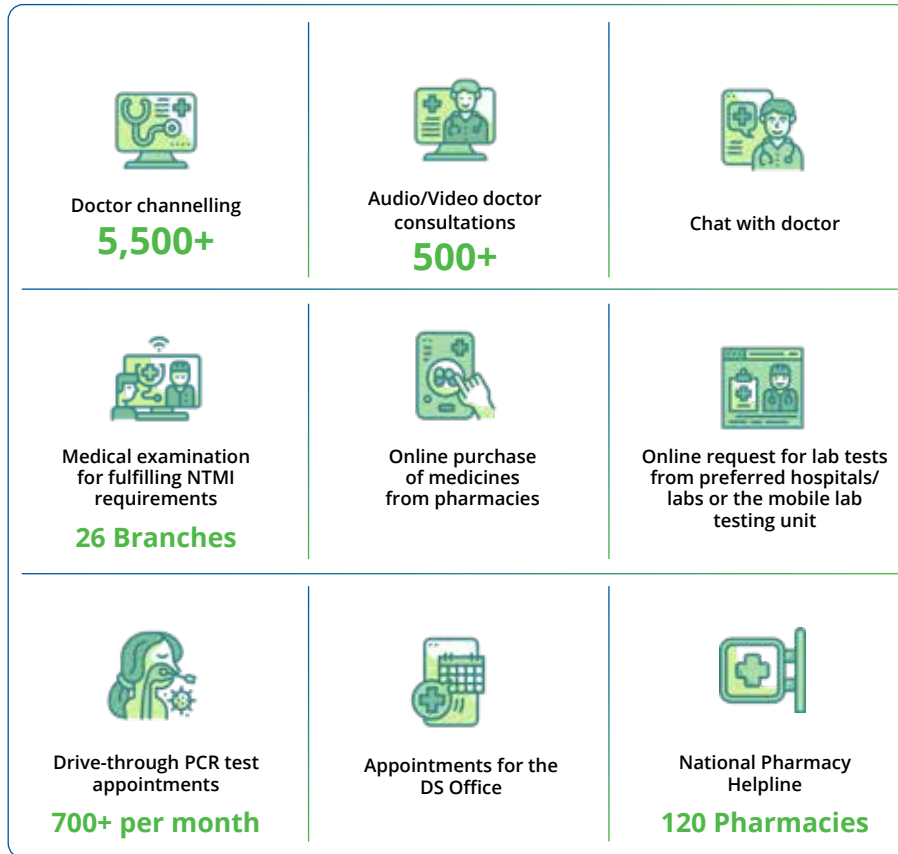


Furthermore, during the year under review, the following products and services were introduced for our customers' convenience.

Healthcare Services	Non-Healthcare Services	Value-Added Services
Home Care Service for COVID-19 patients	DS Office appointments	Upgraded call centre to operate 24 x 7
COVID-19 vaccination registration	Chat with a counsellor	Deployed a new website and mobile app
Chat with a doctor		
COVID-19 post-care service		
National Pharmacy Helpline		

- 24 x 7 Call Centre Operations on 0710225225
- Direct Dial 225 to make an appointment from anywhere on any mobile network or Lanka Bell landline
- Direct Dial 1225 to make an appointment from anywhere at any time on the SLT land-line network
- Online channelling (web portal and mobile app)
- Walk-in facilities at pharmacies, banks, and other agents to make consultation appointments
- Pay and Go kiosks located in public places
- Automated process for claiming refunds on the website
- eChannelling's own self-help kiosk machines
- Partnerships with Government Hospitals'
- Running number (queueing) system
- Multi-channel digital touch points for easy settlement of payments

Product Portfolio



Our partnership with the DS Office is another first for eChannelling PLC. This partnership will enable the Company to offer the public the opportunity to make an appointment at the DS Office located in Thimbirigasyaya via the eChannelling website. This will increase customer convenience and make the process of obtaining birth/death certificates, marriage licences, permits for land and other development projects, and pension-related services among others, hassle-free.

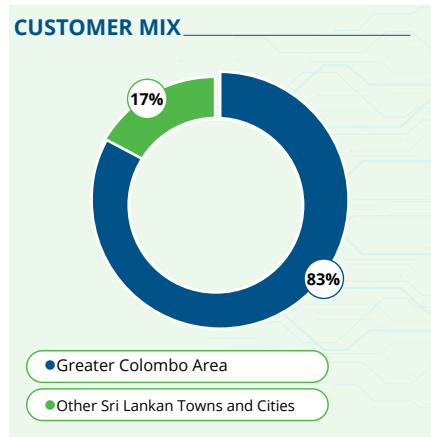
Customer Relationship Management

As a consumer-centric business organisation, the Company continually interacts and communicates with our customers. We use various communication tools to support our efforts to build long-lasting relationships with our customers. Social media plays a critical role in this engagement effort and enables us to inform the public about new service offerings, share health tips, and disperse important information about illness-, disease- and healthcare-related information.

 **+ 110,000 Followers**

The Company continues to offer new and innovative products and enhancements to our services, resulting in continually positive responses from our customers while enabling us to build stronger relationships. The year-on-year increase in our customer base and repeat customer ratio proves the success of our customer-centric business model and our strategies to create value for our customers through dedicated strategies.

SOCIAL AND RELATIONSHIP CAPITAL REVIEW



The Company's customer mix is slowly broadening with our dependence on the Greater Colombo region reducing as we increase our geographic presence across the country. This customer mix will continue to become more risk-averse in the coming years, as we not only continue to expand our geographical reach but also further diversify our product portfolio to include non-traditional healthcare services and non-healthcare services.

Customer Privacy

As a company that has access to the personal and medical records of our customers', customer privacy, data security, and information protection are key aspects of maintaining customer confidence and relationships. The Company ensures that all customer information is treated as highly confidential while giving access to

employees only on a need basis. We prioritise IT security by putting in place adequate firewalls and other security measures to protect our systems, software, and data.

Operating in the digital sphere, the Company also uses advanced IT security systems and anti-hacking software with strict protocols for processing data to ensure customer privacy remains a high priority. IT systems and software are also regularly updated and upgraded to ensure systems efficiency and optimal operational levels aligned to external developments in the industry and emerging new data threats.

During the year under review, the re-launch of the Company's website and mobile apps also resulted in us incorporating more stringent security measures for increased customer privacy. We also use experts in the field to guide and direct us to continually improve customer privacy and data protection protocols.

As a measure of assurance, the Company conducts bi-annual audits and regular vulnerability tests in collaboration with TechCert, which is Sri Lanka's first and largest Computer Emergency Readiness Team. During the year under review, the Company also did not experience any negative issues regarding customer privacy and/or loss of customer data.

Customer Grievances and Feedback

As a customer-centric organisation, the Company constantly endeavours to improve the way we handle complaints and grievances from our customers. As a result, we implemented several channels through which customers can contact us, including a dedicated page on our website, email ID, hotline, or by using the 'message us' facility offered across our social media platforms.

Customer Feedback

Hotline: +94 (071) 0225225

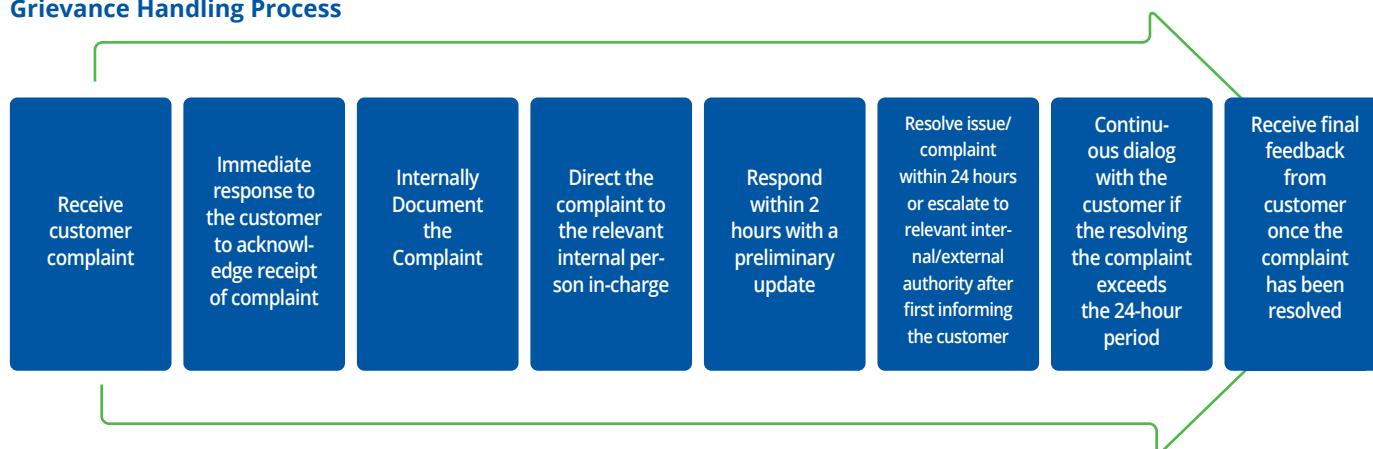
Email: info@echannelling.com

During the year under review, we implemented more stringent monitoring of calls received at our call centre and ensured that customer inquiries, feedback, complaints, or grievances were escalated to the relevant teams as per the guidelines of the Company's grievance handling process. We also put in place a system to digitally document customer complaints which will now be retained for two years as per the Company's grievance policy. Furthermore, we enhanced the process for evaluating customer feedback regarding our products and services, so that valuable suggestions are expedited for inclusion within our regular systems improvement and enhancement activities.

The Company's dedicated 24x7 call centre answered over 100,000 calls from customers and maintained a maximum 48-hour timeframe for resolving issues/complaints received. The next step for the Company will be to implement a

sophisticated customer-centric CRM module that deals with customer grievances and feedback and automates processes for greater efficiency and effectiveness.

Grievance Handling Process



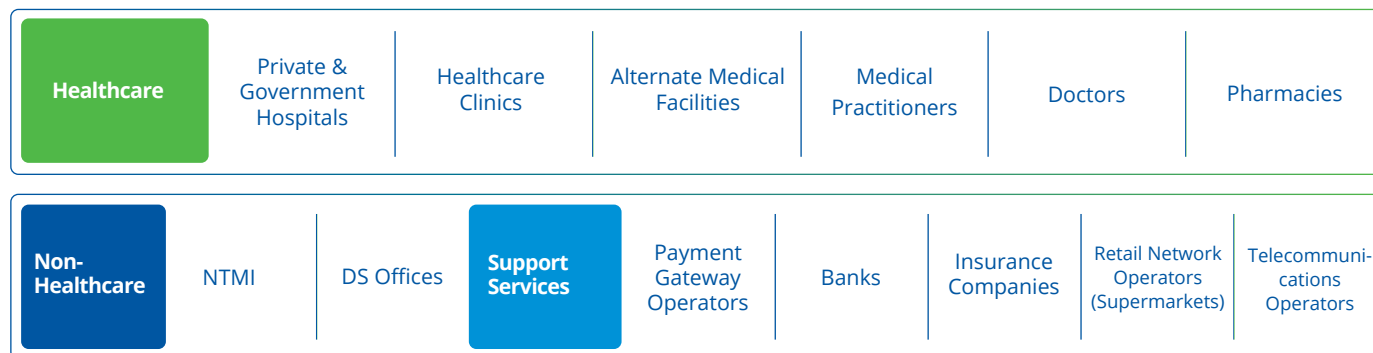
The Company's customer grievance handling process is supervised by a committee comprising members from different departments and seniority levels. They oversee that all grievances/complaints received are handled appropriately and confidentially and resolved to the satisfaction of all parties concerned. In 2021, the Company was not subject to any major grievances from customers about our products, value-added services, delivery methods, while minor complaints were handled and closed to the satisfaction of the customers.

Our Business Partners

The Company's business partners are an important stakeholder group as they facilitate the operations of eChannelling enabling sustainable business growth. They comprise healthcare service providers and non-healthcare service providers who offer their services via eChannelling's appointment platform. Our partners also consist of banks, agents, other payment gateway operators who support our business activities.

Year-on-year growth in our partnership network proves the value of our strategies. We've successfully grown our partnerships by 20% in the last five years.

SOCIAL AND RELATIONSHIP CAPITAL REVIEW

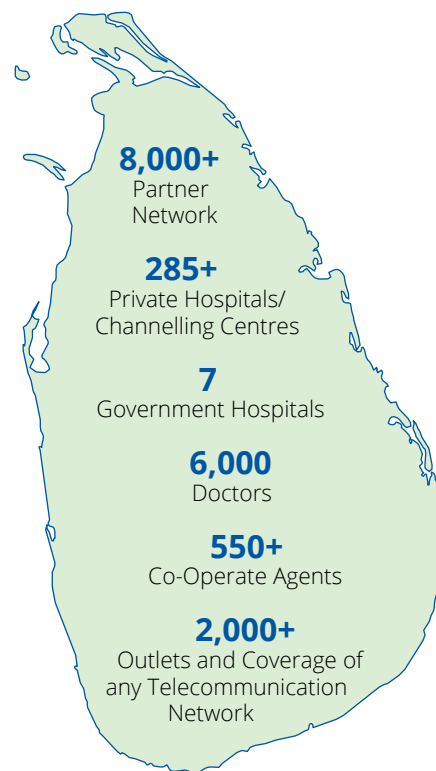


The Company adopts several strategies to create value for our partners. These include expanding our geographical reach, creating awareness of our product/service portfolio in the marketplace, offering valuable insights on partner services based on customer feedback, and increasing our value-added service offering to partners. As we onboard new partners, we also provide their teams with training so they can better understand and use our eChannelling platforms.

The Company also creates value for many small businesses located in small towns across the country by encouraging

these businesses to become a part of the eChannelling network, thereby contributing to their growth and indirectly impacting the economic growth of these towns.

During the year under review, the Company added 16 Hospitals and 65 pharmacies partners to our overall partnership network



Our Suppliers

Entities that provide support services and other goods for the Company's daily operations and to continue with the provision of uninterrupted services to our business partners and customers comprise our suppliers. These suppliers are broadly categorised into three groups:

1. System support & hardware suppliers.
2. Media, advertising, printing, and promotional material suppliers; and
3. General administrative and other software suppliers.

The Company business is structured around partnering with local organisations and this cascades to our supplier partnerships as well. To date, we have formed more than 20 supplier partnerships mainly based in Colombo. On average, the Company's supplier partnerships range over three years with the longest being over 20 years.

Part of our efforts to create supplier value revolves around giving suppliers adequate time to supply goods and services and ensuring that their invoices are settled as per payment terms.

Procurement Process

The Company has a strict procurement process to ensure a fair and ethical system is used for partnering with our suppliers. Accordingly, prospective suppliers must undergo a thorough

screening process to ensure their authenticity as an organisation and the quality of their products and services. Thereafter, approved suppliers are added to our supplier database, and the Company's authorised employees use this database to purchase goods and services. The Company also follows a policy to request three quotations for any purchase orders, to enable the comparison of prices, quality, and service levels among other key aspects required.

Our Community

The community within which we operate our business is a stakeholder with whom we have an interconnected relationship. This is because our employees, customers, business partners, and investors are all an integral part of the wider community and any value we create for the community indirectly has a positive impact on them as well. The Company's business operations, products, and services are also geared toward meeting the healthcare needs of a digitally savvy consumer residing within the wider community. Our newly launched National Pharmacy Helpline is a one of a kind service that anyone from the public can access and make use of, adding further value to the community at large. The COVID-19 vaccination appointment through the eChannelling platform was a service offered for free to the public.

COVID-19 vaccination program in progress in Colombo



SOCIAL AND RELATIONSHIP CAPITAL REVIEW

Additionally, we also subscribe to the concept of corporate social responsibility (CSR) and participate or sponsor in community events related to healthcare as we operate primarily in the healthcare sector. In 2021, the Company participated in three community CSR projects. We sponsored employee events organised by leading Colombo private hospitals and participated in CSR projects in collaboration with corporate partners.

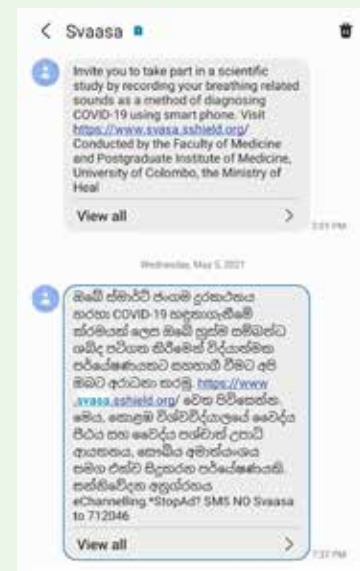
Key CSR Projects of 2021



Sponsored the national road safety project in collaboration with the Sri Lanka Medical Association as the digital health care partner to increase awareness of the public on road safety.



Supported low-income communities by distributing 300 nutrition packs to the children residing in the Ruwanwelisaya and Seruwawila areas in collaboration with Mobitel (Pvt) Limited.



SMS awareness campaign for scientific study on recording breathing related sounds using the smartphone.

Our collaboration with partners for increased engagement with the wider society.

Homecare Services for Corporate Partners

Expert care comes home with eChannelling Home Care

Symptoms of Abans Group with wide experience in providing home care services to patients with chronic health conditions.

Medicated Courier
Consultation offered remotely & daily monitoring of health vitals for a period of 14 days

Abans Group offers the following services:

- Medication Management
- Wound Care
- Diabetes Management
- Respiratory Care
- IV Management
- Health Monitoring
- Remote Patient Monitoring
- Telemedicine
- Virtual Care
- Remote Patient Monitoring
- Virtual Care

Abans The care for your ability...
eCHANNELLING

Package for individuals who are their family

Subscribe to eChannelling Homecare package for your employees

How would your employee benefit?

Access to a dedicated doctor and daily remote monitoring of health vitals for 14 days

Additional Oximeter and/or Blood Pressure monitor will be delivered to their doorstep at an additional charge

Hotline 071 022 5225

eCHANNELLING

Experiencing Symptoms?

Subscribe your eChannelling Homecare package today!

Expert care comes home with eChannelling Homecare

SLTMobitel joins hands with eChannelling to strengthen their employee wellness

Symptoms of SLTMobitel Group with mild symptoms of pre-hypertension will have free access to Medicated Courier Consultation offered remotely & daily monitoring of health vitals for a period of 14 days

SLTMOBITEL
The Connection
eCHANNELLING

The Company's online awareness campaigns continued to provide information and knowledge about illnesses and diseases and the preventive measures that can be adopted by the public.

Save your loved ones, before they fade away

Minutes can Save Lives

WORLD STROKE DAY 2021

Download the eChannelling app from Google Play Store / App Store

www.echannelling.com

eCHANNELLING

ආර්ථික ලක්ෂණ

විකල්පවාහන භාවිතා කිරීමේ ක්‍රම

සුවසේ ජීවත් වීමේ ක්‍රම

සුවසේ ජීවත් වීමේ ක්‍රම 2021

ආර්ථික ලක්ෂණ

- සුවසේ ජීවත් වීමේ ක්‍රම
- ආර්ථික ලක්ෂණ
- විකල්පවාහන භාවිතා කිරීමේ ක්‍රම

Download the eChannelling app from Google Play Store / App Store

www.echannelling.com

eCHANNELLING

Happy International Nurses' Day

Some heroes wear capes, some wear Nurses' hats and work every second to save lives.

eCHANNELLING

SOCIAL AND RELATIONSHIP CAPITAL REVIEW



Compliance Updates

	Company Response
Legal Actions for Anti-competitive Behaviour, Anti-trust, and Monopoly Practices	There were no legal actions against the Company for anti-competitive behaviour, anti-trust, and monopoly practices during the year under review.
Operations that have been Subject to Human Rights Reviews or Impact Assessments	The Company does not have any business activities which are subject to human rights reviews or impact assessments.
Political Contributions	The Company has not made any political contributions during the year under review.
Social Economic Compliance	There were no issues regarding non-compliance with laws and regulations in the social and economic areas of the Company.
Security Practices	All security personnel are hired from third-party organisations and have been educated on the Company's human rights policies and procedures.
Incidents of Discrimination and Corrective Actions Taken	No incidents of discrimination were reported during the year under review.

MANUFACTURED CAPITAL REVIEW



Key Strategic Priorities 2021	Actions/Activities Implemented in 2021
ENSURE PROVIDING USER-FRIENDLY AND EASY TO NAVIGATE DIGITAL PLATFORMS	<ul style="list-style-type: none"> Upgraded Company Website and Mobile App. Introduced an App for Doctors. Revamped the Agent modules with new user journey.
CONTINUOUS ADOPTION OF EMERGING SECURITY FEATURES AND PATCHES FOR DATA PROTECTION AND ONLINE SECURITY	<ul style="list-style-type: none"> Partnership with TechCert for annual security audits. Server-side software patches were updated to ensure all software in use remain current and relevant. Oracle, JBoss and OS updated with latest patches.
USE OF UP-TO-DATE SOFTWARE TECHNOLOGY	<ul style="list-style-type: none"> Used the latest in technology to update our website and develop our mobile and doctor Apps.

business prosperity. The increasing value of assets such as property, furniture, fittings, and other equipment (excluding depreciation) enables the Company to strengthen the balance sheet thereby increasing the viability of the business in the future. However, the optimal use of software and hardware creates the highest returns to our stakeholders as it enables the creation of value for other capitals while adding value to manufactured capital. Ensuring the use of licenced software

Our Approach

We adhere to the United Nations Sustainable Development Goals (SDGs) on **Responsible Construction and Production** in our purchasing decisions.

Manufactured capital plays a critical role in strengthening our business operations and driving business growth. The Company manufactured capital base is derived because of assets used to conduct efficient and effective business operations. As a lifestyle appointment platform operating in

the digital sphere, information technology (IT) and communication hardware and software, digital platforms such as the eChannelling website and the Mobile App, Call Centre software, and the datacentre remain the key sources of the Company's manufactured capital value. Such use of technology underpins our business model and enables us to achieve growth targets while serving our customers to their expectations. Our rented office premises, furniture and fittings, and other equipment is also a part of the Company's manufactured capital.

Creating manufactured capital value is challenging and intrinsically linked to our

As part of our efforts to create higher levels of manufactured capital value for our stakeholders, we schedule regular maintenance and repair for fixed assets and IT infrastructure. The Company also uses licenced software and frequently updates software to resolve systems vulnerabilities and improve efficacy. Furthermore, regular upgrades to IT hardware ensures that we are using the most robust platforms for business operations while ensuring we remain relevant in the ever-changing digital environment. We also have in place processes for scheduled data backups for

MANUFACTURED CAPITAL REVIEW

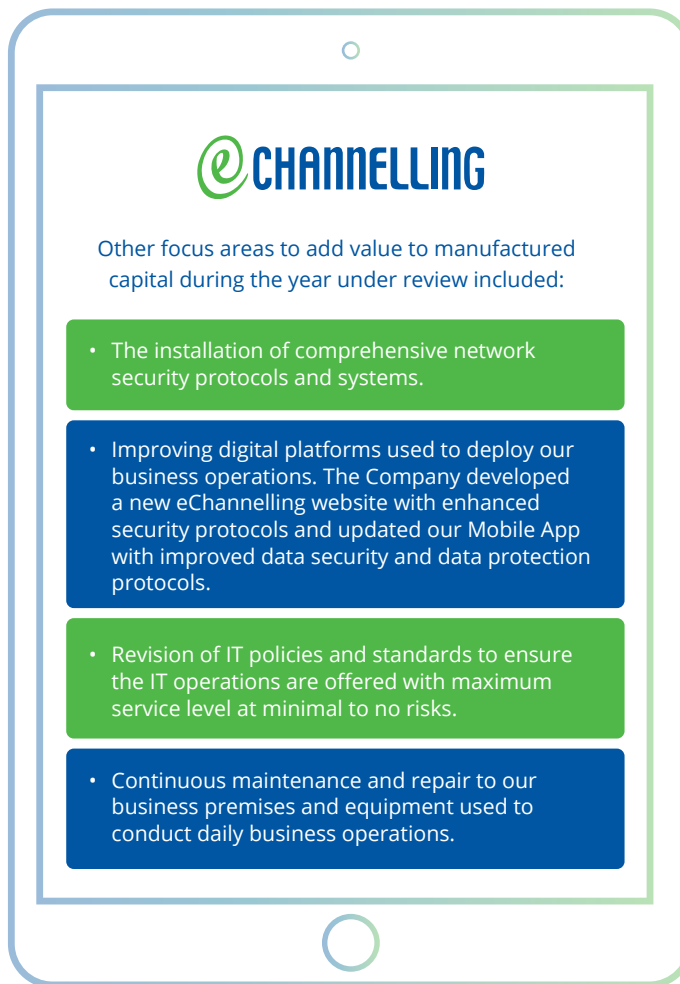
mission-critical information and offer 24/7 IT support to minimise interruptions to digital services and ensure uninterrupted business operations.

Overview

eChannelling needs to establish a brand that our stakeholders, especially business partners and customers, can trust with their private and confidential data. As such, the Company continuously ensures maintaining digital systems at optimal levels of operations.

A significant achievement in 2021 was the collaboration with TechCert to strengthen the IT infrastructure against vulnerabilities, by detecting, analysing, and continually responding to fixes. Furthermore, the Company's IT systems were assessed to ensure the robustness of the security of critical assets in terms of both internal and external cyber risks in partnership with experts in the field.

Another noteworthy achievement in creating manufactured capital value was the introduction of the Mobile App at an investment of Rs. 2.5 million for the dedicated use of doctors during the year under review.





**IN 2021, THE COMPANY INVESTED
RS. 3 MILLION TO CREATE
MANUFACTURED CAPITAL VALUE
FOR OUR STAKEHOLDERS IN THE
LONGER TERM.**



NATURAL CAPITAL REVIEW



Key Strategic Priorities 2021 	Actions/Activities Implemented in 2021 
REDUCTION IN PAPER USAGE TO BECOME A PAPERLESS BUSINESS OPERATION.	<ul style="list-style-type: none"> Continued to communicate through emails and SMS with customers, suppliers, and other organisations. Generated digital invoices, debit notes, credit notes and memos. Focus on increasing adoption of online payments
REDUCING ENERGY USED, ESPECIALLY THE USE OF FUEL FOR TRANSPORT.	<ul style="list-style-type: none"> Promote work from home concept Online appointment reservation and audio/video consultation Promote online meetings Moved to smaller office space
IMPROVING RECYCLING AND WASTE COLLECTION PROCESSES FOR LONG TERM ENVIRONMENTAL BENEFITS.	<ul style="list-style-type: none"> Separation of waste and maintaining of separate bins Employee awareness campaigns Promote re-use and re-sale rather than discard

Our Approach

As a predominantly digitally automated business operation, eChannelling PLC's business model supports the conservation of natural resources and the minimal use of scarce resources to carry out day-to-day business operations. The Company's small employee cadre together with our virtual presence enables us to seamlessly create value for natural capital and safeguard scarce resources for future generations.



Our efforts in conserving natural resources also support the UN's Sustainable Development Goal of **Responsible Consumption and Production**.

As such, the Company's focus with regards to natural capital value creation is very simple – use technology to offer services that inevitable has a positive impact on internal/external and direct/indirect consumption of natural scarce

resources. For instance, automation over the years has enabled the Company to reduce paper-based internal and external processes; with the Company and stakeholders being able to maintain records and data on digitalised platforms. Furthermore, as our services are available online, and accessible from anywhere at any time and on a range of electronic devices, we also indirectly promote external resource conservation amongst stakeholders, especially our customers. The introduction of video and audio doctor consultations and other value-added services took the aspect of natural capital value creation to another level, with consumers being able to directly contribute towards reducing consumption of scarce natural resources.

Thus, creating natural capital value revolves around stakeholder utilisation of eChannelling services. Material topics that supported natural capital value creation during the year under review are discussed below.

NATURAL CAPITAL REVIEW

Paper Usage

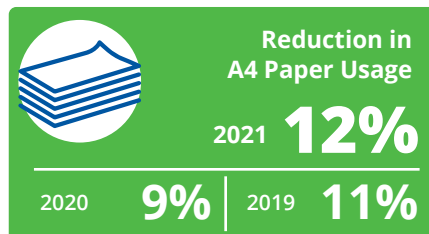
The automated nature of our service offerings directly promotes a paperless supply and delivery process. From the point of origination, where a customer logs onto the eChannelling online service platform to the point they receive their appointment details, and generate payments and receipts is fully automated, requiring no use of paper throughout the process. Furthermore, the introduction by the Company of video and audio doctor consultation takes the paperless concept further as an electronic prescription can be shared with patients which can also then be sent to pharmacies for the delivery of medications.

The Company does not only focus on external stakeholders when working towards a paperless organisational culture. Our internal processes and systems are also developed to support internal and external electronic communications, the use of software for report generation and sharing, and online service delivery.

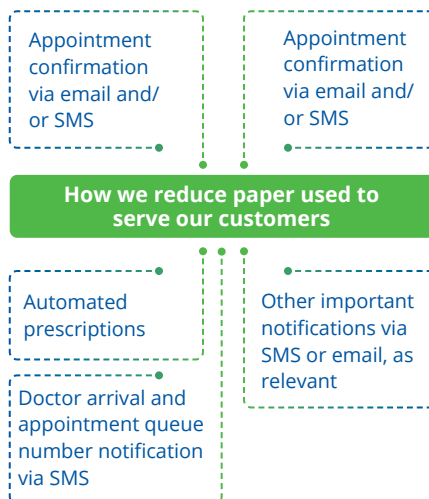
While still working towards becoming completely paperless, any paper used while doing business has been reducing year on year. Any mandatory paper-based communications must follow the strict guidelines of 'print only when necessary and unavoidable' and 'print on both sides of the paper'.

Over the years the Company has successfully reduced the internal direct paper usage substantially.

Year-on-year reduction in internal business paper usage



Furthermore, our business also contributes to the indirect external reduction of paper used by consumers and other stakeholders. This is possible as all appointments made on the eChannelling platform receive electronic notifications. In 2021, the 4.4 million appointments made using the eChannelling platform can be assumed to have saved 4.4 million A4 papers (assuming each appointment was printed on one A4 paper).



Fuel Usage

The Company's business promotes reduced fuel consumption as we encourage people to make their healthcare and lifestyle appointments using digital platforms across a range of electronic equipment with internet access. Our services such as the audio/video doctor consultations locally and in select international countries together with the delivery of medicines further reduce the need for travel and sometimes eliminates travel resulting in the greater indirect reduction of fuel used by customers.

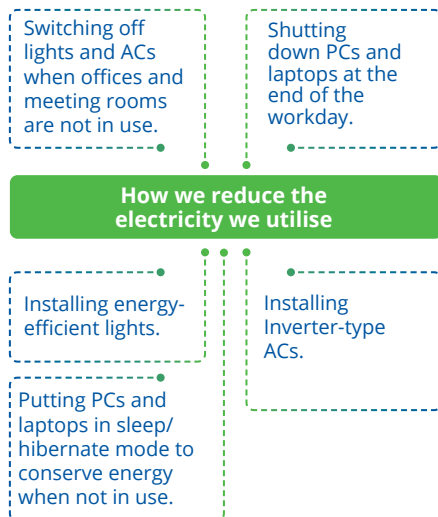
Furthermore, with the implementation of the work from home concept due to the pandemic, fuel used by employees to reach our office was also eliminated to a greater degree, enabling the Company to indirectly contribute towards a reduction in pollution and fossil fuel usage. In addition, as employees continued to mainly work from home the direct fuel usage to operate the power generator in case of an electricity outage was also eliminated for the year.

The Company currently has no system to quantify the reduction of indirect fuel usage due to the various dependencies and diverse 'what if' scenarios that make it impractical to attempt such a calculation. However, we strongly believe that our business objectives and focused efforts have resulted in the reduced use of fuel by our customers over the years.

Electricity Usage

The nature of our business requires the use of energy to enable daily business activities and operate our services. Our electronic virtual appointment platform together with the use of computers, laptops, IT servers, data storage centres, and other lighting equipment utilised electricity. As part of our efforts to conserve electricity used, we have put in place many processes and best practices. This includes the use of low-energy consuming electronic devices, cloud-based services to reduce the requirement for excessive data storage facilities, and energy-saving lighting and cooling systems.

During the year under review, the overall electrical used by the Company at our head office reduced as most employees worked from home. The Company uses electricity from the National Electric Grid.



Waste Management

Waste management activities were also greatly curbed during the year under review as most employees worked from home and used electronic communication and document management systems. The general waste produced by the Company was also limited.

However, the Company continued to advocate good waste management practices to employees to be applied in their homes including the segregating of recyclable and non-recyclable materials, and organic waste.

The e-waste generated by the Company includes such items as printer toners, laptop batteries, and old laptops. While employees continued to work from home such e-waste was centrally collected at the head office and disposed of according to best practices.



Emissions Reduction

As a virtually operated business enterprise, the eChannelling business model advocates emissions reduction by limiting the amount of travel an individual must do to fulfil their healthcare and lifestyle needs. By offering products such as virtual doctor consultation and home-delivery of medicines we indirectly contribute to improving air quality and reducing emissions produced by the population. As emission reduction is an indirect benefit of our services, the Company does not have a method to calculate the emissions produced over time due to our business operations.

OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

A Sustainably Driven Organization

Sustainability is an integral part of our overall business success and strategy. Our mission is to provide a healthcare information platform that help Sri Lankans live a vibrant and healthy life. As we develop our infrastructure progressively to enhance the healthcare services of our nation we are deeply connected to every Sri Lankan as we strive to build a sustainable and healthy community.

As a future driven company, we strive to preserve and balance the needs of today considering the Environmental, Social and Governance (ESG) impacts of our decisions. It is our policy to conduct our business in a sustainable manner leaving a minimal footprint as possible on our planet.

We cultivate an organization that is competitive, forward thinking, resilient and sustainable in the long term so that we can continue to meet the needs of our key stakeholders who are at the center of all we do.

Environmental Sustainability

We are accountable for the impact of our operations on the environment. Therefore, we consistently focus on taking steps to measure, manage and reduce the impact on the community.

Social and Community Wellness

We believe that by actively supporting the communities in which we live and work we can help to build a positive environment for our stakeholders.

Governance and Risk Management

A well governed organization contributes to a stable operating platform that positions us to meet our obligations towards our stakeholders. Proactive risk management and a strong risk culture are essential to our long term set success.

Stakeholder Engagement

Our commitment to sustainability starts with listening to our stakeholders. Through a variety of engagement channels, we seek to understand and integrate the needs and interests of our stakeholders into all aspects of our operations and sustainability strategy. Open dialogue and inclusive engagements help us improve our business, build positive relationships and understand evolving expectations. Our main stakeholders relevant to sustainability are those who we consider having a direct or indirect interest in or can influence or be impacted by our business activities.

Our sustainability reporting focuses on a set of material issues we identify prioritize and validate these issues through on hold ongoing stakeholder engagement and an

annual materiality analysis to ensure that we are addressing the right issues.

eChannelling PLC has voluntarily adopted four relevant goals from the 17 United Nations Sustainable Development Goals (SDGs). This strategic move has supported the Company's sustainability objectives by enabling a more cohesive alignment of business vision and objectives; and enabling eChannelling to positively contribute towards the global and national achievement of the SDGs.



The eChannelling PLC business model is founded on the premise of enabling access to medical facilities and promoting healthy nation. We take a leading role in the following areas.

Creating greater awareness on Non-Communicable and other diseases through social media and other channels.

Take on every opportunity to spread the message of good health through sponsorships and other means. Focus on occupational health and safety measures to protect and safeguard the health of employees.

Offer free services to promote good health and wellbeing for all strata of the country's population.



Promote a work place which is gender inclusive with non-discrimination based on gender by offering equal opportunity for rewards, promotions and opportunities to progress within the company.



Use of state-of-the-art technology to introduce new health care services which infuses speedy and convenient access to medical facilities.

Optimise existing resources of the company to drive greater penetration levels to rural areas and enhance digital adoption to access health care facilities.



Working towards optimal use of natural resources with a sense of responsibility in preserving and nurturing the environment.

Continuously review ways to reduce waste.

Develop effective strategies to recycle and reuse resources to conserve non-renewable natural resources.

OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS



Good Health and Well-being

Creating awareness on epidemic and communicable diseases and other focus areas

- The company constantly engages with the public to create greater awareness on communicable diseases through social media platforms, sponsorships and special targeted events.
- The company tied up with the SLMA to create awareness on the prevention of road accidents.

Drive universal health care coverage to all by providing easy access to medical facilities

- With the COVID-19 pandemic the responsibility of the company as a health care services enabler increased. The company moved forward by offering several pandemic related facilities such as COVID care services, PCR tests, vaccination appointments at the touch of the button.

Driving greater accessibility across rural areas and international platforms

- Creating a wider network geographically and across different types of health care providers to widen the basket of offerings.



Gender Equality

Equal opportunity employer

- We are an equal opportunity employer who encourages diversity and inclusion by providing equal opportunities to growth and remuneration.
Our non-discriminatory HR policies are aligned to offer equal employment and leadership opportunities based on experience and skills. As at 31st December 2021 03 female employees held managerial positions.



Industry innovation and Infrastructure

Enhancing IT infrastructure

- Upgrading the website of eChannelling with enhanced UX/UI features.
- Making our services available to all citizens of the country through the use of digital technology including a website, mobile App, as well as SMS and phone call facilities.

Service enhancements

- Continuously focussing increasing partnerships with and onboarding myriad healthcare service providers including government and private hospitals, clinics, pharmacies, laboratory operators, doctors, etc., to increase choice and options available to the people across Sri Lanka. Partnering with overseas hospitals and doctors facilitating video/audio consulting and online doctor channelling.

Enabling in elevating lifestyles

- By leveraging technology and encouraging technology adoption the company is propogating the use of IT among Sri Lankans to enhance their lifestyles by introducing conveniences such as ordering medicien from a pharmacy, making doctors appointments .

OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS



Responsible Consumption and Production

Reduction of paper usage

- The business model of the company is founded on leveraging IT and reducing the use of paper. Our services have enabled the shift towards a paperless mode with receipts, confirmation of appointments being updated via sms and emails. Our internal office operations are also powered by technology, thus driving towards a paperless system.

Reduction of usage of electricity & fuel

- We are deeply conscious of the electricity and water consumption levels used in our operations. Thus we have adopted several best practices by creating awareness within the staff on the usage of electricity and water.
- Our business per se indirectly contributes to savings of fuel by ensuring access to a seamlessly effective platform to book medical appointments etc. Online consultations through audio and video methods further derive fuel efficiencies enabling patients to consult doctors at the convenience of their homes instead of traveling.

Reduction of waste

- We dispose electronic and other waste generated by our operations in a responsible manner.
- Our business which helps in reduction in travel indirectly contributes towards cleaner air quality through reduction of emissions from travel.

RISK MANAGEMENT REVIEW

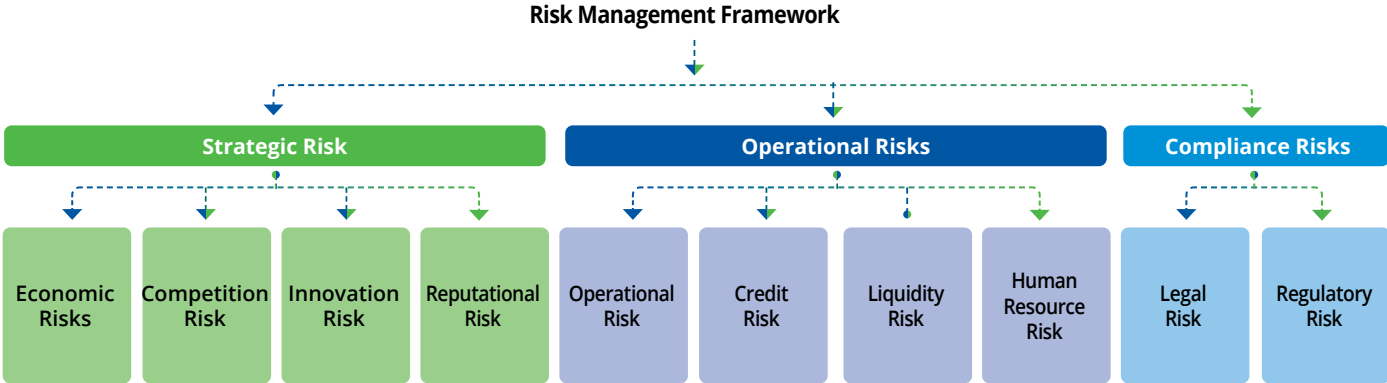
Risk management is an integral part of the Company's business processes as it enables us to predict adverse occurrences and manage them in a manner that has the least impact on our business operations and our stakeholders while enabling us to achieve the Company's goals and objectives and pursue emerging business opportunities. Therefore, the effective management of strategic and operational risks is a significant part of our business strategy and remains integral for ensuring sustainable business operations in the long term.

Risk management is an evolving process at eChannelling PLC as changes in the macroeconomic and external operating environments, technology developments, and internal business processes, as well as our business diversification activities, continue to evolve and transform the way we do business thereby changing

the risk exposure faced by the Company. Accordingly, the Company assesses and reviews risks on an ongoing basis, while a robust monitoring process ensures day-to-day risks are managed in an optimal way while processes are adapted to manage/mitigate new and developing risks.

The Company has embedded the principles and practices of risk management in our corporate policies and procedures which enables an effective risk management process to be adopted across business functions. The Company also ensures adequate controls, measures, and monitoring systems are integrated within all business aspects and across strategic and operational decision-making levels. The Company's well-established risk management processes and procedures facilitate the timely and suitable management of risks as and when they occur while enabling the management of risks according to the risk appetite of the Company.

The success of our risk management process relies on the implementation of a strong risk management framework across all organisational levels and business activities. The eChannelling PLC risk management framework incorporates a comprehensive approach to identify, define, assess, quantify, monitor, and mitigate risks that occur while carrying out business activities. We have categorised our risks as strategic risks, operational risks, legal risks, and regulatory compliance risks. The Company's protocols such as the stringent borrower selection process, robust audit mechanism, and strict policy of adherence to regulatory guidelines, further support the Company's management of the different risk categories. The risk management guidelines specify a systematic identification, assessment, measurement, and monitoring of risk events aligned to these categories which facilitate the identification and management of critical risks that could impact business success.



RISK MANAGEMENT REVIEW

Overall, the risk management framework adopted by the Company is geared to manage risks over the short, medium, and long terms.

All our employees receive relevant information and training to support an effective and healthy risk management culture within the Company. Training and development also help employees to increase risk and risk management knowledge while making risk management a top-of-mind recall. Knowledge sharing also results in employees learning about the Company's risk appetites while learning about new risk exposures, new methods to manage risks, and other

emerging developments that can change the risk position of the Company and adversely impact business operations.

The Company's Risk Management Committee (RMC) comprising five members overlooks and formulates the risk control strategies for identified risks across business functions and departments and is responsible for the regular monitoring of risks. To streamline the risk management process and remain up-to-date on risk control and mitigation processes, the RMC shares a detailed 'Compliance Sheet with due dates and action dates every quarterly with the Board Audit Committee (AC) which has

ultimate oversight for the Company's risk management process. The AC is also responsible for the work carried out by the RMC who must ensure proper records are maintained while regularly reporting the risk status to the AC. The Company is in the process of creating a separate board-level Risk Committee to address those issues, considering the importance of risk management in the medium term.

An overview of the risks faced by the Company during the year under review together with the key mitigating activities is detailed below.

Strategic Risks

Economic Risks

Risk Impacts	Risk Mitigating Activities
<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 to mitigate cost increases in support services. • Maintaining different pricing structures for consumers in the Greater Colombo area and those consumers in more remote geographic locations. • Ensuring a widespread geographic reach by partnering with hospitals, clinics, pharmacies, and agents across the island. • Introducing new services to reach a wider target market and satisfy the price and convenience needs of various demographics in terms of customer convenience & purchasing power.

Competition Risk

Risk Impacts	Risk Mitigating Activities
<p>The competitive advantage the Company has enjoyed as the pioneer in automating channelling services in the country has reduced over the last few years due to growing competition from new vendors providing channelling service. This situation has eroded the Company's overall market share while increasing marketing and promotional costs.</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 products and services to create opportunities for new value-addition and seeking new market and business opportunities aligned to consumer trends.• 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.• Re-launching existing products with new features.• Developing new methods to increase customer satisfaction, retention, and loyalty.

Reputational Risk

Risk Impacts	Risk Mitigating Activities
<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 eChannelling's reputation and negatively impact brand value which could cascade to a negative impact on the stakeholder value creation process of the Company.</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 any customer complaints are immediately and efficiently considered, and action is 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 can act responsibly and behave appropriately in any situation.

RISK MANAGEMENT REVIEW

Innovation Risk

Risk Impacts	Risk Mitigating Activities
<p>Risks associated with the Company's use of new and emerging technologies to improve customer convenience and satisfaction. The risk that consumers may consider learning how to use new technologies and consumers' reluctance to change is a critical factor to be considered when adopting new technologies.</p>	<ul style="list-style-type: none">• Having a separate, dedicated team to evaluate new ideas related to innovation and technology adoption.• Having in place mechanisms to balance future strategic focus for the adoption of new technologies.• Balancing the adaptive nature of innovation with the Company's existing priorities and resources.• Continuous professional development and training programs for all employees enabling them to easily adopt and adapt to new technologies.• Regularly updating and upgrading IT security measures.• Frequently engaging with current customers, and aspirational customers to better understand their needs in terms of technology adoption and usage.• Offering consumers training and tips on the use of new technologies for accessing the Company's services.• Obtaining professional advice from parent companies and other professional institutes when necessary.

Operational Risks

Operational Risk

Risk Impacts	Risk Mitigating Activities
<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 financial and non-financial losses.</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, methods and processes, and suppliers also play 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.• Installation of a comprehensive network security system.• Regular backups of all databases and mission-critical data and information.• Conducting periodic security reviews and getting recommendations from the external IT risk assessment team for further improvements.• The use of licensed software to avoid IT bugs and other data losses.• Regular maintenance of IT hardware.• Investment in modern technology.• Upscaling knowledge through training and development.• Offering reasonable annual salary increments to employees by considering the cost of living and prevalent inflation rates in the country.

Credit Risk

Risk Impacts	Risk Mitigating Activities
<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 supplier before credit is granted or extended.• Enter into a credit agreement before granting credit to agents.• Request an initial deposit from agents.• Credit periods are pre-defined based on the 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 of the Company. Granting credit facilities, thereafter, based on the recommendation of marketing executives.• Subjecting all agent credit transactions to the credit agreements and management approvals.• The Company invests excess money on riskless fixed deposits.• Research and consider the rating of banks before investing in fixed deposits.

Liquidity Risk

Risk Impacts	Risk Mitigating Activities
<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 banks 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 utilisation of short-term borrowing facilities.• Ability to offer Company assets as collateral for future funding requirements.• Settling suppliers' payments on time without building up cumulative dues.

RISK MANAGEMENT REVIEW

Human Resource Risk

Risk Impacts	Risk Mitigating Activities
<p>The risks associated with losing talented employees and an environment of unpleasant employee-management relations.</p>	<ul style="list-style-type: none">• Maintaining 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 arrangements where appropriate.• Providing various employee benefits through the welfare society set up for this purpose by the Company.• Providing opportunities for employees to participate in online/remote training programs.• Offering reasonable annual salary increments to employees by considering the cost of living and prevalent inflation rates in the country.

Health and Safety Risks

Risk Impacts	Risk Mitigating Activities
<p>The risks associated with the spread of COVID-19 and resulting in increased exposure to the virus by employees, customers, and other stakeholders.</p>	<ul style="list-style-type: none">• Introducing work from home and a working roster system for the protection of the workforce.• Implementing COVID-19 prevention safeguards such as social distancing, hand sanitizing facilities, the mandatory wearing of facemask, etc., at the office premises for employees and other visitors.• Random selection of employees to undergo PCR and antigen testing on a weekly/monthly basis.• Employees with symptoms of COVID -19 are mandated to take the PCR or rapid antigen test, and in case of a positive result, sent home and cared for under the home-care service during the required quarantine period.

Environmental Risk

Risk Impacts	Risk Mitigating Activities
<p>The impact of the Company's business operations on the environment due to business growth, adoption of technology, and business diversification.</p>	<ul style="list-style-type: none">• Putting in place reduce, reuse, and recycling measures to manage the use of scarce natural resources such as water, energy, and paper in the day-to-day business operations.• Educating employees on good practices to conserve non-renewable natural resources.• Identifying how the diversification of services such as adding audio/video consultations, drug delivery can have an environmental impact (both positive and negative).

Compliance Risks

Legal Risk

Risk Impacts	Risk Mitigating Activities
<p>Legal risk results from any adverse impact to the business from the legal or regulatory framework which governs the Company and its transactions with third parties.</p> <p>Legal risks relate not only to general laws and rules on business operations but also to local laws and agreements relating to construction operations and taxation as applicable to the different markets within which the Company operates.</p>	<ul style="list-style-type: none">• Maintaining 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 set up a compliance process to eliminate possible threats.• Regular communications with company lawyers to identify and understand changes required, while incorporating their recommendations on corporate matters to counter any adverse effects on the business activities of the Company.

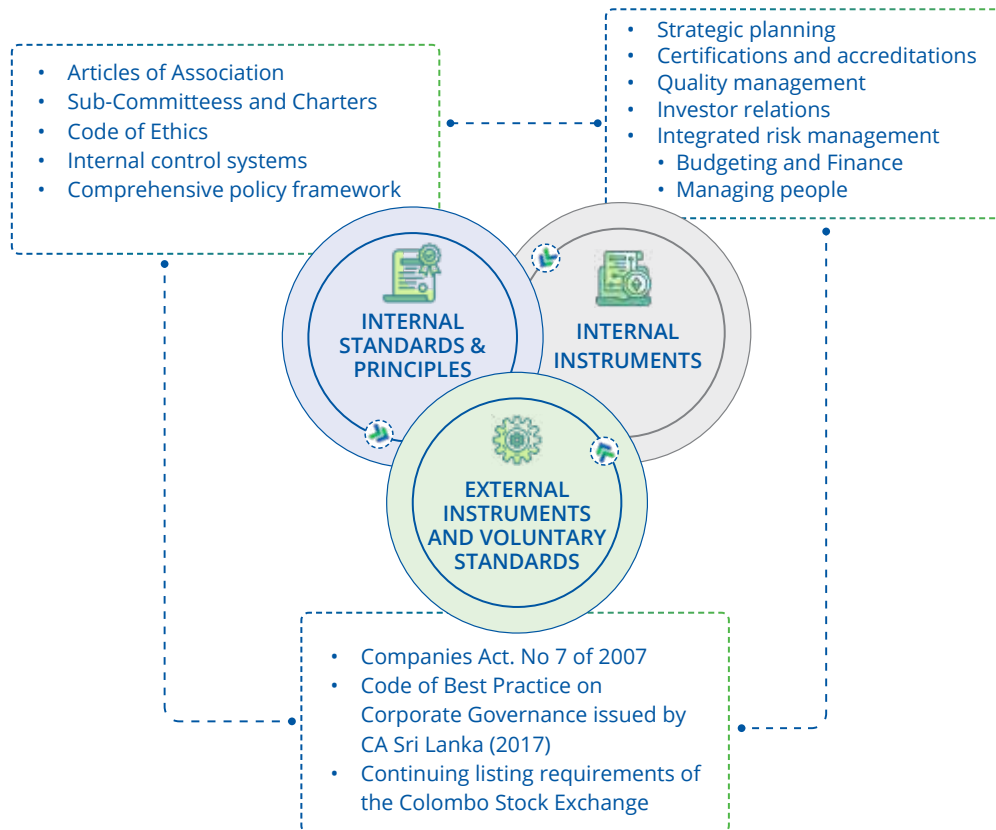
Regulatory Risk

Risk Impacts	Risk Mitigating Activities
<p>The risk associated with changes in laws and regulations will materially impact the Company's business operations, financial compliance, information security, technology usage, governance, and marketing and promotional activities. As such, keeping abreast of such changes is mandatory to manage a successful business and conduct ethical business operations.</p>	<ul style="list-style-type: none">• Adopting a sound corporate governance structure and practices to align with industry best practices.• Regularly reviewing and adapting changes to laws and regulations.• Maintaining an up-to-date compliance calendar.• Monthly monitoring mechanisms to catch and resolve any issues at the outset.• Adoption of voluntary standards of best practices when undertaking marketing and promotional activities.

CORPORATE GOVERNANCE

The Board of Directors of eChannelling PLC is fully aware and committed to implement governance standards which confirm to best practices. The Company strongly believes that the integrity, transparency and accountability of its Board members and employees, supported by a sound system of policies, practices and internal controls are prime concerns that will sustain long term value and returns for its shareholders.

The Company's governance frameworks, policies and procedures are aligned with the requirements of all relevant statutory requirements while embracing industry and international best practices.



In pursuit of achieving high standard of Corporate Governance the Board ensures the compliance of the following steering instruments;

Mandatory Compliance	Voluntary Adherence
Companies Act No. 7 of 2007 of Sri Lanka ("Companies Act")	Company comprehensive policy framework
Listing Rules of the Colombo Stock Exchange ("CSE")	Code of Best Practice on Corporate Governance issued by CA Sri Lanka
Sri Lanka Accounting and Auditing Standard Act No. 15 of 1995	GRI Standards for Sustainability reporting issued by the Global Reporting Initiative
Other legislative enactments affecting the Company	Risk Management Framework
Articles of Association	Terms of Reference of Sub-committee.
SEC regulations	Code of Ethics

The following diagram demonstrates the manner and the extent to which the eChannelling PLC adhere 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

Composition of the Board of Directors

The Board of eChannelling PLC comprise of six Directors with two of them being Independent Directors.

As evident from the profiles of Board of Directors, eChannelling PLC's Board comprises of professionals as well as entrepreneurs who have many years of experience in the corporate sector. 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.

CORPORATE GOVERNANCE

Name	Board Skills	Appointed Date
Mr. Rohan Fernando	Marketing & General Management	07th February 2020
Mr. Lawrence Paratz	Engineering & General Management	26th September 2016
Mr. Lalith Seneviratne	Engineering & General Management	07th February 2020
Mr. Sudharshana Geeganage	Engineering & finance Management	06th April 2017
Mr. Dallas Stephen	Marketing & Soft Skilled Development	26th September 2012
Mr. Sampath Hettiarachchi	Finance & Risk Management	01st May 2013

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 the Company' annual business plans and long -term business plans

- Reviewing 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 and attendance

Board meetings are held at least once a quarter to review the strategic direction of the operational units, annual budgets, progress towards achieving the budget,

key business risks and other matters. Ad hoc meetings are held as and when required.

The members of the Board dedicate adequate time and effort in discharging their duties and responsibilities towards the Company. In discharging their duties, Directors obtain independent professional advice from external parties when required at the expense of the Company. During the period under review professional advice was sought on legal, accounting and tax matters.

The attendance of individual Directors at Boar and Sub – committee meetings during the year is set out in the table below;

Director	Board Meeting	Audit Committee	Remuneration Committee	Related Party Transactions Review Committee
Mr. Rohan Fernando	6/6	-	-	-
Mr. Lalith Seneviratne	6/6	-	-	-
Mr. Lawrence Paratz	6/6	-	-	-
Mr. Sudharshana Geeganage	6/6	7/7	-	4/4
Mr. Dallas Stephen	6/6	7/7	3/3	4/4
Mr. Sampath Hettiarachchi	6/6	7/7	3/3	4/4

All Board Papers are made available in electronic format in line with Company's sustainability initiatives also enabling Board members to participate at meetings even remotely.

The Board has delegated some of its functions to its sub-committees, while retaining the rights for final decision pertaining to matters under the purview of the Committees. The composition and the functions of these sub-committees are discussed in detail under the relevant sections of this Report.

Company Secretary

All Directors have access to the advice and services of the Company Secretary who is responsible to the Board in ensuring that proper Board procedures are followed and applicable rules and regulations are complied with.

Independent Directors

Two Non - Executive Directors are considered independent. These Directors are independent of management and free of any business or other relationship that

could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgement

Independence of the Directors have been determined in accordance with the Continuing Listing Rules of the CSE.

The Directors have submitted written Declarations of their independence as required by section 7.10.2(b) of the Listing rules.

Name of Director	Shareholding	Management/ Director *	Material Business Relationship **	Employee of Company ***	Family Member of Director or CEO	Years of Continuous Service
Mr. Dallas Stephen	None	None	None	None	None	9
Mr. Sampath Hettiarachchi	None	None	None	None	None	8

* Director/ employees of a Company in which majority of the Directors are employed, or having a significant shareholding with voting rights of more than 10% or have a business connection where the transaction value is equivalent to or more than 10% of the turnover of the Company.

** Income/ non cash benefits derived from Company is equivalent to 20% of annual income

***Employed by Company two years immediately preceding appointment

Mr. Dallas Stephen has served on the Board continually from 2012. The Board believes that the independence of Mr. Stephen is not compromised by him serving on the Board for a period exceeding nine years from his appointment.

Chairman's Role

The Chairman encourages the participation of all the Directors in decision making, seeks and ascertains the views of the Directors, and thereby ensures that the Board functions in an efficient manner which is beneficial to the stakeholders and the Company.

Financial Acumen

The Board includes directors who possess the necessary knowledge and experience to offer the Board guidance on financial matters. The Audit Committee and Related Party Transaction Review Committee is headed by a qualified financial professional.

CORPORATE GOVERNANCE

Board Balance

The Board of eChannelling PLC currently comprises six Directors. Two of the Non- Executive Directors are considered independent.

Supply of Information

The Board is provided with appropriate and timely information to discharge its duties. The Directors are also entitled to request for additional information where they consider such information necessary to make informed decisions. The Agenda for the Board Meeting and connected discussion papers are circulated to the Directors at least seven days in advance to facilitate the effective conduct of the Meeting

Appointments to the Board

The appointments to the Board is made collectively, with the consent of the Directors taking into consideration the Board composition and the strategic input required.

On appointment of a new Director, the Company communicates to the CSE a brief profile of the Director which includes the nature of his experience in the relevant functional areas, other directorships or membership in Board sub committees and whether the Director is considered "independent".

Re-election

The Company's Articles require a Director appointed by the Board to hold office

until the next Annual General Meeting ("AGM") and seek re- appointment by the shareholders at that meeting. One third of the Directors other than the Chairman and Executive Director retire by rotation at each AGM in conformity with the Articles of the Company. Directors who retire are those who have served for the longest period after their re-appointment/ re-election.

In terms of Section 210 of the Companies Act No. 7 of 2007, a Director who has reached 70 years of age vacates office at the Annual General Meeting held after he attains the age of 70 years. A Director who has reached the Age of 70 years may be re-appointed in terms of Section 211 of the Companies Act.

Disclosure of Information in respect of Directors

The biographical details of the Directors, nature of his expertise in relevant functional areas, membership in Board Sub-Committees, attendance at Board and Sub-Committee Meetings, other directorships and Director's Interest in Contracts are disclosed under the relevant sections in the Annual Report.

B Directors' Remuneration Remuneration procedure

The Board has appointed a Remuneration Committee to make recommendation to the Board within the agreed Terms of Reference, on the company's remuneration to the Chairman and the

Directors and set guidelines for the remuneration of the management staff. The remuneration Committee consists the following members

- Mr. Sampath Hettiarachchi, Chairman (Independent Non -Executive Director)
- Mr. Dallas Stephen, Member (Independent Non -Executive Director)

In terms of the Articles of the Company, the Board determines the fees payable to the Chairman and the Directors.

Level and Make-up of Remuneration

The Committee ensures that the remuneration of executives at each level of management is competitive and in line with their performance. Surveys are conducted, as and when necessary, to ensure that the remuneration is competitive with those of comparative companies.

Disclosure of Remuneration

The Remuneration Policy supports a strong performance-oriented culture and ensures that individual rewards and incentives relate directly to the performance of the individual, the operations and functions for which they are responsible.

The aggregate remuneration paid to the Directors are disclosed in Note. 07 of the Financial Statements.

C. Relations with Shareholders

Constructive use of the AGM and conduct of General Meetings

The AGM is used for the constructive engagement with the shareholders. The Notice of Meeting, the Form of Proxy and the Annual Report including the Financial Statements are sent to the shareholders 15 working days prior to the Meeting as required by the Companies Act, No. 7 of 2007.

The Company ensures that all valid proxy appointments received for general meetings are properly recorded and counted. The procedure for voting at the General Meeting is circulated along with the Notice of Meeting.

A separate Resolution is proposed for each separate agenda item at the AGM and in particular a resolution relating to the adoption of the reports and accounts.

The Chairpersons of the Board Sub-Committees are present at the AGM to answer any questions raised by the Shareholders if so requested by the Chairman.

Communication with Shareholders

The Company disseminates information pertaining to the performance of the Company through the publication of the Interim Financial Statements and the Annual Report in a timely manner. An announcement is also made to the CSE on any information which may materially affect the share performance.

The Company Secretary could be contacted in relation to any shareholder matters.

Major and Material Transactions

The Directors ensure that any corporate transaction that would materially affect the net asset base of the Company is communicated to the Shareholders. There were no major transactions as defined under Section 185 of the Companies Act during the year under review.

The Company has not carried out 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 2021.

D Accountability and Audit

Financial Reporting

The Board recognizes its responsibility to present a balanced and understandable assessment of the Company's financial position, performance and prospects in accordance with the requirements of the Companies Act. The Financial Statements included in the Annual Report are prepared and presented in accordance with the Sri Lanka Accounting Standards, comprising SLFRSs and LKAs.

The following specialised information requirements are also included in this Annual Report..

- Chairman's Review is given on pages 4 to 7
- The Statement of Directors' Responsibility for Financial Reporting is given on page 81
- The Independent Auditors' Report on the Financial Statements of the Company for the year ended 31st December 2021 is given on pages 87 to 89.

Risk Management and Internal Controls

The Board is responsible for the effectiveness of the internal controls. The effectiveness of the system of internal control is reviewed regularly by the Audit Committee and major observations are reported to the Board. The Board reviews the reports arising from internal audits. The Director's Report on page 82 to 85 includes a declaration on compliance with laws and regulations, review of the internal controls covering risk management and compliance controls and that they have obtained reasonable assurance of their effectiveness and compliance.

Audit Committee

The Board has established an Audit Committee which has oversight responsibility for considering how they should select and apply accounting policies, financial reporting and internal control principles and maintaining an appropriate relationship with the external Auditors.

CORPORATE GOVERNANCE

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 the following:

- Mr. Sampath Hettiarachchi, Chairman (Independent Non Executive Director)
- Mr. Dallas Stephen, Member (Independent Non Executive Director)
- Mr. Sudarshana Geeganage, Member (Non Independent Non Executive Director)

Senior Manager Finance and the senior management members of the Company and Parent Company attend the meetings on invitation.

The Audit Committee Report is given on the pages 75 to 77 of this report.

Related Party Transactions Review Committee

The Board has established a Related Party Transactions Review Committee comprising the following members.

- Mr. Sampath Hettiarachchi, Chairman (Independent Non Executive Director)
- Mr. Dallas Stephen, Member (Independent Non Executive Director)

- Mr. Sudarshana Geeganage, Member (Non Independent Non Executive Director)

The Terms of Reference of the Committee has been approved by the Board.

Code of Business Conduct & Ethics

The Company has adopted a Code of Business Conduct and Ethics and the Directors and Members of the Senior Management are committed to the code and the principles contained therein.

The Board affirms that there was no material violations of any of the provisions of stipulated in the Code of Conduct. In instances where violations did take place, they were investigated and handled through well established procedures.

Corporate Governance Disclosures

The Corporate Governance Report set out on page 64 describes the extent to which the Company adheres to established principles and practices of good governance.

eChannelling PLC is fully compliant with the requirements stipulated in Section 7.10 of the Listing Rules on "Corporate Governance" issued in 2010 and subsequent amendments/ guidelines thereto.

The Company has also given due consideration to the best practices on the Code of Best Practice on Corporate Governance issued by the ICASL and SEC jointly in 2017.

Sustainability reporting

This Annual Report has been prepared in accordance with the Integrated Reporting Framework published by the IIRC and sustainability reporting is in line with the GRI criteria.

E Institutional Investors Shareholder Voting

All shareholders are invited for AGM. The Company uses the AGM 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 are encouraged to give due weight to all relevant factors drawn to their attention.

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

Investing/Divesting Decision

Individual Investors are encouraged to carry out adequate analysis or seek independent advice in investing or divesting decisions. Information is disseminated to all shareholders. Any information that the Board considered

as price sensitive is disseminated to the shareholders by way of announcements to the CSE.

Shareholder Voting

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

The following table illustrates the extent of the Company's compliance with the Rules on Corporate Governance issued by the CSE.

Rule No	CSE Rule	Compliance	eChannelling Action
7.10 (a) (b) (c)	Compliance		
	Compliance with Corporate Governance Rules	Complied	eChannelling is in compliance with the Corporate Governance Rules issued by the CSE
7.10.1. (a) (b) (c)	Non Executive Directors ("NED")		
	Two or one third of the total no. of directors whichever is higher shall be NEDs.	Complied	All the Directors are NEDs
7.10.2.	Independent Directors ("ID")		
(a)	Two or one third of the NEDs whichever is higher shall be independent	Complied	The Board comprise of two Independent Directors as at 31st December 2021.
(b)	Each NED should submit a declaration of his/her independence annually in the prescribed format	Complied	All NEDs have submitted Declarations confirming their independence/ non - independence.
7.10.3	Disclosure relating to Directors		
(a)	The Board shall make a determination annually as to the independence and non independence of the NEDs Names of IDs should be disclosed in the Annual Report	Complied	The Board annually determines as to the independence or non -independence of each NED based on the declarations submitted by them. The following Directors are considered independents - Mr. Sampath Hettiarachchi - Mr. Dallas Stephen

CORPORATE GOVERNANCE

Rule No	CSE Rule	Compliance	eChannelling Action
(b)	In the event a director does not qualify as 'independent' against any of the specified criteria, the Board taking into account all circumstances, may determine the Director independent and such basis of determination should be set out in the Annual Report.	Complied	Mr. Dallas Stephen has served on the Board continually from 2012. The Board believes that the independence of Mr. Stephen is not compromised by him serving on the Board for a period exceeding nine years from his appointment.
(c)	A brief resume of each director should be published in the Annual Report including the area of expertise	Complied	Profiles of the Directors are provided on pages 9 to 11 of the Annual Report.
(d)	Upon appointment of a new director, a brief resume of the newly appointed Director be provided to CSE	Complied	Brief resume of a newly appointed Director is provided to the CSE with the announcement of the appointment.
7.10.4	Determination of Independence		
(a-h)	Requirements for meeting the criteria to be an ID	Complied	The independence of the Directors has been determined in accordance with the requirements of the CSE Listing rules.
7.10.5	Remuneration Committee ("RC")		
(a)	RC shall comprise a minimum of two IDs or NEDs, majority of whom shall be independent whichever is higher One NED shall be appointed as Chairman of the RC	Complied	RC consists of two independent Directors and the Chairman is an ID.
(b)	RC shall recommend the remuneration payable to the executive directors and CEO	Complied	Please refer page 78 for the functions of the RC
(c)	The Annual Report to set out the names of the members of the RC, contain statement of Remuneration Policy and set out the aggregate remuneration paid to NEDs	Complied	The members of the RC, remuneration policy and the aggregate remuneration paid to non-executive directors are disclosed in the relevant sections of the annual report.
7.10.6	Audit Committee ("AC")		
(a)	AC shall comprise a minimum of two IDs or NEDs, majority of whom shall be independent whichever is higher. Chairman of the AC should be a NED. Chairman of the AC or a member should be a member of a professional accounting body.	Complied	AC comprise of two IDs and a NED. The Chairman of the AC is a ID and a members of a recognized accounting body

Rule No	CSE Rule	Compliance	eChannelling Action
(b)	AC should carry out the following functions :		
	<ul style="list-style-type: none"> Overseeing the preparation, presentation and adequacy of disclosures in the Financial Statement in accordance with the Accounting Standards 	Complied	AC assists the Board in fulfilling its oversight responsibilities for the integrity of the Financial Statements.
	<ul style="list-style-type: none"> Overseeing the entity's compliance with financial reporting requirements, information requirements of the Companies Act and other relevant regulations 	Complied	AC has the overall responsibility for overseeing the preparation of Financial Statements in accordance with the laws and regulations of the country and also recommending to the Board on the adoption of accounting policies..
	<ul style="list-style-type: none"> Overseeing the process to ensure that the entity's internal controls and risk management are adequate to meet the requirement of Sri Lanka Auditing Standards 	Complied	AC assesses the effectiveness of internal control and risk management.
	<ul style="list-style-type: none"> Assessment of the independence and performance of the external auditors. 	Complied	AC assesses the External Auditors performance, qualifications and independence.
	<ul style="list-style-type: none"> Make recommendation to the Board pertaining to the appointment, re-appointment and removal of external auditors 	Complied	AC recommends the appointment, re-appointment and removal of External Auditors and approves the terms of engagement.
(c)	The Annual Report to set out the names of the members of the AC, basis for determination of independence of the Auditors and Report of the AC	Complied	The members of the AC, basis of determination of independence of the auditors are disclosed in the relevant sections of the annual report
9.2	Related Party Transactions Review Committee (RPT – RC)		
9.2.1	The Company shall appoint a RPT-RC and all transactions except transactions set out in Rule 9.5 of the Listing Rules should be reviewed Committee	Complied	Company has appointed a RPT – RC and all related party transactions have been reviewed by the RPT – RC except for transactions set out in Rule 9.5.

CORPORATE GOVERNANCE

Rule No	CSE Rule	Compliance	eChannelling Action
9.2.2.	RPT -RC shall comprise a combination of NEDs and IDs . Executive Directors may also be appointed at the option of the Company. ID shall be appointed as the Chairman of the Committee	Complied	RPT – RC comprise of three NEDs of which two are IDs Chairman of the Committee is a ID.
9.2.4.	Committee should meet atleast once a calendar quarter and minutes of all the meetings should be documented and communicated to the Board'	Complied	The committee met four times during the financial year. Minutes of the RPT -RC meetings are submitted to the Board.
9.2.5 to 9.2.7.	Members should ensure that they have access to enough knowledge and expertise to assess proposed related party transactions. Committee may request the Board to approve related party transactions under review by the Committee Directors who has a material personal interest in a related party transaction shall not participate and vote on the matter.	Complied	Members have access to enough knowledge or expertise to assess all aspects of proposed related party transactions. Committee did not refer any related party transactions under their preview to the Board for approval during the financial year. Directors did not have material personal interest in any related party transactions carried out during the year.
9.3	Disclosures		
	Immediate Disclosure	Complied	There were no related party transactions that required immediate disclosure to the CSE.
	Disclosure in the Annual Report	Complied	There were no Non – recurrent or Recurrent related party transactions that required disclosure in the Annual Report Please refer the Annual Report of the Board of Directors for an affirmative Statement of Compliance with the Rules on Related Party transactions.

AUDIT COMMITTEE REPORT

Purpose of the Committee

The Committee was established to assist the Board in fulfilling its oversight responsibility for the Company's financial reporting system, compliance with legal and regulatory requirements, internal control mechanism, risk management process, internal audit function and review of Independence and performance of External Auditors, with a view to safeguarding the interests of the shareholders and all other stakeholders.

Composition of the Audit Committee

The Committee, as at 31st December 2021, comprised following members;

Name	Category	Meeting Attendance
Sampath Hettiarachchi (Chairman)	Independent Non-Executive Director	7/7
Dallas Stephen	Independent Non-Executive Director	7/7
Sudharshana Geeganage	Non-Executive Director	7/7

Brief profiles of each member are given on pages 10 to 11 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 Committee's composition met the requirement of the rule 7.10.6 of Listing Rules of the Colombo Stock Exchange.

The Company Secretary acts as the Secretary to the Audit Committee.

Regular Attendees by Invitation

The following members of the corporate management team also regularly attended the meetings by invitation of the Committee.

Mr. Isuru Dissanayake
Senior General Manager

Mr. A R R D Alahakoon
Senior manager Finance

Ms. A P S Amarasinghe
Senior manager Information system

Mr. A A Ahamed
Senior Manager IT Infrastructure

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 the Colombo Stock Exchange and "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 Audit Committee.

Meeting of Audit Committee

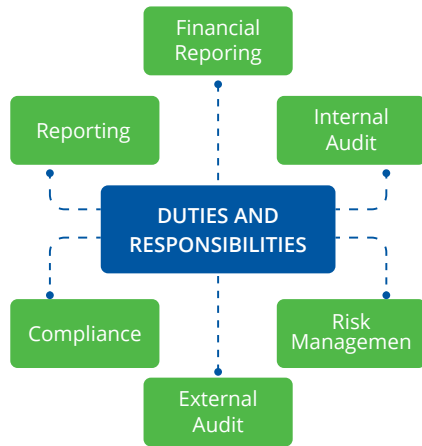
The Committee met seven times during the year under review. External Auditors were present at discussions where this was appropriate. The proceedings of the Audit Committee are regularly reported to the Board of directors.

Duties and responsibilities 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, nonaudit services and recommending to the Board on reappointment of Auditors.
3. Effectiveness of the Internal Audit function and the scope of work.

AUDIT COMMITTEE REPORT



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.

The review included;

- Appropriateness and changes in Accounting Policies.
- Significant estimates and judgement made by the management

- Compliance with relevant Accounting Standards and applicable regulatory requirements
- Issues arising from the Internal Audit and Independent External Audit.
- The Company's ability to continue as a going concern.
- Statements and Reports to be included in the Annual Report.

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.

The Committee monitors and reviews;

- The annual audit plan.
- The coverage of the audit plan.
- The internal audit programmes and results of the internal audit process.
- The follow-up action taken on the recommendation of the Internal Auditors.

Risk Management and Internal Control

The Committee reviewed and assessed the Company's risk management process including the adequacy of the overall control environment and controls in areas of significant risks. Key risks that exceeded the Company's risk appetite are discussed in the

risk management section presented from page 57 to 63.

The Committee is satisfied that an effective system of internal controls is in place to provide reasonable assurance on safeguarding the Company's assets and the reliability of the Financial Statements. The effectiveness of the Company's system of internal controls is evaluated through reports provided by the management, internal auditors and independent external auditors.

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 non-audit services provided by the External Auditors to the Company to ensure that their independence as Auditors has not been compromised. Further the committee has involved for approving remuneration and terms of engagements of the external auditors.

The Committee has recommended to the Board that Messrs KPMG be re-appointed as the independent External Auditor and that the re-appointment be included in the agenda of the Annual General Meeting.

Compliance

The Audit Committee reviewed the reports submitted by the management and the Internal Auditors on compliance

with applicable laws and regulations. The Committee is satisfied that laws and regulations are duly complied with and statutory payments have been made on a timely basis. The orientation programme of new employees includes a training on compliance with the code of business ethics of the company and a declaration by them that they will abide by them.

Reporting

The activities and views of the Committee have been communicated to the Board of Directors through verbal briefings, and by tabling the minutes of the Committee's meetings.

Whistle Blowing, Fraud and Non-Compliance with Laws and Regulations

Employees can raise any confidential matters pertaining to accounting, internal controls and any non-compliance with laws and regulations. A Senior Independent Director is available to any member of the Board to discuss in confidence any matter concerning the Board. The Committee reviewed the appropriateness of the Company's whistle blowing policy to ensure the Company's arrangement

for confidentiality of information and their sources.

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.

On behalf of the Audit Committee.



Sampath Hettiarachchi
Chairman

15th March 2022

REMUNERATION COMMITTEE REPORT

Purpose of The Committee

The Committee was established for the purpose of recommending the remuneration of the Chairman and other Directors. The Committee also approves the remuneration of the Top Management on the recommendations made by the SGM and Management Committee.

Composition of the Audit Committee

The Committee, as at 31st December 2021, comprised following members;

Name	Category	Meeting Attendance
Sampath Hettiarachchi (Chairman)	Independent Non-Executive Director	3/3
Dallas Stephen	Independent Non-Executive Director	3/3

The Committee's composition met the requirements of the rule 7.10.5 of Listing Rules of the Colombo Stock Exchange.

The committee members possess experience in the fields of management and human resources. Brief profiles of each member are given on page 11 of this report.

Senior 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 Statutes in relation to remuneration relating to directors.

The Scope of the Committee

The Committee is mandated to formulate the remuneration policy of the Company and recommend to the Board of Directors any matter related to the following;

- Determining the compensation of the Chairman and Directors and ensuring that no Director is involved in setting his or her own remuneration.
- Formulate guidelines, policies and parameters for the compensation structures for all executive staff of the company.
- Review information 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 for eChannelling

The remuneration policy is designed to reward, motivate and retain the Company's executive team, with market competitive remuneration and benefits, to support the continued success of the business and creation of value as per the business model. The Committee makes every endeavor to maintain remuneration levels that are sufficient to attract and retain Executives Directors and the members of the senior

management team. Accordingly, salaries and other benefits are reviewed periodically, taking into account the performance of the individual and industry standards.

Activities During the Year

The Remuneration Committee met three times during the year and the proceedings of the meetings have been reported to the Board of Directors in adequate detail.

During the year, the Committee reviewed and approved the Rewards and benefits policy of the Company, which covers all aspects related to employee remuneration as described above.

Aggregate Remuneration paid to Non- Executive Directors

The aggregate remuneration paid to the Non-Executive Directors is given on Note 07 to the Financial Statement.

On behalf of the Remuneration Committee.



Sampath Hettiarachchi
Chairman

15th March 2022

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

Purpose of the Committee

The Committee was established to advise the Board in relation to transactions with the related parties as defined by LKAS 24. The Committee also exercises 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 (“the Code”) issued by the Securities and Exchange Commission of Sri Lanka. The Committee has also adopted best practices as recommended by the Institute of Chartered Accountants of Sri Lanka.

Composition of the Committee

The Committee, as at 31st December 2021, comprised following members;

Name	Category	Meeting Attendance
Sampath Hettiarachchi (Chairman)	Independent Non-Executive Director	4/4
Dallas Stephen	Independent Non-Executive Director	4/4
Shudharshana Geeganage	Non-Executive Director	4/4

The Committee’s composition met the requirements of the rule 9.2.2 of Listing Rules of the Colombo Stock Exchange.

Brief profiles of each member are given on pages 10 to 11 of this report.

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

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 on Related Party Transactions and with the Code of Best Practices on Related Party Transactions issued by the SEC.

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

- 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.
- Recommend, where necessary, to the Board and obtain their approval prior to the execution of any related party transaction.
- 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.
- Review the transfer of resources, services, or obligations between related parties regardless of whether a price is charged.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

- Review the economic and commercial substance of both recurrent /non recurrent related party transactions.
- 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.

Related Party Transactions during the Year

During the year 2021, 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

During the year there were no non-recurrent or recurrent related party transactions that exceeded the respective thresholds mentioned in the Listing Rules requiring disclosure in the Annual Report. Details of other related party transactions entered into by the Company during the year is disclosed in Note 25 to the Financial Statements.

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 83. 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.

On behalf of the Related Party Transactions Review Committee.



Sampath Hettiarachchi
Chairman

15th March 2022

STATEMENT OF DIRECTORS IN RELATION TO THEIR RESPONSIBILITY FOR THE PREPARATION OF FINANCIAL STATEMENTS

The responsibility of the Directors in relation to the Financial Statements of the Company is set out in the following statement. The responsibility of the Independent Auditors, in relation to the Financial Statements, prepared in accordance with the provisions of the Companies Act No. 07 of 2007 ("the Act"), is set out in the Independent Auditors' Report from pages 87 to 89.

The Financial Statements comprise:

- Statement of Profit or Loss and Other Comprehensive Income, which present a true and fair view of the profit and loss of the Company for the financial year; and
- Statement of Financial Position, which present a true and fair view of the state of affairs of the Company as at the end of the financial year, and which comply with the requirements of the Act and SLRFS.

The Directors are required to ensure that, in preparing these Financial Statements:

- appropriate accounting policies have been selected and applied in a consistent manner and material departures, if any, have been disclosed and explained;
- all applicable Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka, as relevant, have been followed;
- judgments and estimates have been made which are reasonable and prudent. The Directors are also required to ensure that the Company

has adequate resources to continue its operation to justify applying the going concern basis in preparing these Financial Statements.

Further, the Directors have a responsibility to ensure that the Company maintains sufficient accounting records to disclose, with reasonable accuracy the financial position of the Company and to ensure that the Financial Statements presented comply with the requirements of the Act.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and in this regard to give proper consideration to the establishment of appropriate internal control systems with a view to preventing and detecting fraud and other irregularities.

The Internal Auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls and accounting.

The Audit Committee of the Company meets periodically with the Internal Auditors and the Independent Auditors to review the manner in which these auditors are performing their responsibilities, and to discuss auditing, internal control and financial reporting issues. To ensure complete independence, the Independent Auditors

and the Internal Auditors have full and free access to the members of the Audit Committee to discuss any matter of substance..

The Directors are required to prepare the Financial Statements and to provide the Independent Auditors with every opportunity to take whatever steps and undertake whatever inspections that they may consider to be appropriate to enable them to give the Independent Auditors 'opinion.

The Directors are of the view that they have discharged their responsibilities as set out in this statement Compliance report

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company, and all other known statutory dues as were due and payable by the Company as at the Reporting date have been paid, or where relevant provided for, except as specified in Note 29 to the Financial Statements covering contingent liabilities.

By Order of the Board
eChannelling PLC



Geredene Soares
Company Secretary

15th March 2022

REPORT OF DIRECTORS

The Board of Directors are pleased to present their Report on the Affairs of the Company together with the Audited Financial Statements of the Company for the period ended 31st December 2021. The details set out herein provide pertinent information required by the Companies Act, No.7 of 2007 and the Listing Rules of Colombo Stock Exchange ("CSE").

Review of operations & Future Developments

The financial and operational performance of the Company during the year under review and future developments are discussed in the Chairman's Review and the Management Discussion & Analysis.

Principal Activity of the Company

The principal activity of the Company is to provide information infrastructure for the healthcare industry. The software system provides an efficient mechanism for the channelling of medical practitioners and other professionals. Further the company also provides Hospital information system which supports the efficient operation of hospitals.

Financial Statements & Auditors Report

The Financial Statements of the Company, duly certified by the Senior Manager Finance and signed by two Directors in compliance with sections 152, 153 and

168 of the Companies Act are given from pages 90 to 137 of this Report while the Auditor's report on the Financial Statements of the Company are given on pages 87 to 89 as required by section 168 (1) (c) of the Companies Act.

Accounting Policies

The Financial Statements of the Company has been prepared in accordance with Sri Lanka Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka which were in effect up to the reporting date. The significant accounting Policies adopted by the Company in preparing the Financial Statements are set out from page 94 to 110.

Board of Directors

The names of the persons who held office as Directors of the Company during the financial year ended 31st December 2021 are given below:

Mr. Rohan Fernando	Chairman/Non-Independent Non-Executive Director
Mr. Sudharshana Geeganage	Non –Independent Non – Executive Director
Mr. Lalith Seneviratne	Non –Independent Non – Executive Director

Mr. Lawrence Paratz	Non –Independent Non – Executive Director
---------------------	---

Mr. Sampath Hettiarachchchi	Independent Non – Executive Director
-----------------------------	--------------------------------------

Mr. Dallas Stephen	Independent Non – Executive Director
--------------------	--------------------------------------

The profiles of the Directors are set out in the 'Board of Directors' section of the Annual Report.

Mr. Sudarshana Geeganage who has been longest in office since the last re-election, retire by rotation in terms of Article 86 and 87 of the Articles of Association of the Company and being eligible offer himself for re-election.

Board Sub-Committees

In terms of Section 186 of the Companies Act, the Articles of Association of the Company and the Listing Rules the following sub-committees have been appointed by the Board;

- Audit Committee
- Remuneration Committee
- Related Party Transactions Review Committee

The composition of these Board Sub-

Committees and its functions are given under 'Corporate Governance' and the related sub-committee reports.

Directors' Shareholding

The Directors did not hold shares in the Company during the financial year under review.

Director's Remuneration and Other Benefits

The remuneration paid to the Directors by the Company for the financial year ended 31st December 2021 is given in Note 07 to the Financial Statements as required by section 168 (1) (f) of the Companies Act.

Directors' Interest in Contracts

The Directors have no direct or indirect interest in any contracts or proposed contract with the Company for the financial year ended 31 December 2021, other than those disclosed on pages 126 to 128 of the Annual Report. The Directors have declared all material interest in contracts involving the Company and refrained from voting on matters in which they were materially interested.

Interest Registers

The Company has maintained an Interest Register as per the requirement of the Companies Act No. 7 of 2007 and the Directors have made declarations as provided for in section 192 (1) and (2) of the Companies Act. The Interest Register is available for inspection by shareholders

or their authorized representatives as required by section 119 (1) (d) of the Companies Act.

Related party transactions

Transactions if any 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.

The Company has not carried out any transactions during the financial year ended 31 December 2021 which require disclosure in the Annual Report as per the CSE Listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions published in accordance with the Securities and Exchange Commission Directive Issued under Section 13(c) of the Securities and Exchange Commission Act.

The Directors declare that the related party transactions of the Company during the financial year have been reviewed by the Related Party Transactions Review Committee ("RPT – RC") and are in compliance with the Section 09 of the CSE Listing Rules

The RPT - RC report is set out on pages 79 to 80 of this Report.

Corporate Donations

The Company has not made any donations during the financial year for charitable or political purposes. (2021 – Nil)

Investments

Details of investments held by the Company are disclosed in Note 16 and 17 to the Financial Statements.

Intangible Assets

An analysis of the Intangible Assets of the Company, additions, impairment and amortisation charged during financial year are set out in Note 13 to the Financial Statements.

Property, Plant and Equipment

The movement in Property, Plant and Equipment during the year are set out in Note 11 to the Financial Statements.

Capital Commitments

The Company has not made any material capital commitments during the financial year that would require disclosures in the Financial Statements.

Stated Capital

The Stated Capital of the Company as at 31 December 2021 was LKR 93,758,316 dividend into 122,131,415 ordinary shares. There was no change in the stated capital of the Company during the year under review.

Status of Compliance to the Minimum Public Holding requirement of the Listing Rules

The Company complies with option 2 of the Listing Rule 7.14.1 (b) which requires a minimum public holding of 10%.

REPORT OF DIRECTORS

No. of shares held by the public	Float adjusted Market capitalization	Public holding percentage	No of public shareholders
15,156,797	397,100,525	12.41%	1,947

Reserves

Retained earnings as at 31st December 2021 amounted to LKR 250,658,530 (2020 – LKR 196,681,931) The movements is shown in the Statement of Changes in Equity in the Financial Statements.

Events Subsequent to the Reporting Date

There have been no material events occurring after the Balance Sheet Date that would require adjustments in the Financial Statements other than as disclosed in Note 30 to the Financial Statements.

Going Concern

The Board having considered the financial position, operating conditions, regulatory and other factors and such matters required to be addressed in the Corporate Governance Code, have a reasonable expectation that the Company possesses adequate resources to continue its operations for 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 continuation and growth of the Company in the current competitive business environment. The Company while appreciating and valuing the service of the employees make a greater effort to hire the best talent from external sources to maintain and improve the high quality of service.

Taxation

The tax position of the Company is given in Note 9 to the Financial Statements.

Risk Management and Internal Controls

The Directors are responsible for the Company's system of internal controls covering financial operations and risk management activities and review its effectiveness in accordance with the provisions of the corporate governance framework.

The Directors consider that the system is appropriately designed to manage the risk and to provide reasonable assurance against material misstatement or loss. The Directors further confirm that there is

an on-going process to identify, evaluate and manage significant business risks.

Statutory Payments & Compliance with Laws and Regulations

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 paid or provided for in the Financial Statements.

The Board believes that to the best of their knowledge, the Company has not engaged in any activity which contravenes laws and regulations. There have been no irregularities involving Management or employees, that could have any material financial effect or otherwise.

The Company has also ensured that it has complied with the applicable laws and regulations including the Listing Rules of the CSE.

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.

Impact of COVID 19 pandemic

The COVID 19 pandemic had a direct impact on its business mainly due to restrictions to public movement and private hospitals operating on a reduced scale to limit public interaction and provide services in essential cases.

Due to limitations in physical meetings and interaction between doctors and patents, eChannelling's ordinary business model has been effected driving down its revenue drastically. The management of the Company took immediate action to mitigate the above risk and its impact and to diversify eChannelling's business which will have short and long term impact. The Company activated new wave of innovation and considered to move its business towards technology allowing its customers to use digitalized environment to fulfil their needs such as introduction of audio and video consultation with Consultants.

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 2021.

Auditors

The Financial Statements for the period ended 31st December 2021 have been audited by Messrs KPMG, Chartered Accountants, who express their willingness to continue in office.

The Directors recommend to the shareholders the re-appointment of Messrs KPMG, as Auditors of the Company for the ensuing year. 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 fees paid to the Auditors for the services rendered during the period under review are as follows:

	2021 LKR	2020 LKR
Audit Fees	424,000	385,000
Non – Audit Fees	59,814	163,047

Based on the written representations made by the Auditors the Directors are satisfied that the Auditors have no interest or relationship with the Company other than that of External Auditors.

Annual General Meeting

The AGM will be held at 12.30 pm on 11th May 2022 at the Lotus Hall of the Bandaranaike Memorial International Conference Hall (BMICH), Bauddhaloka Mawatha, Colombo 07. The Notice of the Annual General Meeting appears on page 143 of the Annual Report.

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



Rohan Fernando
Chairman



Lalith Seneviratne
Director



Geredene Soares
Company Secretary

Date: 15th March 2022



FINANCIAL STATEMENTS

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 eChannelling PLC ("the Company"), which comprise the statement of financial position as at 31st December 2021, 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 90 to 137 of this Annual Report.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st December 2021, 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.

Revenue recognition	
Refer Note 4.1 and Note 5 to the financial statements	
Risk Description	Our Responses
Revenue is recognized predominately from the operational system of eChannelling. Initiating & recording customer channeling transactions are initially recorded in the e-Channelling 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-Channelling operational system.	<p>Our audit procedures included;</p> <ul style="list-style-type: none"> Involving our internal IT specialists, in obtaining an understanding and evaluating the design, implementation and operating effectiveness of key internal controls over the capturing and recording of eChannelling transactions in the system. Comparing the monthly manual journal entries relating to the aggregate revenue balance recorded in the accounting system with reports generated by the IT system. Selecting a sample of revenue transactions, comparing the details therein with the corresponding cash receipts.

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

M. R. Mihular FCA
T. J. S. Rajakarier FCA
Ms. S.M.B. Jayasekara ACA
G. A. U. Karunaratne FCA
R. H. Rajan FCA
A.M.R.P. Alahakoon ACA

P. Y. S. Perera FCA
W. W. J. C. Perera FCA
W. K. D. C. Abeyrathne FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

C. P. Jayatilake FCA
Ms. S. Joseph FCA
S. T. D. L. Perera FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA

Principals: S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA,
W. A. A. Weerasekera CFA, ACMA, MRICS

INDEPENDENT AUDITOR'S REPORT



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 do 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 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.

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 2618.

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka

15th March 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31st December	Note	2021 Rs.	2020 Rs.
Revenue	5.	193,249,235	130,061,513
Cost of sales		(42,669,493)	(24,846,842)
Gross Profit		150,579,742	105,214,671
Other income	6.	619,497	1,030,714
Administrative expenses		(80,866,407)	(70,924,284)
Selling and distribution expenses		(14,468,825)	(12,309,088)
Operating profit		55,864,007	23,012,013
Finance Income	8.1	13,745,279	18,254,170
Finance Expenses	8.2	(917,396)	(1,123,645)
Net finance income	8.	12,827,883	17,130,525
Profit before tax	7.	68,691,890	40,142,538
Income tax expense	9.	(15,319,578)	(10,139,917)
Profit for the year		53,372,312	30,002,621
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit liability	21.3	795,115	1,056,449
Related tax		(190,828)	(295,806)
Equity Investment at FVOCI-net change in Fair Value		(281,805)	239,453
Other Comprehensive income for the year, net of tax		322,482	1,000,096
Total Comprehensive income for the year		53,694,794	31,002,717
Earnings Per Share	10.	0.44	0.25

The Accounting Policies and Notes on pages 94 through 137 form an integral part of the Financial Statements.

Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION

As at 31st December	Note	2021 Rs.	2020 Rs.
ASSETS			
Non Current Assets			
Property, plant & equipment	11.	2,501,180	8,594,915
Right-of-use assets	12.	5,136,947	7,201,314
Intangible assets	13.	3,220,256	1,798,962
Deferred tax assets	14.	6,674,600	6,051,543
Equity Investments at FVOCI	17.	2,106,019	2,387,824
Total Non Current Assets		19,639,002	26,034,558
Current Assets			
Inventories		292,025	264,805
Trade and other receivables	15.	79,950,561	71,208,285
Amounts due from related parties	25.2	43,197,814	51,950,613
Short term investments	16.	244,650,912	232,097,205
Cash & cash equivalents	18.	76,327,210	10,685,228
Total Current Assets		444,418,522	366,206,136
Total Assets		464,057,524	392,240,694
EQUITY AND LIABILITIES			
Equity			
Stated capital	19.	93,758,316	93,758,316
Retained earnings		250,658,530	196,681,931
Fair Value Reserve	20.	537,209	819,014
Total Equity		344,954,055	291,259,261
Non Current Liabilities			
Retirement Benefit Obligations	21.	8,599,470	7,767,915
Lease liabilities	22.	4,573,796	8,025,855
Total Non Current Liabilities		13,173,266	15,793,770
Current Liabilities			
Trade and other payables	23.	91,799,047	76,646,287
Lease liabilities	22.	5,724,554	1,355,099
Amounts due to related parties	25.3	286,987	293,393
Current tax liabilities	24.	8,119,615	6,892,884
Total Current Liabilities		105,930,203	85,187,663
Total Liabilities		119,103,469	100,981,433
Total Equity & Liabilities		464,057,524	392,240,694

The Accounting Policies and Notes on pages 94 through 137 form an integral part of the Financial Statements.

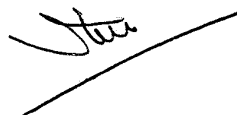
It is certified that the Financial Statements have been prepared in compliance with the requirements of Companies Act, No 07 of 2007.



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 Directors of eChannelling PLC;



Rohan Fernando
Chairman



Lalith Seneviratne
Director

15th March 2022
Colombo

STATEMENT OF CHANGES IN EQUITY

	Notes	Stated Capital Rs.	Fair Value Reserve Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01st January 2020		93,758,316	579,561	165,918,667	260,256,544
Total Comprehensive income for the year					
Profit for the year		-	-	30,002,621	30,002,621
Other comprehensive income					
- Actuarial gain arising from defined benefit obligation, net of tax	21.	-	-	760,643	760,643
- Fair value gain of investments valued at FVOCI	17.	-	239,453	-	239,453
Balance as at 31st December 2020		93,758,316	819,014	196,681,931	291,259,261
Balance as at 01st January 2021		93,758,316	819,014	196,681,931	291,259,261
Total Comprehensive income for the year					
Profit for the year		-	-	53,372,312	53,372,312
Other comprehensive income					
- Actuarial gain arising from defined benefit obligation, net of tax	21.	-	-	604,287	604,287
- Fair value gain of investments valued at FVTOCI	17.	-	(281,805)	-	(281,805)
Balance as at 31st December 2021		93,758,316	537,209	250,658,530	344,954,055

The Accounting Policies and Notes on pages 94 through 137 form an integral part of the Financial Statements.

Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

For the Year Ended 31st December	Note	2021 Rs.	2020 Rs.
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		68,691,890	40,142,538
Adjustments for :			
Depreciation on property, plant equipment	11.	6,723,235	8,419,941
Amortisation of right-of-use asset	12.	2,064,367	2,057,518
Amortisation on intangible assets	13.	975,522	998,622
Provision for employee benefits excluding actuarial gain/(Loss)	21.	1,833,514	1,486,884
Dividend income	6.	-	(346)
Interest income	8.1	(13,745,279)	(18,254,170)
Interest expense	8.2	917,396	1,123,645
Profit on disposal of Assets	6.	(10,000)	(55,000)
Provision for advance Payment	15.2	-	(35,000)
Reversal of provision for impairment of bad & doubtful debts	15.1	-	(807,778)
Operating Profit before Working Capital Changes		67,450,645	35,076,854
(Increase)/Decrease in inventories		(27,220)	454,451
(Increase)/Decrease in trade & other receivable		(10,099,751)	(16,862,538)
(Increase)/Decrease in related party receivable		8,752,799	(20,644,105)
Increase/(Decrease) in related party payable		(6,406)	(1,039,902)
Increase/(Decrease) in trade & other payables		15,152,760	16,875,684
Cash Generated From Operations		81,222,827	13,860,444
Income tax paid	24.	(13,549,256)	(3,878,781)
Employee benefits paid	21.	(206,844)	-
Net Cash From Operating Activities		67,466,727	9,981,663
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property plant and equipment	11.	(629,500)	(7,871,380)
Acquisition of intangible assets	13.	(2,396,816)	(490,000)
Proceeds from disposal of Assets		10,000	55,000
Proceeds from dividend income		-	346
Interest income received		1,191,571	726,128
Net Cash From / (Used in) Investing Activities		(1,824,745)	(7,579,906)
CASH FLOW FROM FINANCE ACTIVITIES			
Lease rentals paid during the year	22.	-	(4,816,414)
Net Cash Used in Finance Activities		-	(4,816,414)
Net Increase / (Decrease) in Cash and Cash Equivalents		65,641,982	(2,414,657)
Cash & cash equivalents at beginning of the year		10,685,228	13,099,885
Cash and Cash Equivalents at the end of the year	18.	76,327,210	10,685,228
Analysis of Cash and Cash Equivalents			
Cash at bank		76,256,302	10,647,243
Cash in hand		70,908	37,985
	18.	76,327,210	10,685,228

The Accounting Policies and Notes on pages 94 through 137 form an integral part of the Financial Statements.

Figures in brackets indicate deductions.

NOTES TO THE FINANCIAL STATEMENTS

1. Reporting entity

1.1 Corporate Information

eChannelling 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 Np. 108 WAD Ramanayake mawatha, Colombo 02.

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 and other professionals. In addition, the company provides Hospital information system which supports the efficient operation of hospitals.

1.3 Parent Enterprise & Ultimate Parent Enterprise

Mobitel (Pvt) Ltd is the parent of eChannelling PLC which holds 87.59% shares of eChannelling 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 2021 is 30 (2020 – 28).

1.5 Responsibilities for Financial Statements and Approval of Financial Statements

The Board of Directors of the Company is responsible for the preparation and fair presentation of the financial statements of the company as per the provisions of the Companies Act No 07 of 2007 and the Sri Lanka Accounting Standards. The Directors responsibility over Financial Statements is set out in detail in the statement of Directors' Responsibility.

The financial statements of the Company for the year ended 31st December 2021 were authorized for issue in accordance with a resolution of the Board of Directors on 15th March 2022.

2. Basis of preparation

2.1 Statement of compliance

The Financial Statements of the Company comprise the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows together with the

significant accounting policies and notes to the Financial Statements.

The Financial Statements have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (ICASL) and the requirements of the Companies Act No. 7 of 2007 and provide appropriate disclosures as required by the listing rules of the Colombo stock exchange (CSE). These Financial Statements except for information on cash flows have been prepared following the accrual basis of accounting.

2.2 Basis of measurement

The Financial Statements have been prepared on an accrual basis and under the historical cost basis except for the following items in the Statement of Financial Position:

- Financial assets at Fair Value through Other Comprehensive Income (FVOCI); and
- Liability for defined benefit obligation recognized as the present value of the defined benefit obligation. (LKAS 19)

2.3 Functional and presentation currency

The financial statements of the company are presented

in Sri Lankan Rupees, which is the Company's functional and presentation currency. All amounts have been rounded to the nearest rupee, unless otherwise indicated.

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.

Underlying estimates, judgements, 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 assumptions and estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the Financial Statements is included in the following notes:

Note 14 - Deferred taxation

Note 15 - Impairment of trade receivables

Note 21 - Employee benefit obligations

2.5 Measurement of fair value

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.

The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, the 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.

There is no impact on the financial statements for the year, from the transfers between levels of the fair value hierarchy at the end of the reporting period.

2.6 Materiality and aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by

NOTES TO THE FINANCIAL STATEMENTS

the Sri Lanka Accounting Standard – LKAS 1 on 'Presentation of Financial Statements'.

Notes to the Financial statements are presented in a systematic manner which ensures the understandability and comparability of Financial Statements of the Company. Understandability of the Financial Statements is not compromised by obscuring material information or by aggregating material items that have different natures or functions

2.7 Going Concern

The management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future and confirms that they do not intend either to liquidate or to cease operations of the Company. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the Financial Statements of the Company continue to be prepared on a going concern basis.

2.8 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position, only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously. Income and expenses are not offset in the income statement, unless required or permitted by Sri Lanka Accounting Standards and as specifically disclosed in the Significant Accounting Policies of the Company.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all the periods presented in these Financial Statements and have been applied consistently by the Company, unless otherwise stated.

3.2 Foreign currency transactions

In preparing the Financial Statements, transactions in currencies other than the entity's functional currency (foreign currency) are recorded in the functional currencies (i.e. Sri Lanka Rupees) using the exchange rates

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.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences which are recognized in other comprehensive income.

3.3 Assets and bases of their valuation

Assets classified as current assets in the Statement of Financial Position are cash, bank balances and those which are expected to be realized in cash during the normal operating cycle of the company's business, or within one year from the reporting date, whichever is shorter. Assets other than current assets are those which the Company intends to hold beyond a period of one year from the reporting date.

3.3.1 Property, plant and equipment

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

Basis of Recognition & Measurement

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.

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, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. 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:

Category of Asset	Useful Economic Lifetime (Years)
Furniture & Fittings	4
Computer Equipment	2
Computer Servers	5
Office Equipment	2

NOTES TO THE FINANCIAL STATEMENTS

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.

3.3.2 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 & Measurement

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 amortization and any accumulated impairment losses.

Subsequent Measurement

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands are recognized in the profit and loss as incurred.

Amortization

Computer software are amortized 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.

3.3.3 Leases

3.3.3.1 Recognition and initial measurement (As a lessee)

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in SLFRS 16.

Right of use asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and

remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

3.3.3.2 Subsequent measurement

Right of use asset

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain

remeasurements of the lease liability.

Lease liability

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3.3.3.3 Recognition exemption

As per the SLFRS 16 the lessee may elect not to apply requirements in paragraphs 22-49 for the Short-term leases and leases of low-value assets. Accordingly, the Company has elected not to recognize right-

NOTES TO THE FINANCIAL STATEMENTS

of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.3.4 Financial Instruments

3.3.4.1 Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized 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 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.

3.3.4.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured

at: amortized cost; FVOCI - debt investment; FVOCI - equity investment; or 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 amortized 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 of outstanding.

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 amortized 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 amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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 realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group'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 de recognition 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

NOTES TO THE FINANCIAL STATEMENTS

additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual paramount, 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.

3.1.2.1. Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains

and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized 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 recognized in OCI and are never reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized 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 net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

3.3.4.3 Derecognition

Financial assets

The Company derecognizes 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 recognized 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 derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes 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 recognized 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 recognized in profit or loss.

3.3.4.4 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 realize the asset and settle the liability simultaneously.

3.3.4.5 Impairment policy

Non - derivative financial instruments

Financial instruments and contract assets

The Company recognizes loss allowances for ECLs on financial assets measured at amortized cost.

The Company measure loss allowances at an amount equal to lifetime ECLs. Loss allowances for trade receivables are 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 365 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.

The Company establishes an allowance for impairment that represents its estimate of

NOTES TO THE FINANCIAL STATEMENTS

expected losses in respect of Trade Receivables. Therefore, the Board of Directors has decided to assess each receivable separately based on the segment, age of customer relationship, historical data of payment statistics as at every reporting date. By analyzing such factors, the company's practice is to measure the loss allowances for trade receivables as specific provision by providing full provision for the trade receivable balances more than 365 days which is similar as an amount equal to lifetime ECLs.

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 365 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 reorganization; 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 amortized cost are deducted from the gross carrying amount of the assets.

Impairment Policy: Non-financial assets

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

Impairment losses are recognized in profit or loss

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.4 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand and form an integral part of the cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

3.5 Liabilities and provisions

Liabilities classified as Current Liabilities on the Statement of Financial Position are those,

which fall due for payment on the demand or within one year from the reporting date. Non-Current Liabilities are those balances that fall due for payment after one year from the reporting date.

All known liabilities have been accounted for in preparing the Financial Statements. Provisions and liabilities are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligations.

3.5.1 Provisions

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, 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.

3.6 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.

Remeasurements of the defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in OCI. The Company determines the interest expense on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then defined benefit liability, taking into account any changes in the defined benefit liability during the period as a result of benefit payments. Interest expense and other expenses related to defined

NOTES TO THE FINANCIAL STATEMENTS

benefit plans are recognised in profit or loss.

c) **Short term employee benefits**

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

d) **Termination Benefits**

Termination benefits are recognized as an expense when the Company and the Group is demonstrably committed, without a realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company and the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable

more than 12 months after the reporting date, then they are discounted to their present value.

3.7 **Stated Capital**

As per the Companies Act No. 07 of 2007, section 58 (1), stated capital in relation to a Company means the total of all amounts received by the Company or due and payable to the Company in respect of the issue of shares and in respect of call in arrears. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with LKAS 12.

4. **Statement of Profit or Loss and Other Comprehensive Income**

4.1 **Revenue recognition**

Performance obligations and revenue recognition policies

The revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes 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.

The following provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

- The Company recognizes revenue from customers as and when the channeling appointments are booked.
- Other revenue recognized 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.
 - Software and network commission income – Software and network commission is the platform sharing commission and recognized when service provided.

4.2 **Other Income**

Gains and losses of a revenue nature on the disposal of property, plant & equipment and other non-current assets are recognized by comparing the net sales proceeds with the carrying amount

of the corresponding asset and are recognized net within 'other income' in the statement of profit or loss.

Dividend income is recognized when the right to receive dividends is established which is generally when the dividend is declared. Dividend income is recognized under other operating income

4.3 Finance income

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

4.4 Expenditure Recognition

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.

4.4.1 Operating Expenses

All expenses incurred in day to day operations of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the income statement in arriving at the profit or loss for the year

Provision have also been made for impairment of financial assets, all known liabilities and depreciation on property, plant and equipment.

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

4.4.2 Financing Costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, losses on disposal of available for- sale financial assets, fair value losses on financial assets at fair value through profit or loss, impairment losses recognized on financial assets (other than trade receivables) that are recognized in the income statement.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movement are in a net gain or net loss position.

4.5 Income tax

Income tax expense comprises both current and deferred tax. Income tax expense is recognized in income statement except to the extent that it relates to items recognized directly in equity, in which case is recognized in the statement of comprehensive income or statement of changes in equity, in which case it is recognized directly in the respective statements.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

4.5.1 Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for

NOTES TO THE FINANCIAL STATEMENTS

the year and any adjustment to the tax payable or receivable 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. It is measured using tax rates enacted or substantively enacted at the reporting date.

4.5.1.1 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.

Temporary differences in relation to a right-of-use assets and lease liability are regarded as a net package (Right of Use of the assets) for the purpose of recognising deferred tax.

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, based on the laws that have been enacted or substantively enacted at the reporting date.

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

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary 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.

4.6 Earnings per Share (EPS)

The financial statements present the 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.

4.7 Operating segment

There are no reportable operating segments.

4.8 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 being charged.

The relevant details are disclosed in the respective notes to the Financial Statements.

4.9 Statement of cash flow

The cash flow statement has been prepared using the 'indirect method' in accordance with Sri Lanka Accounting Standard - LKAS 7 on 'Statement of Cash Flows'. Cash and cash equivalent comprise cash in hand and cash at bank that are readily convertible to known amount of cash and subject to an insignificant risk of change in value.

Interest received and dividends received are classified as investing cash flows, while dividend paid is classified as financing cash flows and interest paid is classified under the operating cash flows for the purpose of presentation of Cash Flow Statement.

Bank overdrafts that are re-payable on demand and forming an integral part of the Company's cash management are included as a component of cash and cash equivalent for the purpose of the Statement of Cash Flows.

4.10 Events after the reporting date.

The materiality of the events occurring after the reporting date have been considered and appropriate adjustments to or disclosure have been made in the financial statements where necessary.

4.11 Capital Commitments and Contingencies

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of

resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company. The Company does not recognize contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

All material capital commitments and contingent liabilities of the Company are disclosed in the respective notes to the Financial Statements.

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

A number of new standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted;

however, the Company has not early adopted the new or amended standards in preparing these financial statements.

- Onerous contracts – Cost of Fulfilling a Contract (Amendments to LKAS 37)

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply for annual reporting periods beginning on or after 1st January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other components of equity, as appropriate. The Comparatives are not restated. The Company does not anticipate this amended to have a significant impact.

- Other Standards

The following new and amended standards are not expected to have a significant impact on the Company's financial statements.

- Covid-19-Related Rent Concessions beyond 30 June

NOTES TO THE FINANCIAL STATEMENTS

2021 (Amendment to SLFRS 16)

- Annual Improvement to SLFRS Standards 2018-2020.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to LKAS 16).
- Reference to Conceptual Framework (Amendments to SLFRS 3).
- Classification of Liabilities as Current or Non-current (Amendments to LKAS 1).
- Disclosure of Accounting Policies (Amendments to LKAS 1 and SLFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to LKAS 8)
- Deferred tax related to assets and liabilities arising from a single transaction (Amendment to LKAS 12).

For the Year Ended 31st December

2021
Rs.

2020
Rs.

5. REVENUE

Revenue from Contracts with Customers

Revenue from portals	125,049,995	105,490,903
Revenue from no-show refund	27,181,075	15,930,450

Revenue from Other Sources

Call charges income	2,325,412	1,148,150
Revenue from membership cards	379,220	193,767
Software and network commission income	38,313,533	7,298,243

Total Revenue	193,249,235	130,061,513
----------------------	--------------------	-------------

5.1 Timing of Revenue Recognition

Products & services transferred at a point in time	193,249,235	130,061,513
Products & services transferred over time	-	-
Total Revenue	193,249,235	130,061,513

5.2 Primary geographical markets

Sri Lanka	193,249,235	130,061,513
Total Revenue	193,249,235	130,061,513

6. OTHER INCOME

Profit on disposal of Assets	10,000	55,000
Receipt of unidentified deposits	-	474,894
Sundry income	609,497	500,474
Dividend income	-	346
	619,497	1,030,714

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st December

2021
Rs.

2020
Rs.

7. PROFIT BEFORE TAX

The Profit before taxation is stated after charging all the expenses including the following:

Directors' remuneration	2,360,000	2,355,000
Auditors' remuneration - Audit services	424,000	385,000
Depreciation of Property Plant and Equipment	6,723,235	8,419,941
Amortization of intangible assets	975,522	998,622
Amortization of ROU assets	2,064,367	2,057,518
Staff cost (Note 7.1)	36,551,017	34,019,665

7.1 Staff cost

Salary related expenses	29,421,962	27,578,960
Defined contribution plan - EPF	4,413,784	4,128,050
Defined contribution plan - ETF	881,757	825,770
Defined benefit plans	1,833,514	1,486,884
	36,551,017	34,019,665

8. NET FINANCE INCOME

8.1 Finance Income

Interest income from short term investments	12,566,875	18,011,113
Interest income from saving accounts	1,178,404	243,057
	13,745,279	18,254,170

8.2 Finance Expense

ROU assets lease interest expense	917,396	1,123,645
	917,396	1,123,645
Net Finance Income	12,827,883	17,130,525

For the Year Ended 31st December

2021
Rs.

2020
Rs.

9. INCOME TAX EXPENSE

9.1 Income tax expense recognised in the Income Statement

Current income tax expense	18,120,795	12,377,818
(Over) / Under provision in previous years	(1,987,332)	1,356,271
Total Current income tax expense	16,133,463	13,734,089
Provision/(Reversal) of deferred tax (Note 14.1)	(1,678,391)	(3,594,172)
Effect of change in tax rate (Note 14)	864,506	-
Tax expense on Profit or Loss	15,319,578	10,139,917
Deferred tax on Other Comprehensive Income	190,828	295,806
Tax expense on Total Comprehensive Income	15,510,406	10,435,723

9.2 Income tax provisions applicable

In accordance with the provisions of the Inland Revenue (Amendment) Act No 10 of 2021 and , the Company is liable for Income Tax at the rate of 24% on its taxable income. (2020 - 28%).

For the Year Ended 31st December

2021
Rs.

2020
Rs.

9.3 Reconciliation Between Accounting Profit to Income Tax Expense

Accounting profit before tax	68,691,890	40,142,538
Aggregate disallowed expenses	12,514,029	14,879,884
Aggregate allowable expenses	(5,702,607)	(10,815,928)
Total taxable income	75,503,312	44,206,494
Income tax for the year -@ 24% (2020- @ 28%)	18,120,795	12,377,818
Total Income Tax Expense for the year	18,120,795	12,377,818

NOTES TO THE FINANCIAL STATEMENTS

10. 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".

	2021	2020
Profit attributable to equity holders of the company (Rs.)	53,372,312	30,002,621
Weighted average number of ordinary shares	122,131,415	122,131,415
Earnings per share (Rs.)	0.44	0.25

10.1 Diluted Earning per Share

There were no potential dilutive ordinary shares outstanding at any time during the year. Therefore, Diluted Earnings Per Share is the same as Basic Earnings Per Share shown above.

11. PROPERTY, PLANT & EQUIPMENT

	Computer Equipment	Computer Servers	Furniture & Fittings	Office Equipment	Total
COST					
Balance as at 1st January 2020	22,774,119	41,426,759	6,315,137	2,400,965	72,916,980
Additions during the year	7,871,380	-	-	-	7,871,380
Disposals during the year	(230,000)	-	-	(215,599)	(445,599)
Balance as at 31st December 2020	30,415,499	41,426,759	6,315,137	2,185,366	80,342,761
Additions during the year	629,500	-	-	-	629,500
Disposals during the year	(99,000)	-	-	-	(99,000)
Balance as at 31st December 2021	30,945,999	41,426,759	6,315,137	2,185,366	80,873,261

	Computer Equipment	Computer Servers	Furniture & Fittings	Office Equipment	Total
ACCUMULATED DEPRECIATION					
Balance as at 1st January 2020	16,917,164	41,012,013	3,682,842	2,161,485	63,773,504
Charge for the year	6,179,370	414,742	1,626,919	198,910	8,419,941
Disposals during the year	(230,000)	-	-	(215,599)	(445,599)
Balance as at 31st December 2020	22,866,534	41,426,755	5,309,761	2,144,796	71,747,846
Charge for the year	5,786,741	4	895,920	40,570	6,723,235
Disposals during the year	(99,000)	-	-	-	(99,000)
Balance as at 31st December 2021	28,554,275	41,426,759	6,205,681	2,185,366	78,372,081
CARRYING AMOUNT					
Balance as at 31st December 2021	2,391,724	-	109,456	-	2,501,180
Balance as at 31st December 2020	7,548,965	4	1,005,376	40,570	8,594,915

(a) Capitalisation of borrowing cost

There were no capitalized borrowing costs related to the acquisition of property, plant and equipment during the year 2021 (2020 – Nil).

(b) Fully depreciated property, plant and equipment in use

The cost of fully depreciated property, plant and equipment of the Company which are still in use as follows,

As at 31st December	2021 Rs.	2020 Rs.
Computer Equipment	22,863,719	14,969,588
Computer Servers	41,426,759	41,426,755
Furniture & Fittings	5,995,383	-
Office Equipment	2,185,366	1,981,830
	72,471,227	58,378,173

NOTES TO THE FINANCIAL STATEMENTS

(c) Property, plant and equipment pledged as security for liabilities

There were no items of property, plant and equipment pledged as securities for liabilities of the Company as at the reporting date.

(d) Title restriction on property, plant and equipment

There were no restrictions existed on the title of the property, plant and equipment of the Company as at the reporting date.

(e) Temporarily idle Property, Plant and Equipment

There are no temporarily idle property, plant and equipment as at the reporting date.

(f) Acquisition of property, plant and equipment during the year

During the financial year, the Company acquired PPE to the aggregate value of Rs. 629,500/- (2020 - Rs.7,871,380/-) by means of cash.

As at 31st December

2021
Rs.

2020
Rs.

12. RIGHT-OF-USE ASSET

Cost

Balance at the beginning of the year	13,256,747	21,988,530
Adjustment on lease modification	-	(8,731,783)
Balance at the end of the year	13,256,747	13,256,747

Accumulated Amortization

Balance at the beginning of the year	6,055,433	3,997,915
Amortization charge for the year	2,064,367	2,057,518
Balance at the end of the year	8,119,800	6,055,433
Carrying Amount	5,136,947	7,201,314

The company leases land and the building which is located in, R.A.D. Mel Mawatha, Kollupitiya, Colombo 03 has been obtained as a lease for 06 years and 11 months from 01st August 2017 to 30th June 2024 with the option to terminate the agreement by either party by giving 30 days notice to the other party in the case of the other party becomes insolvent or goes into voluntary or compulsory liquidation or in a case of winding up the company. Either party can terminate the agreement for convenience by giving 60 days notice for the other party. The management has not taken a decision to terminate the lease as at 31st December 2021. During the lease period, the Company has the right to use the land and the building for the business purposes.

As at 31st December	2021 Rs.	2020 Rs.
13. INTANGIBLE ASSETS		
Cost		
Balance at the beginning of the year	25,114,665	24,624,665
Additions during the year	2,396,816	490,000
Balance at the end of the year	27,511,481	25,114,665
Accumulated Amortization		
Balance at the beginning of the year		
Charge for the year	23,315,703	22,317,081
Balance at the end of the year	975,522	998,622
Carrying Amount	24,291,225	23,315,703
	3,220,256	1,798,962

Intangible assets consist of software licenses and hospital network software used by the Company.

NOTES TO THE FINANCIAL STATEMENTS

(a) Fully amortized but still in use

The cost of fully amortized intangible assets of the Company which are still in use as follows,

As at 31st December	2021 Rs.	2020 Rs.
Software	11,685,121	11,685,121
Hospital--net Software	10,804,944	10,804,944
	22,490,065	22,490,065

(b) Intangible assets pledged as security for liabilities

There were no items of intangible assets pledged as securities for liabilities of the company as at the reporting date.

(c) Title restriction on intangible assets

There were no restrictions existed on the title of the intangible assets of the company as at the reporting date

(d) Temporarily idle Intangible Assets

There are no temporarily idle intangible assets as at the reporting date.

As at 31st December	2021 Rs.	2020 Rs.
---------------------	-------------	-------------

14. DEFERRED TAX ASSET

Balance at the beginning of the year	6,051,543	2,753,177
(Provision)/Reversal during the year (Note 14.1)	1,487,563	3,298,366
Effect of change in tax rates	(864,506)	-
Balance at the end of the year	6,674,600	6,051,543

14.1 (Provision)/Reversal for the year

(Provision)/Reversal during the year recognized in Profit or Loss	1,678,391	3,594,172
(Provision)/Reversal during the year recognized in Other Comprehensive Income	(190,828)	(295,806)
	1,487,563	3,298,366

14.2 The movement in tax effect of temporary differences during the year is as follows:

Deferred Tax Assets / (Liabilities)	2021		2020	
	Temporary Difference Rs.	Tax Effect on Temporary Difference Rs.	Temporary Difference Rs.	Tax Effect on Temporary Difference Rs.
Property, Plant and Equipment	8,635,602	2,072,545	6,250,744	1,750,208
Impairment on Trade Receivables	2,494,355	598,645	2,494,355	698,419
Employee Benefits	8,599,470	2,063,873	7,767,915	2,175,016
Impairment on Advances	2,920,000	700,800	2,920,000	817,600
Net Right of Use the Asset	5,161,403	1,238,737	2,179,640	610,299
Net Deferred Tax Asset	27,810,830	6,674,600	21,612,654	6,051,543

"Management has measured the deferred tax asset by applying the tax rates as per Inland Revenue (Amendment) Act No 10 of 2021 as at 31st December 2021. The Deferred Tax Asset is arrived at by applying the Income Tax rate of 24% applicable for the temporary difference as at 31st December 2021. (28% - 31st December 2020). The Corporate tax rate reduced from 28% to 24%. This change resulted in a loss of LKR 864,506/- related to the remeasurement of deferred tax assets of the Company.

As at 31st December

	2021 Rs.	2020 Rs.
--	-------------	-------------

15. TRADE & OTHER RECEIVABLES

Trade receivable	44,190,050	38,669,139
Provision for impairment of trade receivable (Note 15.1)	(2,494,355)	(2,494,355)
	41,695,695	36,174,784
Advance, prepayments and other receivables (Note 15.2)	38,254,866	33,676,025
Withholding Tax Receivable	-	1,357,476
	79,950,561	71,208,285

NOTES TO THE FINANCIAL STATEMENTS

As at 31st December	2021 Rs.	2020 Rs.
15.1 Movement in provision for impairment of trade receivable		
Balance at the beginning of the year	2,494,355	3,302,133
Provision/(Reversals) during the year	-	(807,778)
Balance at the end of the year	2,494,355	2,494,355
15.2 Advance, prepayments and other receivables		
Advance, prepayments and other receivables	41,174,866	36,596,025
Less : Provision for impairment	(2,920,000)	(2,920,000)
Balance at the end of the year	38,254,866	33,676,025
16. SHORT TERM INVESTMENTS		
Balance as at 1st January	229,224,230	210,059,019
Interest Capitalized during the year	11,913,792	19,165,211
Balance as at 31st December	241,138,022	229,224,230
Interest Receivable as at 31st December	3,512,890	2,872,975
Total Investment in Fixed Deposits as at 31st December	244,650,912	232,097,205

17. EQUITY INVESTMENTS AT FVOCI

The Company designated the investments shown below as equity securities at FVOCI as these equity securities represent investments that the Company intends to hold for the long term for strategic purposes.

Name of the company	31st December 2021			31 December 2020		
	No of shares	Cost (Rs)	Market Value (Rs)	No. of shares	Cost (Rs.)	Market value (Rs.)
Citrus Leisure PLC	31,200	944,741	277,680	31,200	944,741	324,480
TAL Lanka Hotels PLC	10,000	606,702	221,000	10,000	606,702	169,000
Blue Diamonds Jewellery Worldwide PLC	700	2,372	630	700	2,372	560
Serendib Hotels PLC (Voting)	7	162	144	7	162	125
Serendib Hotels PLC (Non Voting)	93	1,628	1,070	93	1,628	967
York Arcade Holdings PLC	10	3,847	2,105	10	3,847	1,338
Lanka Century Investment PLC (Ambeon Holding)	100	7,100	4,890	100	7,100	2,070
Nations Trust Bank PLC	104	8,100	5,720	104	8,100	6,240
Seylan Bank PLC (Non Voting)	107	7,500	3,563	107	7,500	4,922
Renuka Capital PLC	1,100	11,396	21,340	1,100	11,396	7,700
Lankem Developments PLC	100	59	630	100	59	470
Hikkaduwa Beach Resorts PLC	20	20	136	20	20	116
Lake House Priters and Publishers PLC	10,697	1,093,983	1,567,111	10,697	1,093,983	1,869,836
	54,238	2,687,610	2,106,019	54,238	2,687,610	2,387,824

No strategic investments were disposed of during the year 2021, and there were no transfers to any cumulative gain or loss within the equity relating to these investments.

NOTES TO THE FINANCIAL STATEMENTS

As at 31st December	2021 Rs.	2020 Rs.
18. CASH & CASH EQUIVALENTS		
Cash at bank	76,256,302	10,647,243
Cash in hand	70,908	37,985
	76,327,210	10,685,228
Cash and cash equivalents for the purpose of statement of cashflows	76,327,210	10,685,228
19. STATED CAPITAL		
Ordinary shares - issued and fully paid (Nos.)	122,131,415	122,131,415
Issued and fully paid (Rs.)	93,758,316	93,758,316

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

20. FAIR VALUE RESERVE

This represents the cumulative net change in fair value of equity securities designated at FVOCI until the investments are derecognized.

As at 31st December	2021 Rs.	2020 Rs.
Balance as at 1st January	819,014	579,561
Changes in fair value during the year	(281,805)	239,453
Balance as at 31st December	537,209	819,014

As at 31st December

2021
Rs.2020
Rs.**21. RETIREMENT BENEFIT OBLIGATIONS****21.1 Movement in the present value of the defined benefit obligation**

Balance as at 1st January	7,767,915	7,337,480
Actuarial loss/(gain) during the year	(795,115)	(1,056,449)
Current service costs	967,231	902,133
Interest cost	866,283	584,751
Payments during the year	(206,844)	-
Balance as at 31st December	8,599,470	7,767,915

21.2 Expense recognized in the Statement of Profit or Loss

Current service cost	967,231	902,133
Interest cost	866,283	584,751
	1,833,514	1,486,884

21.3 Expense recognized in the statement of other comprehensive income

Actuarial loss/(gain) during the year	(795,115)	(1,056,449)
	(795,115)	(1,056,449)

LKAS 19 - 'Employee benefit' requires to apply Project Credit Unit method to make a reliable estimate of the retirement benefit obligation in order to determine the present value of the retirement benefit obligation. These key assumptions were made in arriving at the retirement benefit obligation as at 31st December 2021 in respect of following companies are stated below.

Discount Rate	11.64%	8.5%
Rate of Salary Increment	8%	5.7%
Staff Turnover Factor	6.90%	11.78%
Retirement age	60 years	55 years

NOTES TO THE FINANCIAL STATEMENTS

21.4 Sensitivity of assumptions used

The sensitivity analysis shown below are the reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

As at 31st December	2021 Rs.	2020 Rs.
Increase /(decrease) in discount rate		
+1%	(476,933)	(394,947)
-1%	509,651	421,888
Increase /(decrease) in salary increment rate		
+1%	522,422	429,248
-1%	(496,912)	(408,800)

22. LEASE LIABILITY

Balance as at 1st January	9,380,954	24,613,937
Interest cost during the year	917,396	1,123,645
Repayments made during the year	-	(4,816,414)
Adjustment on lease modification	-	(8,731,783)
Unpaid lease rental transferred to other Payables	-	(2,808,431)
Balance as at 31st December	10,298,350	9,380,954
Balance due within one year	5,724,554	1,355,099
Balance due after one year	4,573,796	8,025,855
	10,298,350	9,380,954

As at 31st December	2021 Rs.	2020 Rs.
(a) Amount recognized in profit or loss		
Depreciation on right-of-use asset	2,064,367	2,057,518
Interest on lease liabilities	917,396	1,123,645
	2,981,763	3,181,163
(b) Amount recognized in statement of cashflows		
Cash outflow for lease	-	4,816,414
Total cash outflow for lease	-	4,816,414
23. TRADE & OTHER PAYABLES		
Trade payables	63,247,218	62,095,110
Deferred revenue	1,442,591	685,337
Accrued expenses	27,109,238	13,865,840
	91,799,047	76,646,287
24. CURRENT TAX PAYABLE/(RECEIVABLES)		
Balance as at 1st January	6,892,884	(1,746,505)
Income Tax Provision for the year	18,120,795	12,377,818
(Over) / Under provision in previous years	(1,987,332)	1,356,271
WHT set off	(1,357,476)	(1,215,919)
Payments made during the year	(13,549,256)	(3,878,781)
Balance as at 31st December	8,119,615	6,892,884

NOTES TO THE FINANCIAL STATEMENTS

25. RELATED PARTY DISCLOSURE

The 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".

The related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

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 2021, are disclosed below,

As at 31st December			2021 Rs.	2020 Rs.
25.2 Amounts due from related parties				
Mobitel (Pvt) Ltd			32,561,521	41,844,856
Sri Lanka Telecom PLC			10,636,293	10,105,757
			43,197,814	51,950,613
25.3 Amounts due to related parties				
Sri Lanka Telecom PLC			286,987	293,393
			286,987	293,393
25.4 Transactions with related entities				
Name of the Related Party	Relationship	Nature of Transaction	2021 Rs.	2020 Rs.
Mobitel (Pvt) Ltd	Immediate parent	Mobile charges	1,097,099	1,155,534
		Call Charges Income	2,064,829	1,148,150
		Staff Welfare	300,000	300,000
		Building Rent	2,836,800	2,600,400
Sri Lanka Telecom PLC	Ultimate parent	IDC Payments	2,606,017	3,042,897
		Telephone charges	126,401	139,051

There were no any non-recurrent Related Party Transactions entered during the year, other than the transactions specified above as per the CSE Listing Rule 9.3.2.

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, the 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.

25.7 Recurrent Related Party Transactions

There were no recurrent related party transactions which in aggregate value exceeded 10% of the gross revenue of the Company as per 31st December 2021 audited financial statements, which required additional disclosures in the 2021 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13 (c) of the Securities and Exchange Commission Act.

Transactions with related parties are carried out in the ordinary course of business. Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivable or payables for the year ended 31st December 2021.

25.8 Non-Recurrent Related Party Transactions

There were no non-recurrent related party transactions which aggregate value exceeded 10% of the equity or 5% of the total assets which ever is lower of the Company as per 31st December 2021 audited financial statements, which required additional disclosures in the 2021 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13 (c) of the Securities and Exchange Commission Act.

NOTES TO THE FINANCIAL STATEMENTS

(i) Loans to the Directors

No loans have been granted to the Directors of the Company

(ii) Compensation paid to Key Management Personnel

The compensation paid to KMP as short term employment benefits is disclosed in Note 7 to the financial statements.

(iii) Other Transactions with Key Management Personnel

There were no other transactions with Key Managerial Personnel other than those disclosed in Note 25.4 to these Financial Statements.

(iv) Transactions with close family members

There were no transactions with close family members during the year.

(v) The Directors of the Company are also Directors of the following companies:

Name of the Company	Relationship	Name of the Director		
		Mr. Rohan Fernando	Mr. Lalith Seneviratne	Mr. L M Paratz
Mobitel (Pvt) Ltd	Immediate Parent	X	X	X
Sri Lanka Telecom PLC	Ultimate Parent	X	X	X
SLT Campus (Pvt) Ltd	Related	X		X
SLT Digital info Services (Pvt) Ltd	Related	X	X	X
SLT Visioncom (Pvt) Ltd	Related	X	X	X
Sky Network (Pvt) Ltd	Related	X		X
SLT Services (Pvt) Ltd	Related	X	X	X

As at 31st December

Note

2021
Rs.2020
Rs.**26. FINANCIAL INSTRUMENTS****26.1 Financial Instruments - Statement of Financial Position****Financial Assets****Fair value through other comprehensive income**

Equity Investments at FVOCI	17.	2,106,019	2,387,824
		2,106,019	2,387,824

Amortized Cost

Trade and other receivables	15.	72,166,200	70,079,933
Amounts due from related parties	25.2	43,197,814	51,950,613
Short term investments	16.	244,650,912	232,097,205
Cash & cash equivalents	18.	76,327,210	10,685,228
		436,342,136	364,812,979

Total Financial Assets**438,448,155** 367,200,803**Financial Liabilities****Other Financial Liabilities**

Trade payables	23.	63,247,218	62,095,110
Lease liabilities	22.	10,298,350	9,380,954
Amounts due to related parties	25.3	286,987	293,393
		73,832,555	71,769,457

NOTES TO THE FINANCIAL STATEMENTS

26.2 Accounting classification and fair value of financial instruments

Financial instruments measured subsequently on the ongoing basis either at fair value or amortized cost. The summary of significant accounting policies describes how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognized.

The following is a description of how fair values are determined for financial instruments that are recorded at fair value using valuation techniques. These incorporate the company's estimate of assumptions that a market participant would make when valuing the instruments. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques.

Level 1 : category of financial assets that are measured in whole or in part by reference to published quotes in an active market

"Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly"

Level 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The table below 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 of financial assets and financial liabilities not measured at fair value if the carrying amount is reasonable approximation of fair value.

As at 31 December 2021

	Carrying amount Rs.	Fair value		
		Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Financial assets				
Financial assets measured at FVOCI				
Equity Investments in Quoted Shares	2,106,019	2,106,019	-	-
Assets carried at amortized cost				
Trade and other receivables	72,166,200	-	-	-
Amounts due from related parties	43,197,814	-	-	-
Short term investments	244,650,912	-	-	-
Cash & cash equivalents	76,327,210	-	-	-
Total financial assets	438,448,155	2,106,019	-	-
Financial liabilities				
Other Financial Liabilities				
Trade payables	63,247,218	-	-	-
Lease liabilities	10,298,350	-	-	-
Amounts due to related parties	286,987	-	-	-
Total financial liabilities	73,832,555	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December	Carrying amount Rs.	Fair value		
		Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Financial assets				
Financial assets measured at FVOCI				
Equity Investments in Quoted Shares	2,387,824	2,387,824	-	-
Assets carried at amortized cost				
Trade and other receivables	70,079,933	-	-	-
Amounts due from related parties	51,950,613	-	-	-
Short term investments	232,097,205	-	-	-
Cash & cash equivalents	10,685,228	-	-	-
Total financial assets	367,200,803	2,387,824	-	-
Financial liabilities				
Other Financial Liabilities				
Trade payables	62,095,110	-	-	-
Lease liabilities	9,380,954	-	-	-
Amounts due to related parties	293,393	-	-	-
Total financial liabilities	71,769,457	-	-	-

27. FINANCIAL RISK MANAGEMENT

In the course of its business, the Company is exposed to the following risks arising from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
 - (i) Currency risk
 - (ii) Interest rate 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. The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors of e-Channelling PLC, oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

27.1 Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including trade receivables, short term investments and other financial assets.

The Company trades only with recognized, creditworthy third parties. It is the Company's policy that all clients who wish to trade on credit terms are subject to credit verification procedures and contractual agreement made for every high-value transactions. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Company, such as short term investments and cash & cash equivalents. The Company's exposure to credit risk arises from default of the counter party. The Company manages its operations to avoid any excessive concentration of counter party risk and the Company takes all reasonable steps to ensure the counter parties fulfil their obligations.

In addition, Company's short term investments and cash & cash equivalents are placed in the reputed financial institutions with good credit ratings in order to minimize the Company's Credit Risk.

NOTES TO THE FINANCIAL STATEMENTS

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 31 December	Note	2021 Rs.	2020 Rs.
Trade And Other Receivables	15.	72,166,200	70,079,933
Amounts Due From Related Parties	25.2	43,197,814	51,950,613
Short Term Investments	16.	244,650,912	232,097,205
Balances with Banks	18.	76,256,302	10,647,243
		436,271,228	364,774,994

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The Company has established a credit policy under which each new customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered.

Impairment Losses

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of Trade Receivables. Therefore the Board of Directors has decided to assess each receivable separately based on the segment, age of customer relationship, historical data of payment statistics as at every reporting date.

The ageing of Trade Receivables at the reporting date was:

As at 31st December	2021		2020	
	Gross Rs.	Impairment Rs.	Gross Rs.	Impairment Rs.
Not due 0-30 days	39,143,626	-	35,630,587	-
Past due:				
Past due 31-60 days	1,420,567	-	71,850	-
Past due 61-90 days	238,662	-	204,528	-
Past due 91-360 days	892,840	-	267,818	-
More than one year	2,494,355	2,494,355	2,494,355	2,494,355
	44,190,050	2,494,355	38,669,138	2,494,355

Amounts due from related Companies

Amounts due from related Companies are expected to be settled within one year from the reporting date hence the discounting impact would be immaterial. Therefore carrying amount approximate the fair value as at the reporting date.

Based on historic default rate the Group believes that, apart from the above, no impairment allowance is necessary in respect of Trade & Other Receivables, Amounts Due from Related Parties for past dues or past due by up to 365 days.

Cash and Cash equivalents

The company held cash in bank balance of Rs. 76,256,302 as at 31st December 2021. (2020 - 10,647,243/-) The cash & cash equivalents held with banks, which are rated AA- to AA based on the ratings.

27.2 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligation associated with its financial liabilities that are settled by delivering cash or any other financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding netting agreements.

As at 31st December 2021	Carrying Amount Rs.	Contractual Cash Flows Rs.	Less than One Year Rs.	More than One year Rs.
Other Financial Liabilities				
Lease liabilities	10,298,350	11,361,384	6,382,800	4,978,584
Amounts due to Related Companies	286,987	286,987	286,987	-
Trade Payables	63,247,218	63,247,218	63,247,218	-
	73,832,555	74,895,589	69,917,005	4,978,584
<hr/>				
As at 31st December 2020	Carrying Amount Rs.	Contractual Cash Flows Rs.	Less than One Year Rs.	More than One year Rs.
Other Financial Liabilities				
Lease liabilities	9,380,954	10,298,350	2,272,495	8,025,855
Amounts due to Related Companies	293,393	293,393	293,393	-
Trade Payables	62,095,110	62,095,110	62,095,110	-
	71,769,457	72,686,853	64,660,998	8,025,855

NOTES TO THE FINANCIAL STATEMENTS

27.3 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, etc. will affect the Company's income or the value of its holdings of Financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the returns.

27.3.1 Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Exposure to currency risk

The Company is not exposed to the currency risk as all the operations of the Company have been carried out in LKR which is the Company's reporting and the functional currency

27.3.2 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument fluctuate because of the changes in the market interest rates. The exposure to the risk of changes in market interest rate relates primarily to the Company's long-term debt obligations and investments with floating interest rates.

Profile

As at the reporting date, interest rate profile of the company's interest bearing financial instruments was:

As at 31st December	Carrying Amount	
	2021 Rs.	2020 Rs.
Fixed rate instruments		
Financial assets	244,650,912	232,097,205
Financial liabilities	10,298,350	9,380,954

Cash flow sensitivity analysis for variable-rate instruments

The Company does not account for any variable rate financial assets and liabilities. Therefore a change in interest rates at the reporting date would not affect profit or loss.

28. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing services in a way that reflects the level of risk involved in providing those services.

The Company monitors capital on the basis of the carrying amount of equity, less cash and cash equivalents as presented in the statement of financial position.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or re-lease the property to reduce debt.

29. CAPITAL COMMITMENTS & CONTINGENT LIABILITIES

There were no material capital commitments and contingent liabilities by the Company as at the reporting date that require adjustments to or disclosures in the financial statements.

30. EVENTS OCCURRING AFTER THE REPORTING DATE

There have been no material events occurring after the reporting period that require adjustment to or disclosure in these Financial Statements.

31. DIRECTORS RESPONSIBILITIES

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

32. NET ASSETS PER SHARE

As at 31st December	2021	2020
Net assets attributable to ordinary shareholders (Rs.)	344,954,055	291,259,261
Weighted average number of ordinary shares in issue	122,131,415	122,131,415
Net assets per share (Rs.)	2.82	2.38

FIVE YEAR PERFORMANCE SUMMARY

For the year ended 31 December	2017	2018	2019	2020	2021
Revenue	136,129,453	132,805,602	130,197,702	130,061,513	193,249,235
Net Operating Expenses	(96,180,373)	(108,586,069)	(128,566,791)	(107,049,500)	(137,385,228)
Profit from operating activities	39,949,080	24,219,533	1,630,911	23,012,013	55,864,007
Profit before taxation	62,735,204	46,291,644	22,440,862	40,142,538	68,691,890
Profit/(loss) for the year	35,571,692	33,720,150	15,012,834	30,002,621	53,372,312
Total Assets	328,414,485	317,872,135	349,287,510	392,240,694	464,057,524
Equity	240,629,915	244,275,734	260,256,545	291,259,261	344,954,055
Total Liabilities	87,784,570	73,596,401	89,030,965	100,981,433	119,103,469
	328,414,485	317,872,135	349,287,510	392,240,694	464,057,524
Other Information					
Net Profit Ratio (%)	26.13	25.39	11.53	23.07	27.62
Earnings/ (Loss) Per Share (Rs.)	0.29	0.28	0.12	0.25	0.44
Dividend Per Share (Rs.)	0.29	-	-	-	-
Market Price Per Share (Rs.)	5.90	5.90	5.50	7.10	26.20
Net Assets Per Share (Rs.)	1.97	2.00	2.13	2.38	2.82
Current Ratio (Times)	3.82	4.56	4.56	4.33	4.20

SHAREHOLDER INFORMATION

Analysis of Shareholders as at 31st December 2021

	Resident			Non Resident			Total		
	Number of Share holders	No. of Shares	Percentage (%)	Number of Share holders	No. of Shares	Percentage (%)	Number of Share holders	No. of Shares	Percentage (%)
Shareholdings									
1 - 1,000 Shares	1,246	331,799	0.27	3	454	-	1,249	332,253	0.27
1,001 - 10,000 Shares	502	1,926,244	1.58	3	19,000	0.02	505	1,945,244	1.60
10,001 - 100,000 Shares	167	5,183,868	4.24	2	63,477	0.05	169	5,247,345	4.29
100,001 - 1,000,000 Shares	22	5,139,649	4.21	0	-	-	22	5,139,649	4.21
1,000,000 Shares	3	109,466,924	89.63	0	-	-	3	109,466,924	89.63
	1,940	122,048,484	99.93	8	82,931	0.07	1,948	122,131,415	100.00

Categories of Shareholders	Number of Shareholders	Number of Shares
Individual	1,868	13,511,199
Institutional	80	108,620,216
	1,948	122,131,415

	2021	2020
SHARE TRADING		
Highest Price	32.50	8.90
Lowest Price	5.00	3.00
Closing Price	26.20	7.10

COMPUTATION OF PUBLIC SHAREHOLDING	
Issued share capital as at 31st December 2021	122,131,415
Less	
Parent Company	106,974,618
Subsidiaries or Associate Companies of Parent	-
Subsidiaries or Associate Companies	-
Directors Shareholding	-
Spouses & children under 18 of Directors	-
CEO, spouse & children under 18	-
Holding over 10% or more	-
Public holding	15,156,797
Public holding as at % of issued share capital	12.41%

SHAREHOLDER INFORMATION

List of 20 Major shareholders of the Company

31 st December 2021			
No	Name of shareholder	No of Shares	% Holding
1	Mobitel (Pvt) Ltd	106,974,618	87.59
2	Mr.A.M Nanayakkara	1,330,306	1.09
3	Mr.G.C. Goonetilleke	1,162,000	0.95
4	Mr.P. Rathnayaka	840,000	0.69
5	Mrs. J.L.S.D Munasinghe	593,614	0.49
6	Mr.D.K.A.K Weerathunga	476,953	0.39
7	Mr.D.M.T Madusanka	301,200	0.25
8	Mr.M.A.B Morahela	293,300	0.24
9	Mr.A.H Munasinghe	277,031	0.23
10	Mr.M.A Kumarasingha	232,433	0.19
11	Mr.Z.G Carimjee	231,933	0.19
12	Mrs.T.R. Selvanayagam	201,000	0.16
13	Mr.H.M.C De Alwis	173,822	0.14
14	MBSL/A.G.C Sugath	159,165	0.13
15	Merchant Bank of Sri Lanka & Finance PLC / B.V.L Chamara	158,784	0.13
16	Mr.A.S.A Fernando	150,000	0.12
17	Merchant Bank of Sri Lanka & Finance PLC / P.V.R.J.B Ponnawila	138,029	0.11
18	Mrs.P.K Mudalinayake	124,000	0.10
19	Mr.B.A.S.I Perera	120,400	0.10
20	Mrs. Z.M Adamally	115,967	0.09
	Sub Total	114,054,555	93.38
	Others	8,076,860	6.62
	Total Shares	122,131,415	100.00

GRI INDEX

GRI Standard		Disclosure	Page No.(s)
GRI 102: General Disclosures 2016	102-1	Name of the organisation	IBC
	102-2	Activities, brands, products, and services	39
	102-3	Location of headquarters	IBC
	102-4	Location of operations	IBC
	102-5	Ownership and legal form	IBC
	102-6	Markets served	39/40
	102-7	Scale of the organisation	30/90/91
	102-8	Information on employees and other workers	28-34
	102-9	Supply chain	43
	102-10	Significant changes to the organisation and its supply chain	N/A
	102-11	Precautionary Principle or approach	57-63
	102-12	External initiatives	64
	102-13	Membership of associations	N/A
	102-14	Statement from senior decision-maker	4-7
	102-16	Values, principles, standards, and norms of behavior	64-70
	102-18	Governance structure	64-74
	102-40	List of stakeholder groups	12-14
	102-41	Collective bargaining agreements	N/A
	102-42	Identifying and selecting stakeholders	12
	102-43	Approach to stakeholder engagement	12-14
	102-44	Key topics and concerns raised	12-15
	102-45	Entities included in the consolidated financial statements	N/A
	102-46	Defining report content and topic Boundaries	15
	102-47	List of material topics	15-16
	102-48	Restatements of information	14
	102-49	Changes in reporting	14
	102-50	Reporting period	14
	102-51	Date of most recent report	14
	102-52	Reporting cycle	14
	102-53	Contact point for questions regarding the report	IBC
102-54	Claims of reporting in accordance with the GRI Standards	14	
102-55	GRI content index	141-142	
102-56	External assurance	14	
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	15-16
	103-2	The management approach and its components	15-16
	103-3	Evaluation of the management approach	15-16
GRI 201 : Economic Performance 2016	201-3	Defined benefit plan obligations and other retirement plans	123-124
GRI 202 : Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	28-34
	202-2	Proportion of senior management hired from the local community	28-34

GRI INDEX

GRI Standard		Disclosure	Page No.(s)
GRI 203 : Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	55-56
	203-2	Significant indirect economic impacts	55-56
GRI 204 : Procurement Practices 2016	204-1	Proportion of spending on local suppliers	43
GRI 205 : Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	46
GRI 301 : Materials	301-2	Recycled input materials used	51
GRI 302 : Energy	302-4	Reduction of energy consumption	51
GRI 305 : Emissions	305-5	Reduction of GHG emissions	51
GRI 306 : Effluents & Wastage	306-2	Waste by type and disposal method	51
GRI 401 : Employment 2016	401-1	New employee hires and employee turnover	31
GRI 403 : Occupational Health and Safety 2016	403-1	Occupational health and safety management system	34
GRI 404 : Training and Education 2016	404-1	Average hours of training per year per employee	31-32
	404-2	Programs for upgrading employee skills and transition assistance programs	31-32
	404-3	Percentage of employees receiving regular performance and career development reviews	31-32
GRI 405 : Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	29
GRI 406 : Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	46
GRI 408 : Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	29
GRI 410 : Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	46
GRI 412 : Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	46
GRI 413 : Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	43
GRI 415 : Public Policy	415-1	Political contributions	46
GRI 416 : Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	39
GRI 417 : Marketing and Labeling 2016	417-2	Incidents of non-compliance concerning product and service information and labeling	23-26
GRI 418 : Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	40
GRI 419 : Socio Economic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	46

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Second Annual General Meeting of eChannelling PLC will be held at 12.30 pm on 11th May 2022 at the “Lotus”, Bandaranaike Memorial International Conference Hall (BMICH), Bauddhaloka Mawatha, Colombo 7 for the following purpose:-

AGENDA

1. To receive and consider the Statement of Accounts of the Company for the year ended 31st December 2021, together with the Reports of the Directors and the Auditors thereon.
2. To re-elect as a Director, Mr. Sudarshana Geeganage, who retires by rotation in terms of Article 86 and 87 of the Articles of Association of the Company.
3. To re-appoint Messrs KPMG, Chartered Accountants as Auditors of the Company and to authorize the Directors to determine their remuneration
4. To authorize the Directors to determine and make donations to charities.

BY ORDER OF THE BOARD OF

eChannelling PLC



Geredene Soares
Company Secretary

11th April 2022

Note:

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

NOTES

FORM OF PROXY

I /We (NIC No.....)
ofbeing a member/s of the above Company, hereby
appoint..... (NIC No.....)
ofor failing him.

Mr. Anthony Rohan Harsha Fernando	whom failing
Mr. Dallas Joshua Stephen	whom failing
Mr. Sampath Arunapriya Hettiarachchi	whom failing
Mr. Lawrence Michael Paratz	whom failing
Mr. Kapugama Geeganage Dayaneth Sudharshana	whom failing
Mr. Lalith Mohan Seneviratne	

as my/our* proxy to represent me/us* to speak and vote for me/us* and on my/our* behalf as indicated below at the Twenty Second Annual General Meeting of the Company, to be held on 11th May 2022 and at any adjournment thereof and at every poll which may be taken in consequence thereof.

	For	Against
1. To receive and consider the Annual Report of the Board of Directors on the affairs of the Company and the Statement of Accounts for the year ended 31 December 2021 with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re- elect as a Director, Mr. Sudarshana Geeganage who retires by rotation in terms of Article 86 and 87 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re- appoint Messrs KPMG, Chartered Accountants as Auditors for the ensuing year and to authorize the Directors to determine their remuneration:	<input type="checkbox"/>	<input type="checkbox"/>
4. To authorise the Directors to determine and make donations to charities.	<input type="checkbox"/>	<input type="checkbox"/>

In witness my/our hand/seal given on this.....day ofTwo Thousand and Twenty Two.

.....
Signature

Note : Please delete the inappropriate words.
Instructions for completion of form of proxy are noted on the reverse.

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 108, W A D Ramanayake Mawatha, Colombo 02 or sent via e-mail to agm@echannelling.com atleast 48 hours before the time appointed for holding of the Meeting.
4. If the form of proxy is signed by an attorney, the relevant 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 eChannelling 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 Registraton Number

PQ 205

Board of Directors

Mr. Rohan Fernando - Chairman
Mr. Lalith Seneviratne
Mr. Lawrence Paratz
Mr. Sudharshana Geeganage
Mr. Sampath Hettiarachchi
Mr. Dallas Stephen

Company Secretary

Ms. Geredene Suares

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
Natons Trust Bank PLC
People's Bank
Commercial Bank of Ceylon PLC
Natonal Development Bank
Seylan Bank PLC
Amana Bank PLC
DFCC Bank
Citi Bank

Registered Office of the Company

No. 108, W.A.D. Ramanayake Mawatha,
Colombo 02.

Contact Details

Senior Manager Finance
Telephone No: (+94) 710225225
Fax No: (+94) 112 553 686
Website: www.echannelling.com
E-mail: info@echannelling.com

This Annual Report is
conceptualised, designed
and produced by
Redworks.



REDWORKS

Member of the **Ogilvy** Group

www.echannelling.com