

@CHANNELLING

Pathways to digital life styles

eChannelling PLC
Annual Report 2022

PATHWAYS TO digital lifestyles

Setting the pace in digital lifestyles, eChannelling PLC has always positioned itself as a front-runner in Sri Lanka's digital landscape. Leveraging on the increasing digital footprint and the demand for digital platforms, the Company has over the last two decades introduced several innovative platforms by revolutionizing the digital health care services sector. Powering and elevating the standards of life we have been successful in creating new paradigms across a wide spectrum of services. Innovation is at the core of our growth strategy as we continue to develop and introduce new products and services by curating new pathways in the digital lifestyles of all Sri Lankans.



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OUR VISION

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

OUR MISSION

Provide healthcare & lifestyle 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 2022	Year ended 31st December 2021
	Rs.	Rs.
Revenue	221,542,340	193,249,235
Profit from operations	44,480,765	55,864,007
Profit before income tax expense	79,519,678	68,691,890
Profit for the period/year	65,519,591	53,372,312
Total Assets	554,907,423	464,057,524
Net Assets	401,376,464	344,954,055
Current Net Assets	383,302,793	338,488,319
Net Assets Value Per Share	3.29	2.82
Earning Per Share (EPS)	0.54	0.44
Return on Investment (ROI)	16.32	15.47
Gross Profit Ratio	76.3%	77.9%
Operating Profit Ratio	20.1%	28.9%

RETURN ON INVESTMENT (ROI)

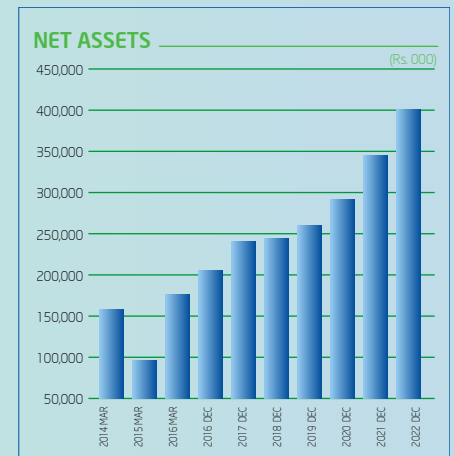
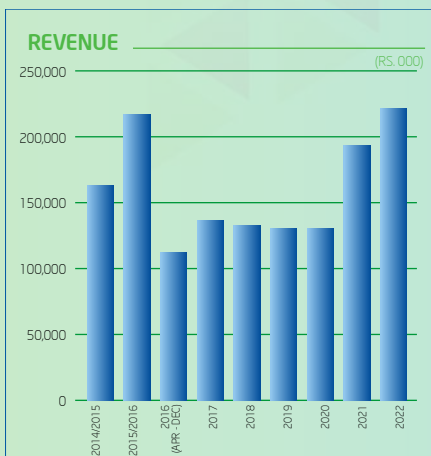
16.32%

TOTAL ASSETS

555Mn

SHORT TERM INVESTMENTS

278.6Mn



CHAIRMAN'S MESSAGE



Dear Shareholder,

I take great pleasure in warmly welcoming you to the 23rd Annual General Meeting of eChannelling PLC and in presenting to you the Annual Report and Audited Financial Statements for the year ended 31st December 2022. The year was a challenging, yet rewarding one for us as we transformed our business and continued to open new avenues in creating a convenient lifestyle for society through this digital era. Amidst the challenges, we continued to deliver on our goals by enhancing healthcare access, building capacity and infrastructure, developing and supporting our staff and fostering innovation, in line with our vision to be

FOR OVER TWO DECADES ECHANNELLING'S TRANSFORMATIONAL JOURNEY IN DIGITAL HEALTHCARE SERVICES HAS SUCCESSFULLY DELIVERED THE MOST SOUGHT-AFTER DIGITAL LIFESTYLE SERVICES THROUGH STRATEGIC PARTNERSHIPS AND INNOVATIVE SOLUTIONS AND THROUGH THESE LATEST NOVEL SERVICE OFFERINGS WE HAVE SUCCEEDED IN PROVIDING UNPARALLEL CUSTOMER CONVENIENCE, THEREBY SETTING NEW BENCHMARKS IN THE INDUSTRY.

the nation's channelling hub by providing digital lifestyle solutions.

Navigating 2022

The health care sector across the world continued to rise to the new challenges presented by the pandemic, particularly on the digital front. Supply chain disruptions, workforce shortages and infrastructure constraints continued to exert stress on the system which strengthened the convergence of digital transformation and the healthcare delivery model. The sector largely focused on enhancing the human experience of their workforce, swiftly scaling virtual health services for patients and forging partnerships to produce and procure the required treatment and supplies. The rise of consumerism continued to show an increasing adoption of digital healthcare technology. Accordingly, healthcare providers and other stakeholders heightened their focus on digital solutions to meet the consumers' evolving needs and expectations and improve patient engagement and experience. Most hospitals integrated tele-health to provide convenient access to their doctors and some even expanded these services to create new revenue streams.

As the largest channelling network in Sri Lanka, eChannelling remained focused on moving ahead with its expansion plans and ambitious innovations. We did suffer a setback in terms of our expected growth plans as like most other businesses we were also impacted by the country's economic and political turmoil which surfaced from the second quarter of the year. The disruption and uncertainty were unprecedented, with broad ranging implications across all sectors of the economy. The health system was particularly challenged by this turbulent landscape and interconnected complexities including a severe shortage of essential medicines and a worsening socio-

economic environment. However, despite these challenges, as a responsible and responsive corporate citizen we stepped up to serve the nation in our capacity, pushing through diverse and more agile digital lifestyle offerings. We also continued to add value to our existing healthcare services portfolio and expanded our geographical reach to additional towns and cities by onboarding 22 hospitals, 256 pharmacies, and other clinics and medical facilities to offer automated doctor appointment services.

Our performance

While the prolonged effects of the pandemic continued to impact many aspects of the business, increased awareness of consumer behaviour, coupled with dynamic and agile business strategies adopted by the company resulted in maintaining a positive momentum in terms of business performance. We commenced the year with high hopes after concluding a successful year in 2021 but three months into 2022 we were pushed into a phase of uncertainty as the country's economic indicators weakened, culminating in the default of foreign currency denominated debt by the government in April 2022. Nevertheless, we defied all these challenges thanks to our high degree of flexibility and adaptability and recorded satisfactory levels of operational and financial performance during the year. These results were made possible thanks to the untiring commitment of our team and their consistent delivery against all odds.

Creating a firm footing for the future, eChannelling recorded a revenue of Rs. 221.5 million for the year ended 31st December 2022, an increase of 15% compared to the previous year. We achieved a net profit after tax of Rs. 65.5 million, reflecting a growth of 23% over the prior year. These commendable results demonstrate eChannelling's ability to

evolve through strategic shifts, consolidate services and to proactively develop timely new revenue streams. In a year inundated with many challenges especially for the healthcare services, the company has notably risen to the task and continued to create value for all stakeholders.

The Company achieved a total assets growth of Rs. 90.8 million as at 31st December 2022, marking a 20% increase compared to the previous year end. As at year end the Company's total assets stood at Rs. 554.9 million. The Company continued to maintain a healthy liquidity position with no borrowings resulting in maintaining a strong balance sheet position and an acceptable current ratio. We are satisfied with the current ratio levels maintained over the years and remain confident that we can support short-term and long-term obligations to shareholders and other stakeholders in a timely manner.

Continued innovation

Innovation is at the core of our growth agenda. The pandemic put a spotlight on the critical need for digital health services and over the past few years we have witnessed an unprecedented adoption of digital health tools by consumers and healthcare providers. As the demand for digital services continues to surge and the world of digital information evolves, we directed our energies to stay at the cutting edge of digital health technology and work with the industry to facilitate an ecosystem that supports the development of innovative software to advance digital health tools and connections. In what has been an incredibly challenging period for the nation, the Company continued to shift towards a diversified channelling platform that offers digital appointments across multiple business segments aligned with market demand to provide a diverse range of services. During the year we successfully launched the One-Touch Tele-Channelling Service, offering a personalized online video Doctor

consultation solution which enables patients based locally or worldwide to consult Doctors' online. During the pandemic, as tele-medicine became a lifeline for many individuals and families in delivering healthcare eChannelling supported the nation by providing dedicated doctor consultation and remote monitoring patients' health conditions via audio/video facilities. Post-pandemic, eChannelling's new One-Touch Tele-Channelling online video consultations solution integrated through the eChannelling App enables local and international patients to connect with registered doctors via a video call.

Our passion for innovation did not stop there. In September 2022 we launched yet another pioneering initiative in partnership with the Ministry of Foreign Affairs to offer digitized reservations for document attestation, offering improved efficiency and enhanced convenience for Sri Lankans. As the governing body of international activities, the Ministry of Foreign Affairs plays a crucial role in handling the essential operation of document assertion for citizens. This queue management solution bridges a crucial gap in the system facilitating efficient delivery and reduction of queues outside and inside the offices. We implemented this service across all six branches of the Ministry of Foreign Affairs, including the Consular Office in Colombo and regional offices located in Kandy, Jaffna, Kurunegala, Matara, and Trincomalee which are now connected via a central digital platform.

For over two decades eChannelling's transformational journey in digital healthcare services has successfully delivered the most sought-after digital lifestyle services through strategic partnerships and innovative solutions and through these latest, novel service offerings we have succeeded in providing unparalleled customer convenience, thereby setting new benchmarks in the industry.

CHAIRMAN'S MESSAGE

Contributing to sustainable development

As a company that values sustainability and advocates change for the better, all our initiatives collectively contribute towards the UN 2030 Sustainable Development Agenda. Accordingly, our focus is mainly directed towards ensuring business stability and creating a better lifestyle for the community, while minimizing the carbon footprint through responsible consumption of natural resources.

Reflecting on our service innovations, I am pleased that our collective expertise is increasingly channelled toward our goal to move the world closer to sustainable development. The launch of our 'Eco Channelling' Delivery Service in 2022 yet again portrays our commitment towards sustainable initiatives. Through this we have been able to facilitate a doorstep distribution system for medication, thereby personalizing healthcare further and creating a more environmentally friendly distribution mechanism. The timely initiative was implemented in response to the challenges society was facing in terms of fulfilling their basic needs as a result of the fuel crisis. We were able to ensure prompt and attentive service with medication delivery guaranteed within a day inside the specified radius. Since our agents commute using bicycles, this panned out to be an environmentally friendly, sustainable solution bringing in a healthy change to lifestyles and wellbeing.

In order to sustainably optimize our business model, we continued to strengthen our resilience against external impacts. The true essence of what reinforces our endurance and personifies our brand, is our people. The crisis that unfolded has shown us the true power of people and it is their strength, compassion and resilience that has helped us navigate through the year and ensure sustainable business performance.

Therefore, aiming to create an impact beyond the realm of business and finance, we worked tirelessly to ensure the wellbeing and safety of all our people amidst striving to face the emerging challenges. We anticipate headwinds in 2023 as well, but our goal remains unchanged: we want to continue on this path and further accelerate our journey of transformation in a sustainable manner.

Looking ahead

As we move forward, the unfolding economic turbulence will continue to challenge our near-term operations, particularly with respect to substantial impacts from high inflation rates, lower disposable incomes, supply chain roadblocks and heightening uncertainty, both on a political and economic front. From a long-term viewpoint, rigorous policy action will be of paramount importance to rejuvenate the nation's economy and business climate. The leaders will have to focus on improving and strengthening their short term as well as long term policy directions on health system. In order to overcome the current inadequacies we are facing, the government may need to implement comprehensive, sustainable plans to request and use international assistance for health, targeted towards restoring the supply of essential medicines, supporting healthcare workers and improving delivery of services. In the longer term, Sri Lanka's current crisis is an opportunity for the government to prioritize strengthening the health system in critical areas such as primary care, to move mental health up the national agenda and to improve social support for poor and marginalized community.

Meanwhile, we shall strive to steer through the economic turbulence by executing dynamic and responsive business strategies while acting prudently at all times. We will continue to remain focused on building on our fundamental healthcare

services portfolio and work towards automating the entire personal healthcare service value chain. I am confident that these actions, combined with our core strengths of value-driven focus, diversified service offerings and the enterprising spirit of our employees will enable us to reach new heights of success in the days ahead. As the world of healthcare and digital lifestyle services changes, eChannelling will continue to play an integral role in supporting that change.

Appreciations

I would like to thank my colleagues on the Board for their support and guidance during this very challenging year. Our staff needs to be commended for how they managed the various challenges throughout the year to help the Company achieve its profitability targets. The progress made thus far, and our strategic transformation as a digital services provider would also not have been possible without the support of our parent companies, Mobitel (Pvt) Ltd and SLT PLC.

I also wish to thank our customers, business partners, regulators, healthcare authorities, telecommunication regulators, and all others who stood by us and contributed to the growth of eChannelling PLC during the year.

We are hopeful and confident in facing any challenges and shall continue with our untiring efforts to achieve the goals we have set ourselves.



Rohan Fernando
Chairman

3rd April 2023

BOARD OF DIRECTORS



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) Ltd., SLT Digital Services (Private) Ltd., SLT Visioncom (Private) Ltd., SLT Human Capital Solutions (Private) Ltd., Sky Network (Private) Ltd., SLT Property Management (Private) Ltd., Sri Lanka Telecom (Services) Limited, Mobit Technologies Private (Pvt) Ltd. and Director of Galle Submarine Cable Depot (Private) Ltd.

Mr. Fernando has over 47 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 and expanded the organization to include several subsidiary companies. Currently, he serves as the Chairman of HVA Lanka Exporters Pvt. Ltd. and HVA Farms (Pvt) Ltd. He also 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.

He is a former President of the National Chamber of Exporters (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 in 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 from 2010-2020. He was also a senior member of the National Olympic Committee and Chairman of its finance management committee. He represented Sri Lanka as Chef de Mission in 2006 & 2009 at Lusofonia Games in Macau & Portugal and the 2nd Asian Indoor Games in 2007 in Macau. He currently 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 Services (Pvt) Ltd. SLT Visioncom (Pvt) Ltd., and Mobit Technologies (Pvt) Ltd.

He is an engineer by training. He has over forty years of experience in the corporate field, primarily with Motorola Corporation.

BOARD OF DIRECTORS

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.

In 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 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 recognized as one of twenty-five people who have 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, SLT Digital Services (Pvt) Ltd, and Galle Submarine Cable Depot (Pvt) Ltd.

Mr. Lawrence Paratz holds a M. Sc. (Telecommunication Systems) with Distinction, and was awarded the Phillips 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 Program. 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 42 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 programs and integrations including network transformations and deployments across multiple technologies, with extensive experience in international, metropolitan, regional and rural communications. He previously served as a member of the Board of the Australian Government's Internet Assistance Program. He has been invited as a 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 Program, and has been involved in a number of initiatives in e-health.



Mr. Sudharshana Geeganage

Non Independent Non-Executive Director

Mr. Sudharshana Geeganage was appointed as Non-Independent Non-Executive Director of the board of eChannelling PLC on 06th April

2017. He is the Group Chief Financial Strategy Officer of the SLT Group and Chief Financial Officer of Mobitel (Private) Limited, holding key responsibilities in Finance and Corporate Strategy. He also serves as a policy group Member for GSMA APAC.

Sudharshana counts over 27 years of corporate experience and possesses a unique blend of expertise spanning Management consultancy, Investment and Development banking, Finance, Economics, and Strategy.

He commenced his career in telecommunications at Mobitel in 2003 and held multiple senior management positions in the Company prior to assuming the title of Group Chief Financial Strategy Officer. He performed a key role in the development of Mobitel's growth strategy that led it to become one of the most profitable telecommunications companies in Sri Lanka. He was involved in driving pioneering initiatives that made communication available and affordable to all of Sri Lanka. Prior to joining Mobitel, Mr. Geeganage enjoyed an initial career stint in management consultancy and in investment & development banking.

A Product of Royal College Colombo, Mr. Geeganage is a Stanford LEAD Distinguished Scholar and holds a Bachelor of Engineering degree from the University of Moratuwa and a Master of Economics from the University of Colombo. He also is a Fellow of Chartered Institute of Management Accountants' UK and is a Chartered Financial Analyst.



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 28 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 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).

BOARD OF DIRECTORS



Mr. Dallas Joshua

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) Degree from the University of Sri Jayawardanapura (Postgraduate Institute of Management - PIM). He is a well established practicing marketer with 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

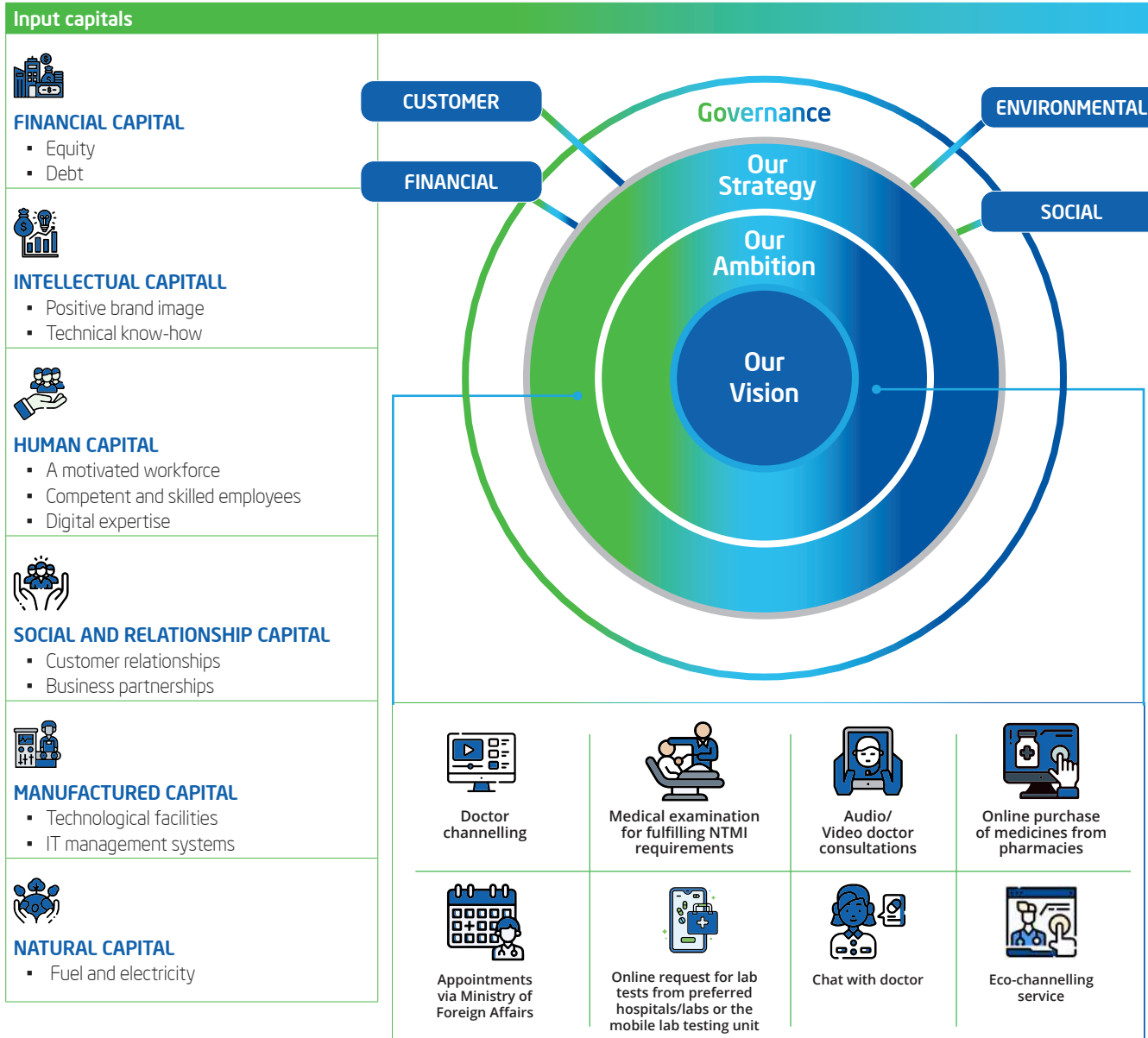
to the University of Colombo (for the MBA Program), he has successfully conducted several programs on CRM and related areas with much success. He was a lecturer at the Sri Lanka Institute of Marketing (SLIM) for the CIM (UK) offered by the Chartered Institute of Marketing (UK) as well as a lecturer for the Diploma Program 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 Programs. 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 programs. 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 specializes 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.



OUR BUSINESS MODEL

VALUE CREATION MODEL



Output capitals	Outcome indicators	SDG impact
<p>FINANCIAL CAPITAL</p> <ul style="list-style-type: none"> Returns to shareholders 	<p>PAT - Rs. 65.5 Mn NAV per share - Rs. 3.29 EPS - Rs. 0.54</p>	
<p>INTELLECTUAL CAPITAL</p> <ul style="list-style-type: none"> Retained market position Better customer experience 	<p>5.8 Mn Facebook Reach 1.1 Mn Instagram Reach</p>	 
<p>HUMAN CAPITAL</p> <ul style="list-style-type: none"> Fair remuneration and benefits Training opportunities Career progression Flexible work model 	<p>Remuneration and Benefits- Rs. 63 Mn Training hours - 580 Promotions - 03</p>	  
<p>SOCIAL AND RELATIONSHIP CAPITAL</p> <ul style="list-style-type: none"> Contribution to social development Compliance with social and legal regulations 	<p>Rs. 1 Mn investments in community development projects</p>	  
<p>Manufactured capital</p> <ul style="list-style-type: none"> Enhanced business volumes Updated diverse portfolio of services 	<p>07 new services introduced</p>	
<p>Natural capital</p> <ul style="list-style-type: none"> Promoting a paperless culture Efficient energy consumption Following the 3R concept 	<p>2 Mn savings of paper CO₂ efficiency through emission free delivery</p>	  

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**

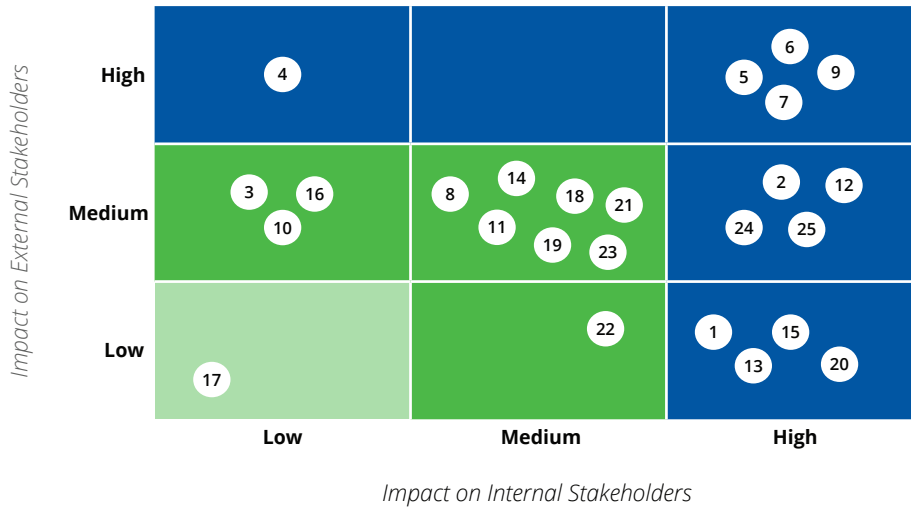
Type of Stakeholder	Method of Engagement	Material Topics and Concerns
SHAREHOLDERS 	<ul style="list-style-type: none"> • Annual General Meetings • Interim finance statements /Annual Report • Announcements made in the CSE as and when required 	<ul style="list-style-type: none"> • Return on Investment (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
BUSINESS PARTNERS 	<ul style="list-style-type: none"> • Provide a 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 that are affordable. • Enhance the service to cover urban and rural areas. • Adoption of state-of-the-art technology • Maintain conducive relationships with hospitals and health organizations.
CUSTOMERS 	<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.
SUPPLIERS 	<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

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 organization.



Material matters identification process of the Company

Identify issue	Evaluating & Priorities	Respond and Monitor
<ul style="list-style-type: none"> Matters raised by stakeholders Continuous 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

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	Non-discrimination	406		
22	Procurement practices	204		
23	Public policy	415		
24	Regulatory compliance	419		
25	Risk management	202		

 High  Medium  Low



HOW WE CREATE VALUE

HOW WE CREATE VALUE

FINANCIAL CAPITAL REVIEW



NURTURING OUR FINANCIAL CAPITAL

- Increase Profitability
- Increase Short-Term Investments
- Compliance Monitoring
- Returns to Shareholders
- Strong Budget Controls



FOCUS OF 2022

Introduction of new services and implementation of cost-efficient internal processes.

13.8 % increase in short term investments and growth in interest income.

Adherence to all regulatory and compliance requirements and standards, ensuring the Company operates legally and ethically

Targeted growth in revenue through new services offerings

Set up daily monitoring regimes for revenue and costs and 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.

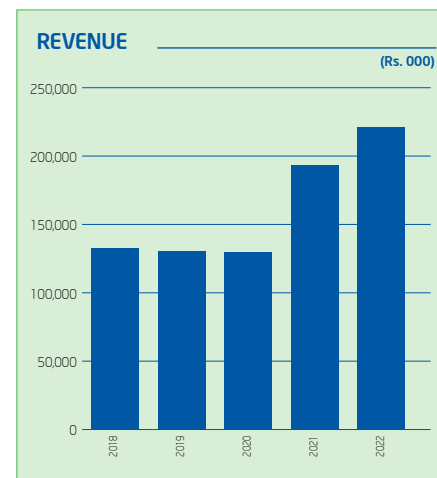
Financial performance of the Company

The Company's continued efforts to broaden its healthcare-related channelling services and expand into non-healthcare segments have yielded positive outcomes on the income statement, generating financial capital value for our shareholders and investors.

Revenue

The recorded revenue for the year 2022 was Rs. 221.54 million, a notable increase from the year 2021 which garnered a revenue figure of Rs.193.25 million. This is attributable to the

introduction of new services; Foreign Ministry appointment reservation and Eco Delivery.



FINANCIAL CAPITAL REVIEW

Operating profit

In the financial year of 2022, the Company's operating profit declined by 20% to Rs. 44.8 million from the previous year's Rs. 55.9 million. Despite the increase in revenue during the year, this decline was primarily due to a 39% increase in selling and distribution expenses and 32 % increase in administration expenditure.

Profitability

In the financial year ending 2022, the Company's profit before taxation (PBT) experienced a substantial increase of 15.7%, reaching Rs. 79.5 million compared to Rs. 68.7 million in 2021. Additionally, the Company's profit for the year reached Rs. 65.5 million, a significant improvement from the Rs. 53.4 million earned in 2021.

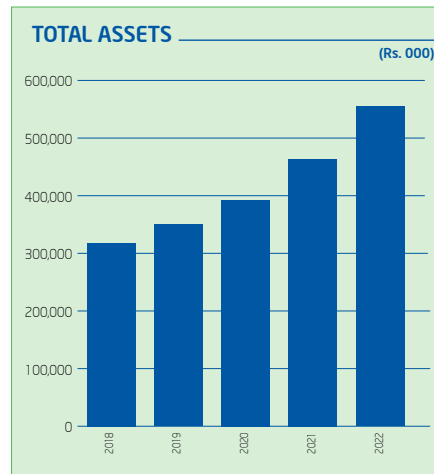


Financial position of the Company

The balance sheet of eChannelling PLC experienced significant growth due to strategic measures taken to maintain a healthy financial position and facilitate sustainable growth, which created value for shareholders. The success of these strategies is evidenced by the year-on-year growth in the Company's total equity position, which has strengthened its balance sheet and improved its capital base.

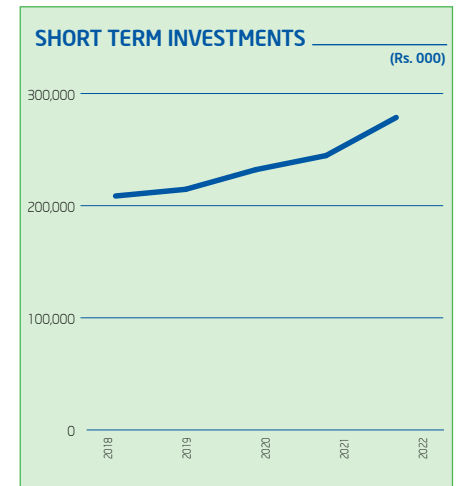
Total assets

In 2022, the Company's overall assets grew by 19.5%, reaching Rs. 554.9 million, compared to Rs. 464 million reported at the end of 2021.



Short-term investments

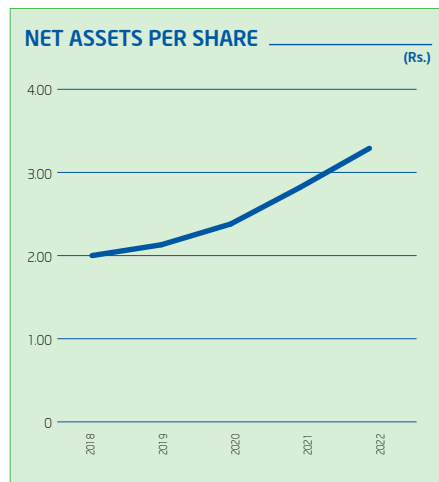
In 2022, the Company experienced a significant increase in its short-term investments, growing by 13.8% compared to the previous year's growth of 5.4%. As of the end of the financial year on December 31, 2022, eChannelling PLC's total short-term investments amounted to Rs. 278.6 million. The Company's short-term investments primarily consist of fixed deposits, which are a low-risk investment that provides satisfactory annual returns.



Net assets per share

The Company's asset base growth has resulted in a substantial improvement in its net assets per share position year after year. In 2022, the net assets

per share rose by 16.6% to Rs. 3.29, as compared to the previous fiscal year-end figure of Rs. 2.82.



Liquidity position

The Company's balance sheet remains strong due to our healthy liquidity position, which has been maintained without any borrowings. Despite a marginal decline in the current ratio from 4.20 as of 31st December 2021 to 3.63 in 2022, the Company is still satisfied with the current ratio levels over the last six years. The decline can be attributed to the Company's expansion plans and diversification into new related business areas. These strategic moves are aimed at maintaining a sustainable business while capitalizing on emerging opportunities in the marketplace. The Company believes that their current ratio levels are acceptable, and they are confident in our ability to fulfil short-term and long-term obligations to shareholders and other stakeholders in a timely manner.

Earnings per share

In 2022, the Company's Earnings Per Share (EPS) experienced a noteworthy surge of 22.7%, in line with the increase in revenue. Consequently, the EPS for 2022 amounted to Rs. 0.54, which was a considerable increase from the previous year's EPS of Rs. 0.44 recorded at the end of 2021.

Reporting Cycle and Date of Most Recent Previous Report

The Annual Report 2022 of eChannelling PLC reports for the 12 months period from 1st January 2022 to 31st December 2022. This period is consistent with the Company's usual annual reporting cycle. The Company's most recent report was for the financial year 2021.

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.

HOW WE CREATE VALUE

INTELLECTUAL
CAPITAL REVIEW

Our approach to intellectual capital management

As a digital-focused organization, eChannelling has integrated various aspects of intellectual capital into its business operations, leading to the creation of value for stakeholders, business operations, and the population. Over the last two decades the company has steadily built its brand reputation, which has served as a cornerstone for our transformative directives in 2022. This reputation has enabled eChannelling to build bridges, create vast knowledge-based assets and penetrate its niche market of digitalizing healthcare services while overcoming challenges.

The trust and acceptance of the nation's people and stakeholders have been instrumental in the success of eChannelling, supporting the company's efforts to become a national provider of digital services. The company is now traversing new paths, creating more value for its stakeholders and shifting its focus towards Blue Ocean markets. The company's innovative and customer-centric digital channelling

NURTURING OUR INTELLECTUAL CAPITAL

Increase awareness on the eChannelling brand as "the nation's lifestyle channelling hub"

Retain the market position as the foremost brand offering digital and automated healthcare and non-healthcare appointment services in the country

Knowledge enhancement to remain sustainable

CAPITAL TRADE-OFFS

Investments in marketing and brand building

services have been pivotal in building its market reputation and increasing its customer base annually. As a result, eChannelling has successfully transformed from a pure healthcare service provider to a diversified channelling platform.

Incorporating tried, tested and emerging technology has been essential to bring the latest technologies to eChannelling's customers, increasing the efficacy of product delivery. The company's traditional and digital advertising efforts have also been instrumental in building greater market awareness and expanding its reach. Investment in increasing inherent knowledge and know-how adds value to the business and employees, enabling the company to satisfy consumer needs. Additionally, the company's ethical business practices and corporate values ensure that it remains cognizant of its corporate culture.

The year 2022 is set to be another transformative year for eChannelling as

FOCUS OF 2022

Utilizing digital marketing means including social media, SEO, SEM to communicate with our audience.

Initiatives to educate and serve the public.

Eco Channelling service to provide medical essentials to customers' doorsteps in the most eco-friendly manner.

Concierge service for premium customers.

Adapted emerging and new technologies to increase customer experience.



the company continues to shift towards a diversified channelling platform that offers digital appointments across multiple business segments aligned with market demand. The company's intellectual capital value contributes towards creating value for other capitals, playing an integral role in eChannelling's sustainable business growth.

Knowledge and expertise

Our intellectual capital comprises the knowledge, skills and experience of employees, all components that add value to the company and benefit a wider stakeholder group. Employees' personal experiences, educational background and diverse work experience in different industries and fields all contribute to the development of a learning organizational culture.

The accumulation of knowledge and skills over the years supports business growth and enables the company to overcome internal and

external challenges, as well as take advantage of emerging opportunities in the marketplace. This is why it's important for companies to encourage their employees to try out new ideas and innovations, as this allows for learning experiences that can lead to long-term sustainable business operations.

When employees are empowered to try out new ideas and innovate, they are given the opportunity to learn from both successes and failures. The knowledge gained from such experiences becomes part of the company's inherent and learned knowledge, which in turn contributes to the development of a culture of learning and continuous improvement.

Brand building

Brand building through multiple platforms is a key aspect of eChannelling PLC's strategy to connect with its audience and promote its products and services. The company utilizes various digital channels, including social media, search engine optimization, and search engine marketing, to improve its online visibility and attract more hospitals to its platform. Despite the challenges posed by the economic crisis the country faced, eChannelling has successfully leveraged its marketing efforts to reach its target audience and expand its customer base.

Digital marketing

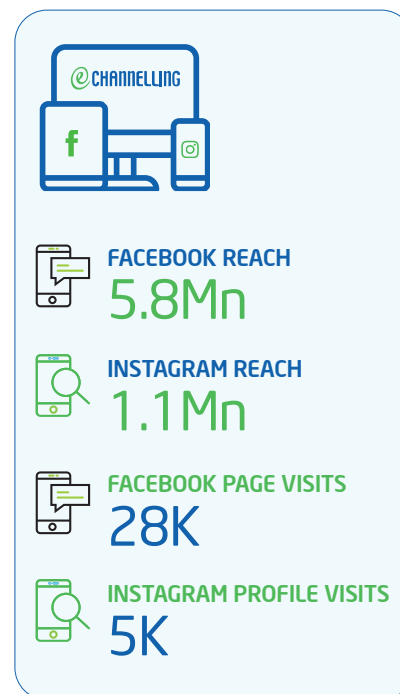
In 2022, the Company continued its successful use of digital media to connect with its audience and promote its products and services. Social media platforms such as Facebook, Instagram, and YouTube were key in creating awareness of promotions, corporate developments and health and wellness topics to the public. The Company's marketing and communication efforts were conducted in Sinhala, English and Tamil to ensure

that all demographics in the population could benefit from their initiatives.

In light of the challenges brought about by the economic turbulence and the COVID-19 crisis, the company relied more heavily on digital marketing in 2022, with social media being the primary channel due to physical marketing efforts not being feasible.

Our focus on digital marketing included posting content on social media, search engine optimization (SEO) and search engine marketing (SEM), to improve the search engine rankings and attract more hospitals to our platform. We strategically used social media to communicate with our audiences and educate them on health-related topics and promote our services. Of the various content posted online, one notable effort was in partnership with the Sri Lanka Medical Association where eChannelling produced or featured a series of road safety videos in with the hopes of educating drivers on road accident prevention.

The marketing reach of the Company grew significantly throughout the year, as shown by the statistics from digital agency. For the upcoming year, The Company will continue to focus on digital marketing and also resume the more traditional marketing activities- given how the socio-economic obstacles are somewhat reduced. Key areas of growth will include app downloads and YouTube monetization and the Company plans to invest heavily in a video series featuring leading doctors in different specialties to be posted on YouTube. The Company is committed to staying ahead of the curve in digital marketing and provide its audience with relevant and timely information.



Traditional marketing

To effectively reach our widely dispersed target consumers across various demographic strata, traditional marketing methods continued to play a significant role for us. During the year under review, we invested in both above-the-line (ATL) and below-the-line (BTL) marketing activities. Here are some of the promotional activities we conducted:

- a. **Co-brandings at Pharmacies and Hospitals** - We conducted numerous co-brandings at pharmacies and hospitals throughout the year. This strategy allowed us to engage in direct communication with our target audience. We utilized various

INTELLECTUAL CAPITAL REVIEW

marketing materials such as light boards, lift branding, hoardings, door stickers, pull up and standees to reinforce our branding message.



- b. **Commercials** - To increase our brand awareness, we created 1 minute and 30 second commercials which were played on all hospital TVs to date. Additionally, we promoted these commercials on our YouTube and other social media channels to expand our reach.
- c. **NTMI Branding** - We successfully executed branding initiatives at ten National Transport Medical Institutes across Sri Lanka, including Gampaha, Jaffna, Kurunegala, Nugegoda,

Trincomalee, Werehera, Matara, Kilinochi, Anuradhapura, and Puttalam. These initiatives enabled us to create more visibility and reinforce our brand image among our target audience.

- d. **New Year Compliments** - As part of our annual tradition, we printed desk calendars that featured eChannelling branding and distributed them to all entities that were tied up with us. This initiative provided an excellent opportunity for brand recall as the entities could see our branding message throughout the entire year.

Overall, these promotional activities were vital in creating more visibility for our brand and reinforcing our messaging among our target audience. We remain committed to enhancing

our marketing efforts to increase our reach and attract new customers while strengthening our relationships with existing ones.

Promotional activities

Promotional activities serve a crucial purpose in our business by not only attracting new customers to our services but also by demonstrating our appreciation to our loyal customers. By leveraging the power of our promotional initiatives, we can incentivize prospective customers to experience our unparalleled services, while simultaneously rewarding our existing customers for their unwavering loyalty. In 2022, we entered into a strategic partnership with a leading bank to offer exclusive credit card offers to our valued customers.

Sri Lanka - SLT MOBTEL NON-STOP CARNIVAL for World Children's and Elders Day



eChannelling contributed to the event as a digital healthcare partner to the Sri Lanka Medical Association. Free eye check-ups, dental check-ups, and other medical services were provided as part of the eChannelling's social care program.

Sponsorships

The Company strategically leverages sponsorships to bolster our corporate reputation and expand brand awareness among targeted consumer segments. By partnering with select events and projects that align with our purpose and values, we further strengthen our commitment outlined in the eChannelling vision

and mission statements. In 2022, the Company invested in several key sponsorships across various sectors.

Positive brand image through social responsibility

Our company's commitment to social responsibility, innovation and sustainability,

has worked to build a positive image for the company among our stakeholders. This positive reputation can in turn, contribute to the company's intellectual capital by increasing its brand value, enhancing customer loyalty, and attracting more business opportunities. Some highlights of 2022 are as follows-

World Diabetes Day Cycle Parade



This was a collaborative effort between the Rotary Club of Sri Jayawardenapura, Rotaract Club of Singer Sri Lanka, Rotaract Club of CINEC Campus, Ride for Life, Sports Medicine Institute, Lanka Hospitals, and eChannelling by SLT-MOBILEL. eChannelling participated in the event to raise awareness about diabetes.

Eco Channelling



This initiative was presented by eChannelling in partnership with Nawaloka Hospitals and SLT-MOBILEL mAgent. Through this project we aim to provide medical essentials to customers' doorsteps in the most eco-friendly way possible. Individuals have the option of ordering their requirements on a daily basis by clicking the 'Eco channelling' quick access through the eChannelling website or by downloading the eChannelling app.

Sri Lanka - Road Safety Program



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eChannelling contributed to this program as a digital healthcare partner to the Sri Lanka Medical Association and produced documentary videos and artwork to promote awareness on road safety.

INTELLECTUAL CAPITAL REVIEW

KEY DIGITAL MEDIA CAMPAIGNS 2022

HALLMARK DAYS POST

- World Hearing day
- Women's Day
- Mothers day
- eChannelling 20th Anniversary
- The best cardiologist in town
- International Day Against Drug Abuse

Believe it, turn it on or off later... Listen with care

WORLD HEARING DAY 2022

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Visit www.echannelling.com

@CHANNELLING

Her love can heal the world

HAPPY WOMEN'S Day

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Available on the App Store and Google Play

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eCHANNELLING 20TH ANNIVERSARY

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SHARE FACTS ON DRUGS, SAVE LIVES

INTERNATIONAL DAY AGAINST DRUG ABUSE AND ILLICIT TRAFFICKING

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Happy Mother's Day

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STAKEHOLDER RELATIONSHIP - DOCTOR SERIES VIDEOS

Dr. Nimal Senarathne
MBBS, FRACCS, Dip. in Paediatric Anaesthesia, Consultant in Paediatrics

Dr. Niyth Indrajitharathne
MBBS, MRCC, MRCP(ACC), MRCP(S), FRACCS Dip. Advanced Critical Care Medicine, Consultant, Cardiovascular & Respiratory, Accredited Obstetric Ultrasound Specialist

Dr. Anni Abeyasinghe
MBBS, MD (Paed), Consultant Paediatric Gastroenterology, Paediatric Hepatology, Teaching Hospital Paediatrician

Dr. Nishan Jayasinghe
MBBS, MD, FRCP(C), FRCP(Paed), Consultant in Paediatrics, Paediatric Gastroenterology and Hepatology, Paediatric Hepatology, Paediatric Gastroenterology, Paediatric Hepatology, Paediatric Gastroenterology, Paediatric Hepatology, Paediatric Gastroenterology, Paediatric Hepatology, Paediatric Gastroenterology, Paediatric Hepatology

Dr. Anuradha Jayasinghe
MBBS, MD, FRCP(C), FRCP(Paed), Consultant in Paediatrics, Paediatric Gastroenterology and Hepatology, Paediatric Gastroenterology, Paediatric Hepatology, Paediatric Gastroenterology, Paediatric Hepatology, Paediatric Gastroenterology, Paediatric Hepatology

Dr. Nishan Jayasinghe
MBBS, MD, FRCP(C), FRCP(Paed), Consultant in Paediatrics, Paediatric Gastroenterology and Hepatology, Paediatric Gastroenterology, Paediatric Hepatology, Paediatric Gastroenterology, Paediatric Hepatology, Paediatric Gastroenterology, Paediatric Hepatology

Dr. Divya Jayasinghe
MBBS, MD, FRCP(C), FRCP(Paed), Consultant in Paediatrics, Paediatric Gastroenterology and Hepatology, Paediatric Gastroenterology, Paediatric Hepatology, Paediatric Gastroenterology, Paediatric Hepatology, Paediatric Gastroenterology, Paediatric Hepatology

Customer-centric business process

eChannelling is a customer-centric business that places a strong emphasis on information technology and digitalization to create long-term value for its customers and employees. The company invests strategically in technology to ensure it is up-to-date, bug-free, secure and user-friendly from both internal and external perspectives. By adopting effective technology, eChannelling is able to offer its customers seamless services while enabling them to make use of digital tools to fulfil their appointment needs without a hassle.

In 2022, eChannelling faced challenges due to a drop in purchasing power caused by the Economic Turbulence. However, the company was able to overcome this challenge and strike a deal with the Ministry of Foreign Affairs to handle appointments for document authentication. Additionally, eChannelling partnered with Mobitel for medicine delivery and with Nawaloka, Health Guard and Flash for a concierge service that includes initial assessments, investigations, transportation, and medical condition briefings for parents or loved ones. The company's concierge service is targeted towards those willing to pay a premium price in order to maximize convenience by not having to wait in queues and missing important medical history from doctors.

Despite economic distress and fuel issues affecting growth in the direction we wanted, eChannelling achieved the highest volume-based growth rate so far and has significantly increased bottom-line profit. The company is exploring opportunities to expand its offerings in the healthcare space through partnerships and premium services while seeking to expand

into new areas such as corporate investigations. The company also aims to expand into Blue Ocean markets with value addition, including strengthening doctor channelling services and branching out opportunities. Additionally, eChannelling plans to create a new health and wellness category, launch medical camps, fitness packages, corporate wellness packages and create a non-health category.

Awards



As of 2022, eChannelling PLC has been recognized with various awards and honours, indicating that the company is successfully creating intellectual capital value for its stakeholders. In the TAGS Awards Ceremony hosted by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) in 2022, eChannelling PLC was awarded the Bronze Award in the Service Sector Organisation category for our Annual Report 2021, marking our first recognition in this prestigious award ceremony.



Plans for 2023 and beyond

- Strengthen our relationship further with all the hospitals and channelling centers.
- Partnering with government hospitals and institution.
- Corporate wellness partnership for health and non-health related services.
- Invest further on digital platforms.

HOW WE CREATE VALUE

HUMAN CAPITAL
REVIEWOur approach to human capital
management

At eChannelling, we strongly believe that our team is the driving force behind our business growth and development. While our leadership sets the vision for the company's future, it is our dedicated Management and employees who work tirelessly to implement our strategic plans and turn our aspirations into reality.

We understand the importance of treating our employees fairly and ethically, ensuring equal opportunities for employment and career advancement while respecting them as individuals with equal rights. Our commitment to our people remains unwavering and we provide them with training and development opportunities to empower them to reach their full potential in their chosen fields. We believe in rewarding our employees for their hard work and dedication, fostering a positive and productive

NURTURING OUR HUMAN CAPITAL

Improve HR processes

Creating a positive work environment

Hybrid work model

Building a balanced team

Training and Development

CAPITAL TRADE-OFFS

Rs. 63 Mn

worth of employee benefits and welfare

Rs. 1 Mn

investment made in training programs

FOCUS OF 2022

Strengthened our formal performance management system

Staff annual get-together and Christmas Carols

Continuing both in-office and remote work arrangements

50% of our workforce are aged 20 to 35 years

All-staff training programs to prepare our staff for the year ahead



work environment that supports personal and professional growth.

Our open-door policy enables our employees to share their feedback and ideas freely, ensuring that everyone's voice is heard and that we are all working towards the same goals. Additionally, our small employee cadre is an advantage, allowing us to remain agile and adaptable to new developments and other critical aspects related to our performance.

To support our objective of creating a positive and productive work environment, we have implemented strong HR policies and procedures. We regularly review and upgrade these policies to align with the changing operating environment and the evolving needs of our employees. We believe that investing in our people is the key to our success and we remain committed to supporting and developing our team to achieve our goals and aspirations.

Our remote working/work from home policy has continued this year. However, our company has adopted a hybrid concept that allows for a blend of both in-office and remote work. While the Management has accepted the concept of working from home, employees were required to adhere to a working roster. To continue front office activities and fulfil mandatory duties, only a minimum number of staff members were called to the office premises.

Our team

At our company, we are committed to supporting the United Nations Sustainable Development Goals (SDGs) on Gender Equality in our employment practices. In the same vein, we believe that a diverse and inclusive workforce is critical to our success and we are dedicated to creating a work environment that is free from discrimination and bias. This is why we are committed to building a balanced team whose

knowledge and experience in various fields support our business growth and development. Of our total employees, 50% range between 20 to 35 years, making them a part of the Millennial and Generation Z cohorts. This is a competitive advantage, as our business is founded on technology and a highly tech-savvy and technology-oriented workforce will propel our sustainable long-term growth objectives to fruition.

The digital nature of our business operations allows us to work on a lean business model, which is why we have a limited employee cadre. In light of our goal to be Sri Lanka's "Lifestyle Channelling Hub" we are in the works of further empowering our workforce to accommodate the challenges expected in the coming years. As of 31st December 2022, our team consisted of 34 full-time permanent employees.

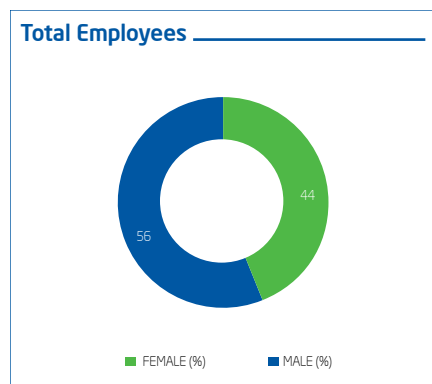
Department	Total	Female	Male	Female (%)	Male (%)
Administration	2	1	1	50	50
Business Development	11	3	8	27	73
Contact Centre	4	1	3	25	75
Finance	5	2	3	40	60
Information Technology	2	-	2	-	100
Software Development	10	8	2	80	20
Total Employees	34	15	19	44%	56%

Total employment by gender

Staff mobility

At eChannelling, we take great pride in our meticulous recruitment process, which assesses each candidate's educational background, experience, skills and subject matter knowledge. Our process involves a series of interviews at various levels, which evaluates both professional competencies and soft

skills to ensure that candidates align with our organizational culture.



Our employment offers are extended only to candidates who meet our high expectations and demonstrate the ability to create value for our

business and stakeholders while aligning with our growth objectives. We firmly believe that hiring the right people is key to our success and we place significant emphasis on the recruitment process.

As with any business, we recognize that employee turnover is a natural part of our operations. However, our turnover is minimal, and employees typically resign due to personal

reasons, retirement or to pursue more lucrative opportunities elsewhere.

We are proud of our low employee turnover rate, which is a testament to our commitment to providing a positive and fulfilling work environment for our employees. We value our employees and invest in their professional development, resulting in an average employee tenure of 6.7 years.

Employee hires by age and gender

Age Group	No of Employee
20 to 25 years	2
26 to 30 years	7
31 to 35 years	-
36 to 40 years	2
41 to 45 years	-
46 to 50 years	-
More than 50 years	-
	11

Gender	No of Employee
Male	6
Female	5
	11

Employee turnover by age and gender

Age Group	No of Employee
20 to 25 years	-
26 to 30 years	4
31 to 35 years	2
36 to 40 years	1
41 to 45 years	-
46 to 50 years	1
More than 50 years	-
	8

HUMAN CAPITAL REVIEW

Gender	No of Employee
Male	6
Female	2
	8

Building and retaining talent

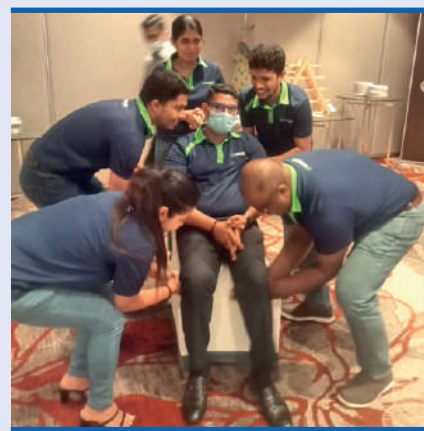
At eChannelling, we take immense pride in our commitment to empowering our employees through training and development. We believe that investing in our staff member's skills and knowledge is critical to delivering exceptional customer service and remaining at the forefront of the digital healthcare industry.

Our comprehensive training program is designed to enhance the expertise of our employees and enable them to excel in their roles. We conduct regular training sessions, workshops and seminars on various topics, including customer service, technical skills and leadership development. By staying up-to-date with the latest trends and techniques, our staff members are always equipped to provide our clients with the best possible service.

2022 posed a significantly challenging year to all of Sri Lanka with the ongoing economic crisis and socio-political instability. Despite this, we were still able to conduct a training program for our staff in preparation of the financial year 2022.

- **NLP training-**

Given that 2023 is expected to be a revolutionary year for eChannelling, with many strategic initiatives to be put to motion, the ECL management deemed it necessary to organize an All-Staff Training program in order to ensure a dedicated staff with a Can-Do Attitude. To this end, we conducted a session on Mastery of Self NLP, designed to improve big picture thinking, innovative mindset, a can-do attitude, belief in bigger possibilities, leadership qualities and mutuality of our team. The aim was to improve their collective contribution towards business success by addressing opportunities and challenges using transformational methods from Neuro Linguistic Programming (NLP) and other life sciences. This event was mandatory for all staff members and took place on 28th December 2022, at the Hilton Residencies in Colombo.



Performance management

At our Company, we recognize that our employees are critical to our success, and we're committed to creating value for them through robust HR processes and systems. To this end, we recently strengthened our formal performance management system, which now pre-defines each employee's KPIs based on departmental KPIs and organizational goals. This ensures that each employee's objectives are aligned with the Company's broader strategic goals.

As part of this process, all employees completed a self-appraisal and received one-on-one feedback from their immediate supervisor during the year-end review. This feedback provides employees with valuable insights into their performance and areas for improvement, which helps them develop their skills and achieve their full potential.

Moving forward, we plan to review employee performance bi-annually to enhance the effectiveness of our performance management system. This will enable our management to set more realistic goals and KPIs for our employees and help us align our workforce more closely with our strategic priorities.

We believe that these enhancements to our performance management system will help us improve our organizational performance and create a more positive and fulfilling work environment for our employees. At our Company,

we are committed to investing in our employees and empowering them to reach their full potential, and we are confident that our performance management system will enable us to achieve this goal.

Remuneration and rewards

At eChannelling, we understand that rewarding our employees is key to creating value and supporting other critical pillars of employee value creation. Our rewards and remuneration policy is inherently linked to employee satisfaction, motivation, welfare and well-being. We believe that fair compensation and benefits are essential to enabling our employees to lead a happy life at an acceptable standard of living.

All our employees receive both monetary and non-monetary benefits that align with their grade and position. Our remuneration packages are fair and based on the Shop and Office Employees (Regulation of Employment & Remuneration) Act of Sri Lanka, as well as the parent company's policies. We conduct annual reviews to ensure that our rewards and remuneration are in line with the industry standards and account for any change in the cost of living and inflation rates.

We base salary increments and bonuses on various factors, including employee performance, the achievement of KPIs and satisfactory completion of job responsibilities. We have an

upgraded performance appraisal system that enables us to measure employee performance accurately and determine annual bonuses.

At eChannelling, we take pride in settling employee dues on time, usually at the end of each month. We understand that timely payments are crucial to our employees' financial stability and help them manage their personal and professional commitments.

Our leave policy aligns with the Shop and Office Employees Act of Sri Lanka, and we offer maternity leave to female employees and voluntary paternity leave to male employees. We believe this policy shows our commitment to creating a supportive work environment that values our team member's personal and professional lives.

The Economic Relief Incentive was approved by the Chairman and Board Members based on Management's recommendations to provide relief from the increase in inflation and cost of living expenses. The short-term incentive was effective from the July 2022.

In addition to the Economic Relief Incentive, ECL provided an annual bonus in 2022 equivalent to an average of four months' salaries. To further support employee well-being, we also gave a birthday gift voucher to all staff members on their birthdays and provided gift vouchers to employees for their newly born babies.

Key benefits offered to our staff:

Policy	Details
Staff Medical Insurance Policy	<ul style="list-style-type: none"> • Employees and their immediate families (spouse and children) are covered under the policy. • Coverage includes in-patient benefits, out-patient benefits, maternity charges and some other benefits. • In partnership with Sri Lanka Insurance Corporation Limited.

HUMAN CAPITAL REVIEW

Policy	Details
Staff Mobile/Device Policy	<ul style="list-style-type: none"> Employees are given the option to buy or upgrade their smartphones or smart devices every two years. The Company provides an allowance for the purchase aligned to the employee grade.
Staff Loan Policy	<ul style="list-style-type: none"> All permanent employees are eligible to apply for a staff loan which is equivalent to their basic salary multiplied by 2.5 times. The loan is interest-free and has a repayment period of six-monthly instalments deducted from their monthly salary. The loan does not adversely impact 40% of employees' take-home salary.
Educational Reimbursement Policy	<ul style="list-style-type: none"> All permanent employees are eligible for reimbursement on the annual fee paid to professional organizations and academic/professional fees. Reimbursement is provided within pre-agreed limits and dependent on the bond agreement.
Option to Purchase Used Laptop	<ul style="list-style-type: none"> Employees are given the first choice to purchase a laptop being replaced by the Company at a minimal cost of Rs. 10,000/-
eChannelling Health and Well-Being Policy	<ul style="list-style-type: none"> Employees receive training, care and tips to maintain good physical and mental well-being, especially related to work-related stress
Leave and Vacation Policy	<ul style="list-style-type: none"> Permanent employees are eligible for 14 days of annual leave and 7 days of casual leave as per the law in Sri Lanka. An additional 7 days of medical leave is also given. Maternity leave is granted as per the employment regulations of the country. Compassionate leave and paternity leave are approved on a need basis. Special leave for COVID-19 on a need basis.
Rewards and Remuneration	<ul style="list-style-type: none"> Paid on time with annual increments. 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 prorated basis.
Flexible Working Hour Policy	<ul style="list-style-type: none"> 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.

Engagement

At our Company, we believe that maintaining a positive and engaging work environment is key to ensuring high levels of employee motivation and productivity. To this end, we organize a range of events and programs throughout the year to keep our employees engaged and connected. By

fostering a sense of community and belonging among our employees, we aim to create a workplace culture that is both supportive and inspiring. We recognize that a motivated and engaged workforce is critical to our success and we are committed to investing in our employees' wellbeing and professional development.

As part of our commitment to employee engagement, we previously organized annual trips for our staff. However, due to circumstances beyond our control, we were unable to continue this tradition in the past year. Accordingly, ECL's Management decided to distribute the cost of the annual trip among our staff as a trip allowance, aligning allocations with SLT Mobitel.

- **Staff annual get-together -**

The staff annual get-together was held on September 9th, 2022, at the Mobitel Head Office. The event included a staff meeting with top-level management, followed by a cocktail, dinner and live musical show. It was a memorable event.



- **Christmas Carols-**

The SLT-Mobitel Group organized a heart-warming Christmas carol event that brought together staff members and employees from ECL.

Health and wellbeing

We place continued emphasis on creating a working environment that is safe, both physically and psychologically for our valued employees and the eChannelling "Health and Well-Being Policy" guides our efforts related to employee well-being and good health.

Furthermore, we have a formal grievance handling procedure in place. 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 had no major issues related to employee grievances in the year under review.

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 and non-discrimination

At eChannelling we offer equal opportunities in employment to all employees and applicants and no person is discriminated against employment because of race, colour, marital status, parental status, ancestry, source of income, religion, sex, age, national origin, sexual orientation, veteran status or disability or

HUMAN CAPITAL REVIEW

history of disability. 44% of our staff cadre is female.

Strategies and goals for gender parity	<ul style="list-style-type: none"> ✓ Providing access to training & promotions ensure women are empowered with knowledge & skills they need to succeed. ✓ Work-life balance
HR practices	<ul style="list-style-type: none"> ✓ Create a gender-neutral job description ✓ Provide equal pay and benefits ✓ Offer equal opportunities for career advancement ✓ Establish clear anti-discrimination policies
Promotions	Female 02 / Male 01
Parental leave	<p>Employees entitled to parental leave : Male 13 / Female 10</p> <p>Total number of employees that availed of parental leave: Male 01 / Female 01</p> <p>Employees who returned after parental leave: Male 01 / Female 01</p>



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

Way forward

- Increase budget for staff training and skill development
- Planning to introduce more transparent performance appraisal process
- Increase employees' cash and other benefits in line with the industry and cost of living
- Moving to a more comfortable new office location (Good working environment)

HOW WE CREATE VALUE

SOCIAL AND RELATIONSHIP CAPITAL REVIEW



Our approach

Our commitment to sustainable development is unwavering and we prioritize community-related advocacy that supports the United Nations Sustainable Development Goals (SDGs) on Good Health and Well-Being. At the core of our approach is the creation of value for our diverse stakeholder groups, which includes customers, business partners, government, suppliers and the wider community. We recognize that this is critical to our sustainability as a business, and we have implemented specific strategies to achieve the objective.

One of our key strategies is to continuously develop new products and services for our customers, while expanding our geographic reach to smaller and less developed towns. We also understand the importance of digitalization, which is why we have made our eChannelling platform available across various digital devices

NURTURING OUR SOCIAL AND RELATIONSHIP CAPITAL

Maintaining quality of service

Leveraging partnerships

Enhance customer experience

CAPITAL TRADE-OFFS

Investment in re-branding efforts

Investment in new services



to enhance accessibility. These efforts not only create value for our customers but also support the growth of our business partner network.

We are also expanding our footprint in non-healthcare services, which creates opportunities for related businesses to increase their customer base, contributing to the overall economy of Sri Lanka. Additionally, our business goals are well-aligned with the government's healthcare goals, and we promote greater awareness of available services in the local market. We believe that expanding our services in the non-healthcare sector can significantly benefit the wider community and contribute to the achievement of the SDGs.

We take our commitment to responsible consumption and production seriously and our best-in-class procurement practices reflect this. We strive to promote sustainable practices

FOCUS OF 2022

Rebranding efforts to transition to a digital lifestyle platform

Partnered with 22 new hospitals and 256 pharmacies to offer a wider variety of healthcare-related services.

Offered innovative and convenient medical services such as access to over 270 hospitals, medicine delivery services, online booking for driver's licence medical appointments, and audio and video doctor channelling services.

Expand channelling services to support emerging and growing marketplace need for digital services

Continuous innovation to meet customer needs and improve efficiency

in all our operations and recognize that we have a crucial role to play in promoting a more sustainable future.

As a socially responsible business, we recognize the importance of creating social and relationship capital beyond our immediate stakeholder groups. We regularly sponsor and advocate for community events, activities and projects that add value across societal groups, benefiting them in the long term. Overall, our commitment to sustainable development is reflected in our operations and we strive to create value for all our stakeholders while contributing to the achievement of the SDGs.

Despite the economic crisis and related challenges presented by 2022, eChannelling was committed to the steadfast progress of the

SOCIAL AND RELATIONSHIP CAPITAL REVIEW

company. The year marked the initiating of the re-branding efforts made by the company as we transitioned from a medical check-up channelling platform to a digital lifestyle platform wherein, we technologically empower Sri Lankans with a chance for a healthier lifestyle.

Commitment to our customers

Our commitment to being customer-oriented remains at the forefront of everything we do, and we will continue to prioritize our customers' needs to deliver the best possible experience. After all, they are the driving force behind our business growth, and their experience is our responsibility. In 2022, our primary focus was on expanding our services to create a "total healthy lifestyle platform." We believe that by empowering our customers to live their healthiest lives, we can make a positive impact on their well-being and help them achieve their goals.

To achieve this, we continued to improve customer convenience, modernize our services and make them available across a range of technology platforms and traditional channels. We also expanded our geographic presence by partnering with healthcare and non-healthcare service providers, made our digital channels more user-friendly, and utilized third-party services such as online payment gateways.

New product/service offerings

At eChannelling, we strive to provide innovative and convenient medical services to our customers. Our offerings as of 2022, include:



Access to over 270 Private and Ayurvedic hospitals



Medicine delivery services right to your doorstep



Online booking service for driver's license medical appointments



Audio and video doctor channelling services for remote consultations

Customer convenience

We strive to make our services easily accessible and enhance customer satisfaction with value-added services. We continued the stringent monitoring of our 24x7 call centre, and produced a much more effective and efficient grievance handling processes by digitizing complaints and expediting feedback. Our call centre

maintained a maximum 48-hour timeframe for issue resolution and we plan to introduce a customer-centric CRM module for automation. Our customer grievance process is overseen by a committee ensuring appropriate resolution. In 2022, we received no major grievances and handled minor complaints to customer satisfaction.

- 24 x 7 Call Centre Operations on 0710225225
- Direct Dial 225 to make an appointment from anywhere on any mobile network
- 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

Moreover, in 2022, we partnered with 22 new hospitals and 256 pharmacies to provide further ease and comfort to our clients.

Product portfolio

Products



Doctor channelling



Medical examination for fulfilling NTMI requirements



Audio/Video doctor consultations



Online purchase of medicines from pharmacies



Appointments via Ministry of Foreign Affairs



Online request for lab tests from preferred hospitals/labs or the mobile lab testing unit



Chat with doctor



Eco-channelling service

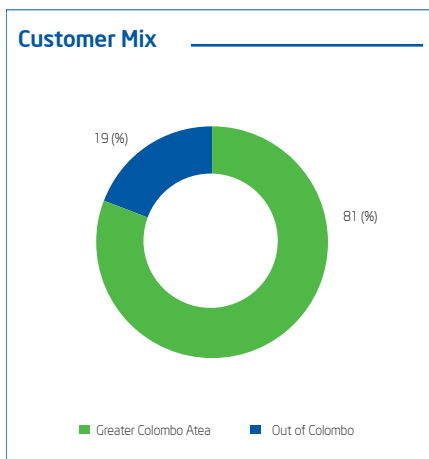
SOCIAL AND RELATIONSHIP CAPITAL REVIEW

Customer relationship management

As an organization that prioritizes consumer satisfaction, the Company regularly engages and communicates with its customers through a variety of communication tools. Our efforts to establish enduring relationships with customers are supported by various means. Social media is a crucial aspect of our engagement initiatives, allowing us to inform the public about new services, provide health advice, and distribute crucial information about illnesses, diseases and healthcare. By consistently introducing new and innovative products and enhancements to our services, we have received positive feedback from customers, enabling us to foster stronger relationships. The continuous increase in our customer base and repeat customers demonstrates the success of our consumer-centric business approach and our strategies for delivering value to customers through dedicated measures.

Customer mix

In 2022, the Company's customer base continued to expand and became less dependent on the Greater Colombo region, as we increase our presence across the country. Our customer mix is expected to reduce our risk exposure in the coming years, as we not only continue to expand geographically but also diversify our product portfolio to include non-traditional healthcare and non-healthcare services. Our growth is evidenced by the fact that in 2021, the proportion of customers from outer areas of Colombo was 17%, while this year it has increased to 19%.



Customer privacy

Customer privacy, data security and information protection are crucial for maintaining customer confidence and relationships for our company, which has access to the personal and medical records of our customers. We treat all customer information as highly confidential and limit access to employees only on a need basis. We prioritize IT security by implementing adequate firewalls and other security measures to safeguard our systems, software and data.

As a digital company, we utilize advanced IT security systems and anti-hacking software with strict protocols for data processing to ensure customer privacy remains a top priority. We regularly update and upgrade our IT systems and software to maintain optimal operational

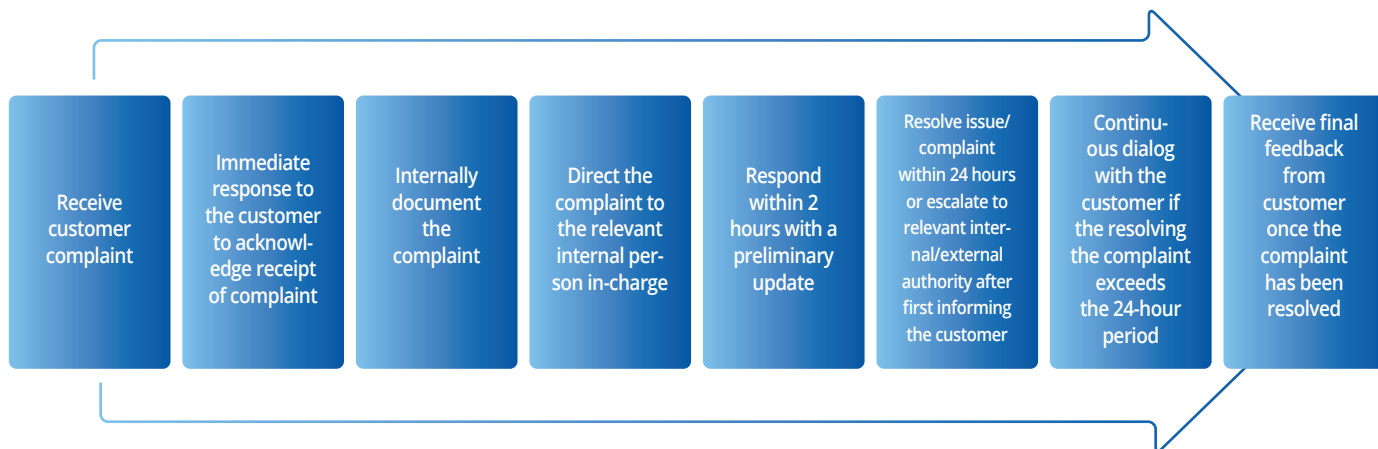
levels and align with industry developments and emerging data threats.

We recently re-launched our website and mobile apps, and have incorporated more stringent security measures to enhance customer privacy. We work with experts in the field to continually improve our customer privacy and data protection protocols. To provide assurance, we conduct bi-annual audits and regular vulnerability tests in partnership with TechCert, Sri Lanka's first and largest Computer Emergency Readiness Team.

During the year under review, we did not experience any negative issues related to customer privacy or loss of customer data.

Grievance handling

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, confidentially and resolved to the satisfaction of all parties concerned. In 2022, the Company was not subject to any major grievances from customers about our products, value-added services and delivery methods, while minor complaints were handled and closed to the satisfaction of the customers.



Strengthening business partner ties

Healthcare	Non-healthcare	Support Services
Private & Government Hospitals	NTMI	Payment Gateway Operators
Healthcare Clinics	MFA	Banks
Alternative Medical Facilities	Eco-channelling	Retail Network Operators (Supermarkets)
Medical Practitioners		Telecommunications Operations
Doctors		
Pharmacies		

The Company recognizes the critical role that our business partners play in enabling sustainable growth and facilitating the operations of our eChannelling platform. This stakeholder group comprises both healthcare and non-healthcare service providers who offer their services through our appointment platform, as well as banks, agents and other payment gateway operators who support our business activities.

To create value for our partners, we have implemented various strategies such as

expanding our geographic reach, raising awareness of our product and service portfolio in the marketplace, offering valuable insights on partner services based on customer feedback and increasing the value-added services that we offer. As we onboard new partners, we ensure that our teams provide them with training to help them understand and use our eChannelling platforms effectively.

In addition to creating value for our existing partners, we also seek to contribute to the

growth of small businesses in small towns across Sri Lanka by encouraging them to become part of the eChannelling network. This in turn, has a positive impact on the economic growth of these towns.

In the financial year ending 2022, we partnered with 22 new hospitals and 256 new pharmacies. We remain committed to working closely with our partners to ensure their ongoing success while also contributing to the overall economic growth of Sri Lanka.

During the year we also partnered with the Ministry of Foreign Affairs to offer digitized reservations for document attestation, offering improved efficiency and enhanced convenience for Sri Lankans. The Ministry of Foreign Affairs plays a crucial role as the governing body of international activities and handling the essential operation of document assertion for citizens. On average there are 40 variants of documents to be approved based on an individual's needs. Especially for citizens who are planning to emigrate and for Foreign Ministry staff, eChannelling's online Queue Management

SOCIAL AND RELATIONSHIP CAPITAL REVIEW

solution fills a vital need for a system to manage the queue effectively and ensure a reduction of traffic outside and inside the offices. Additionally, the service offers greater convenience in reducing the complexity of people's busy schedules. All six branches of the Ministry of Foreign Affairs including the Consular Office in Colombo and regional offices located in Kandy, Jaffna, Kurunegala, Matara and Trincomalee are now empowered with the eChannelling's online validation system and connected via a central digital platform enabling an easy booking of appointments anytime and anywhere, for customers to attest their documents.

Supplier relationships

Suppliers play a crucial role in the daily operations of our Company, as they provide support services and other goods necessary for our business to continue running smoothly, as well as ensuring that we provide uninterrupted services to our customers and partners. Our suppliers are broadly categorized into three groups; system support and hardware suppliers, media and advertising suppliers and general administrative and software suppliers.

At our Company, we believe in the importance of partnering with local organizations, and this cascades down to our supplier partnerships as well. We have formed over 20 supplier partnerships in Colombo to date, with an average partnership lasting over three years and the longest partnership extending over 20 years.

One of our main priorities when it comes to creating supplier value is to ensure that our suppliers have adequate time to supply goods and services and that we settle their invoices in a timely manner according to the agreed payment terms. We believe that by doing so, we can foster long-lasting and mutually beneficial relationships with our suppliers, which will ultimately benefit our customers and partners.

We recognize the importance of our suppliers and the vital role they play in our business operations. As such, we are committed to ensuring that we maintain strong relationships with them, based on trust, transparency and mutual respect. We believe that by working closely with our suppliers, we can continue to provide high-quality services to our customers and partners and drive growth and success for our Company.

Procurement process

To ensure a fair and ethical system for partnering with suppliers, the Company implements a rigorous procurement process. This includes a thorough screening of prospective suppliers to authenticate their organization and ensure the quality of their products and services. Once approved, these suppliers are added to the Company's supplier database and authorized employees use it to purchase goods and services. Additionally, the Company follows a policy of requesting three quotations for any purchase orders to compare prices, quality and service levels, among other key aspects required.

Caring for the community

We have a mutually dependent relationship with the community in which we conduct our business since our employees, customers, business partners and investors are all important members of this larger community. Any value we create for the community also has a positive impact on these stakeholders. The Company focuses on providing healthcare products and services that cater to the needs of the digitally savvy consumers who reside within the community.

To show our commitment to Corporate Social Responsibility (CSR), we partnered a NON-STOP CARNIVAL event for World Children's and Elders Day, as well as a World Diabetes Day Cycle Parade.

Compliance updates

We regularly update our compliance policies to stay up-to-date with the latest industry standards.

Area of concern	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.

HOW WE CREATE VALUE

MANUFACTURED CAPITAL REVIEW



Our approach

At eChannelling, we are committed to adhering to the United Nations Sustainable Development Goals (SDGs) on Responsible Consumption and Production in our purchasing decisions. We believe that manufactured capital plays a critical role in strengthening our business operations and driving business growth.

Creating manufactured capital value is challenging, but it is intrinsically linked to our business prosperity. The increasing value of assets such as property, furniture, fittings, and other equipment (excluding depreciation) enables the Company to strengthen its balance sheet, thereby increasing the viability of the business in the future. However, the optimal use of software and hardware creates

NURTURING OUR MANUFACTURED CAPITAL

Ensure providing user-friendly and easy to navigate digital platforms

Continuous adoption of emerging security features and patches for data protection

Use of up-to-date software technology



the highest returns for our stakeholders, as it enables the creation of value for other capitals while adding value to manufactured capital.

Physical infrastructure

Our manufactured capital base is derived from the assets we use 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.

FOCUS OF 2022

Creating a digital lifestyle platform with user-friendly tech, regular upgrades & heavy investment.

Scheduled backups and 24/7 IT support for business continuity and data security and investing heavily in digital security and updates software frequently to improve efficacy.

IT and communication assets, digital platforms such as website and mobile app, and call centre software and scheduling regular maintenance and updates for its fixed assets and software ensuring the highest level of manufactured capital value for stakeholders.

Additionally, our rented office premises, furniture and fittings, and other equipment are also a part of the Company's manufactured capital. As at 31st December 2022 our property, plant and equipment value stood at Rs. 5 Mn.



Rs. 5 Mn
plant and equipment value

Digital infrastructure

eChannelling is a trusted brand that our stakeholders, including business partners and customers rely on, to keep their private and confidential data secure. To maintain this trust, the company has invested heavily in ensuring that its digital systems are operating at optimal levels.

MANUFACTURED CAPITAL REVIEW

In its ongoing efforts to ensure the security of its customers' data, eChannelling has invested a significant amount of resources into its digital infrastructure. A total of Rs. 100 million has been invested in computer and licensing fees, enabling the company to stay up-to-date with the latest technological advancements and security measures.



As part of these investments, eChannelling has recently purchased a new laptop at a cost of Rs. 6.6 Mn. This new device will allow the company to stay connected and productive, no matter where their work takes them. Additionally, the company has invested Rs. 3.5 Mn in server licensing fees, ensuring that its digital systems are fully licensed and up-to-date.

At eChannelling, we understand the importance of maintaining our customers' trust, which is why we are committed to ensuring that our digital systems are always secure and operating at optimal levels. Our ongoing investments in our digital infrastructure demonstrate our dedication to providing the highest level of service to our valued customers and business partners.

Safeguarding our assets

To ensure the highest level of manufactured capital value for our stakeholders, we schedule regular maintenance and repair for fixed assets and IT infrastructure. The Company also uses licensed software and frequently updates software to resolve systems vulnerabilities and improve efficacy. Furthermore, regular upgrades to IT hardware ensure that we are using the

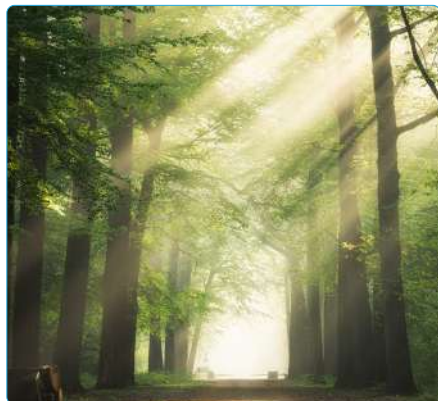
most robust platforms for business operations while ensuring we remain relevant in the ever-changing digital environment.

At eChannelling, we understand the importance of data security and business continuity, which is why we have processes in place for scheduled data backups for mission-critical information and offer 24/7 IT support to minimize interruptions to digital services and ensure uninterrupted business operations. By taking these measures, we are able to provide the highest level of service to our valued customers and business partners while fulfilling our commitment to responsible construction and production.

Plans for 2023

- Backup servers for email to be implemented ensuring continuity with Emails .
- Software development tools used by the Software Development Team to be upgraded with licensed software
- New set of mobile devices to be purchased during the year 2023 to ensure system functionalities with different kinds of hardware
- System performance to be improved by extending hardware to facilitate with the planned new projects .

HOW WE CREATE VALUE

NATURAL CAPITAL
REVIEW

Managing our natural capital

eChannelling PLC, a primarily digital business operation, is committed to preserving natural resources and minimizing the use of scarce resources in its day-to-day operations. With a small employee team and virtual presence, the company strives to create value for natural capital and conserve resources for future generations. The company's approach to creating natural capital value is straightforward; use technology to offer services that have a positive impact on the consumption of scarce resources, both internally and externally. For instance, the company has leveraged automation to reduce paper-based processes and maintain records and data on digital platforms. Additionally, eChannelling's online services promote external resource conservation among stakeholders, including customers who can access them from anywhere, at any time, and on a range of electronic devices.

NURTURING OUR NATURAL CAPITAL

Promoting a paperless culture across the value chain

Efficient management of energy consumption

Practice the 3R concept of Reduce, Reuse and Recycle

CAPITAL TRADE-OFFS

Investment in energy saving equipment and digital service delivery

Financial and human capital contribution towards conservation projects



The introduction of video and audio doctor consultations and other value-added services has taken eChannelling's commitment to natural capital value creation to the next level. These services enable consumers to directly contribute to the reduction of natural resource consumption. Ultimately, the creation of natural capital value centers around stakeholder utilization of eChannelling's services.

Paper usage

Our service offerings are fully automated, promoting a paperless supply and delivery process from start to finish. When a customer logs onto the eChannelling platform, they can receive their appointment details, make payments and generate receipts, all without the need for paper. The introduction of video and audio doctor consultations has further enhanced

FOCUS OF 2022

Communicated with customers, suppliers, and organizations through emails and SMS.

Generated digital invoices, debit notes, credit notes, and memos.

Emphasized the adoption of online payments.

Inculcating a hybrid work culture.

Provide online appointment booking and audio/video consultations.

Promote online meetings.

Downsized office space.

Implement waste segregation by using separate bins for different types of waste.

Conduct employee awareness campaigns to promote good waste management practices.

Encourage re-use and re-sale of items instead of discarding them.

the paperless concept, as electronic prescriptions can be shared with patients and sent directly to pharmacies for medication delivery.

At eChannelling, we not only focus on external stakeholders but also on creating a paperless organizational culture within our internal processes and systems. Our communication, report generation and online service delivery systems are designed to support internal and external electronic processes. Though we are still working towards becoming entirely paperless, we have successfully reduced our direct paper usage over the years. All mandatory paper-based communications strictly follow guidelines such as "print only when necessary and unavoidable" and "print on both sides of the paper."

NATURAL CAPITAL REVIEW



Furthermore, our business also indirectly contributes to the reduction of paper used by consumers and other stakeholders. Every appointment made on our platform receives electronic notifications, saving an estimated Rs. 2 Mn papers. Some hospitals also use e-Receipts in order to minimize paper usage and eChannelling facilitates this. 90% of our internal payment process have also been converted to maintain digital copies instead of physical documents which in turn helps save 5,000 A4 sheets per year. We remain committed to reducing our paper usage and promoting a sustainable future for our planet.

Fuel usage

The business model of eChannelling promotes reduced fuel consumption by encouraging customers to make healthcare and lifestyle appointments using digital platforms accessible from various electronic devices with internet access. Our audio/video consultations with doctors and the delivery of medications eliminate the need for travel, leading to indirect reductions in fuel consumption by customers.

The pandemic-induced implementation of work from home policies has further contributed to the reduction of fuel usage by employees who no longer need to commute to the office, indirectly reducing pollution and fossil fuel usage. Moreover, the direct fuel usage required to power generators during power outages at the office has also been eliminated due to the continued Hybrid work policy.

Quantifying the reduction of indirect fuel usage is challenging due to various dependencies and diverse scenarios. Nonetheless, we strongly believe that our business objectives and focused efforts have contributed to the reduced use of fuel by customers over the years.

Electricity usage

Our business operations require energy to operate, which includes powering electronic devices such as computers, servers, data storage centers and lighting equipment. However, we have implemented various processes and best practices to conserve electricity, such as using low-energy consuming electronic devices, cloud-based services to reduce the need for excessive data storage facilities and energy-saving lighting and cooling systems. As a result, we were able to reduce the overall electricity usage at our head office during the year. Additionally, with most employees working from home due to the pandemic, our electricity consumption was further reduced. It is important to note that we source our electricity from the National Electric Grid.

Key energy saving initiatives

- Switching off lights and ACs when offices and meeting rooms are not in use.
- Shutting down PCs and laptops at the end of the workday.
- Installing energy-efficient lights.
- Installing Inverter-type ACs.
- Putting PCs and laptops in sleep/ hibernate mode to conserve energy when not in use.

Waste management

Even during 2022, the Company maintained its commitment to promoting sound waste management practices to employees, encouraging them to segregate recyclable and non-recyclable materials and organic waste at home. The Company generated e-waste, such as printer toners, laptop batteries and outdated laptops, which were collected centrally at the head office and disposed of in accordance with best practices.

Key waste management initiatives

- Use of laptops for a minimum of three years.
- Re-sale of older laptops rather than dumping as waste.
- Educating employees on the negative impact of plastic on the environment.
- Encouraging employees to recycle waste such as paper and plastics.

Emissions reduction

The eChannelling company operates virtually and encourages reducing emissions by minimizing travel for healthcare and lifestyle needs. Through services such as virtual doctor consultations and home-delivery of medicines using eco-friendly foot bikes, the company indirectly contributes to better air quality and lower emissions. However, because emissions reduction is not a direct benefit of our services, we do not have a way to quantify the emissions saved over time.



CORPORATE STEWARDSHIP

SUSTAINABILITY

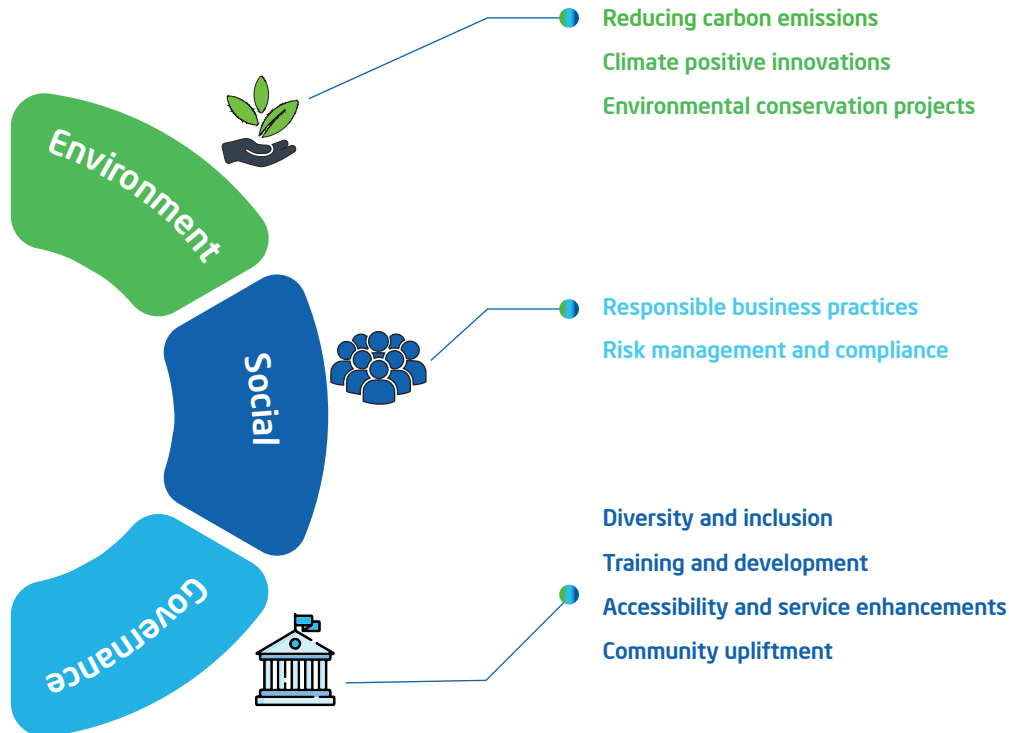
Achieving economic, social, and environmental performance in today's dynamic business landscape requires a sustainability strategy that is executed with discipline. Sustainability is a part of our corporate DNA and we continuously work towards integrating sustainability into our core business functions to create long-term stakeholder value.

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.

We have adopted a broad-based approach anchored to the United Nations Sustainable Development Goals which form part of the UN's 2030 Vision for a more peaceful and prosperous future. Our sustainability strategy, which is founded on the triple bottom-line principle, serves as the basis of integrating our business goals with key sustainability parameters to add value to people and planet in the process of striving for profitability.

Our sustainability priorities



Environment

This includes the Company's carbon footprint, its handling of water and waste, and the ecological impact of the services and products offered

Reducing carbon emissions

Carbon footprint: | tCO2

We have adopted several best practices by creating awareness within the staff on the usage of electricity and water. Online consultations through audio and video methods further derive fuel efficiencies enabling patients to channel doctors at the convenience of their homes instead of traveling.



Climate positive innovations

- Eco channeling delivery service
- Inculcating a paperless culture



Social

This includes how eChannelling treats its employees, customers, suppliers and other stakeholders from the Company's social environment. This also includes the efforts and activities of the company with regard to occupational safety and health of employees and general working conditions.

Diversity and inclusion

We introduce diversity and inclusion early on in the employee life cycle. We also identify differences in employee experience and values across the organization so that change can be made in a manner relevant for each and every individual.

Female representation- 2022/23:	44%
Female representation in managerial positions	46%



Training and development

Building skills and competencies and continuously investing in employee development is a key focus area of the Company.

No. of training programmes conducted in 2022	08
Total number of employees trained	34



SUSTAINABILITY

Social

Accessibility and service enhancements

Making our services available to all citizens of the country through the use of digital technology including our website, mobile App, as well as SMS and phone call facilities.

Continuous focus on strengthening partnerships and onboarding 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.



Community upliftment

The company constantly engages with the public to create greater awareness on communicable diseases through social media platforms, sponsorships and special targeted events. 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, tele channelling services at the touch of the button.



Governance

This related to the quality and effectiveness of the corporate management and ethics and value system of the Company.

Responsible business practices

The Company has in place a well-structured governance framework, focused on upholding transparency and accountability. We believe that sound governance should be ingrained within the entire business and our corporate culture embraces good governance practices in the daily operations of the Company.

Risk management and compliance

The risk strategy of the Company is to establish formal mechanisms to ensure that best efforts are taken to appropriately identify the risks, maximize any potential opportunities arising from such risks events and mitigate and minimize the adverse effects stemming from those identified risks. We also ensure compliance with all applicable laws, regulations, directions and standards.

Way forward

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.

ENTERPRISE RISK MANAGEMENT

The Company takes a comprehensive and integrated approach towards risk management, with processes incorporating good governance and sustainable development alongside effective risk management practices, adopted across all levels of the organisation by the management.

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.

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. 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.

Risk governance

The Board discharges accountability for effective risk management by establishing risk management structures, policy frameworks,

and monitoring risk. The Board has ultimate responsibility for management of risk and is assisted by the Audit Committee and Senior Management in developing relevant strategies, risk management policies and procedures as well as internal controls by examining the risk profile of the Company.

The Company's Risk Management Team comprising four 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 Senior Management shares a detailed 'Compliance Sheet with due dates and action dates every quarterly with the Audit Committee which has ultimate oversight for the Company's risk management process. The Audit Committee is also responsible for the work carried out by the Risk Management Team which must ensure proper records are maintained while regularly reporting the risk status to the Audit Committee. 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.

Risk management framework

Our risk management framework – embedded in our business activities and decision-making processes at all levels of the Company – ensures that the actions we take to achieve our strategic objectives fall within our appetite for risk, which varies depending on the specific risk. The framework defines how we identify, understand and mitigate risks, and realise their related opportunities. This 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.

Risk management framework

Risk management framework



ENTERPRISE RISK MANAGEMENT

Identifying our top business risks

Our systems and processes for managing risk consider the following:

- Changes in the external and internal operating context.
- Organisational resilience.
- Nature and potential impact of risks and the likelihood that they may materialise.
- Extent and categories of risks regarded as acceptable.
- Ability to reduce the incidence and impact on the business if risks materialise.

- Effectiveness of risk response plans.
- Cost of risk response plans and processes relative to the exposure and benefits obtained.
- Expectations and concerns of key stakeholders

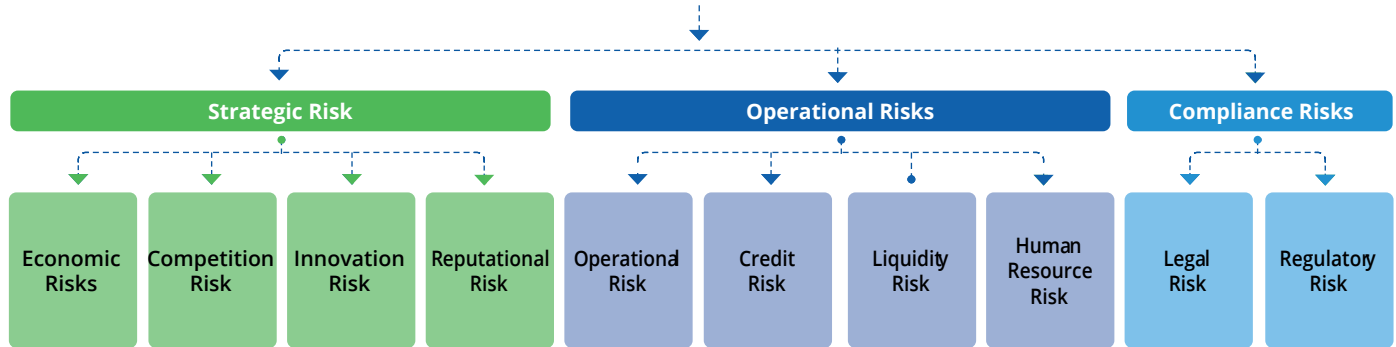
The risk management function engages with operational and executive management of the Company to identify key risks and the processes and plans to manage them. Risks are evaluated based on their causes, sources, impacts, likelihood and materiality as well as their potential exposure (low, medium, high)

and the resultant impact on our ability to achieve our strategic priorities. We also consider the attention required from the Board, its committees and executive teams to manage a risk.

Top risks for 2022

The volatile background resulting from the effects of the Sri Lankan economic crisis affected the risk landscape during the financial year. The following section highlights in brief the risks encountered and the mitigating actions taken during the year.

Risk Management Framework



Economic Risks			
Risk impact	Risk mitigation		Risk exposure
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	<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. 		L
Competition Risk			
Risk impact	Risk mitigation		Risk exposure
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	<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. 		M

ENTERPRISE RISK MANAGEMENT

Reputational Risk		
Risk impact	Risk mitigation	Risk exposure
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.	<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 	L
Innovation Risk		
Risk impact	Risk mitigation	Risk exposure
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.	<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. 	L

OPERATIONAL RISKS	Operational Risk		
	Risk impact	Risk mitigation	Risk exposure
	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. 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.	<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 	L
	Credit Risk		
	Risk impact	Risk mitigation	Risk exposure
	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.	<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. 	L

ENTERPRISE RISK MANAGEMENT

Liquidity Risk		
Risk impact	Risk mitigation	Risk exposure
The risks associated with losing talented employees and an environment of unpleasant employee-management relations.	<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. 	L
Human Resource Risk		
Risk impact	Risk mitigation	Risk exposure
The risks associated with losing talented employees and an environment of unpleasant employee-management relations.	<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. 	M

Health and Safety Risks		
Risk impact	Risk mitigation	Risk exposure
The risks associated with the spread of COVID-19 and resulting in increased exposure to the virus by employees, customers, and other stakeholders.	<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. 	L
Environmental Risk		
Risk impact	Risk mitigation	Risk exposure
The impact of the Company's business operations on the environment due to business growth, adoption of technology, and business diversification.	<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). 	L
Legal Risk		
Risk impact	Risk mitigation	Risk exposure
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. 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.	<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. 	L

ENTERPRISE RISK MANAGEMENT

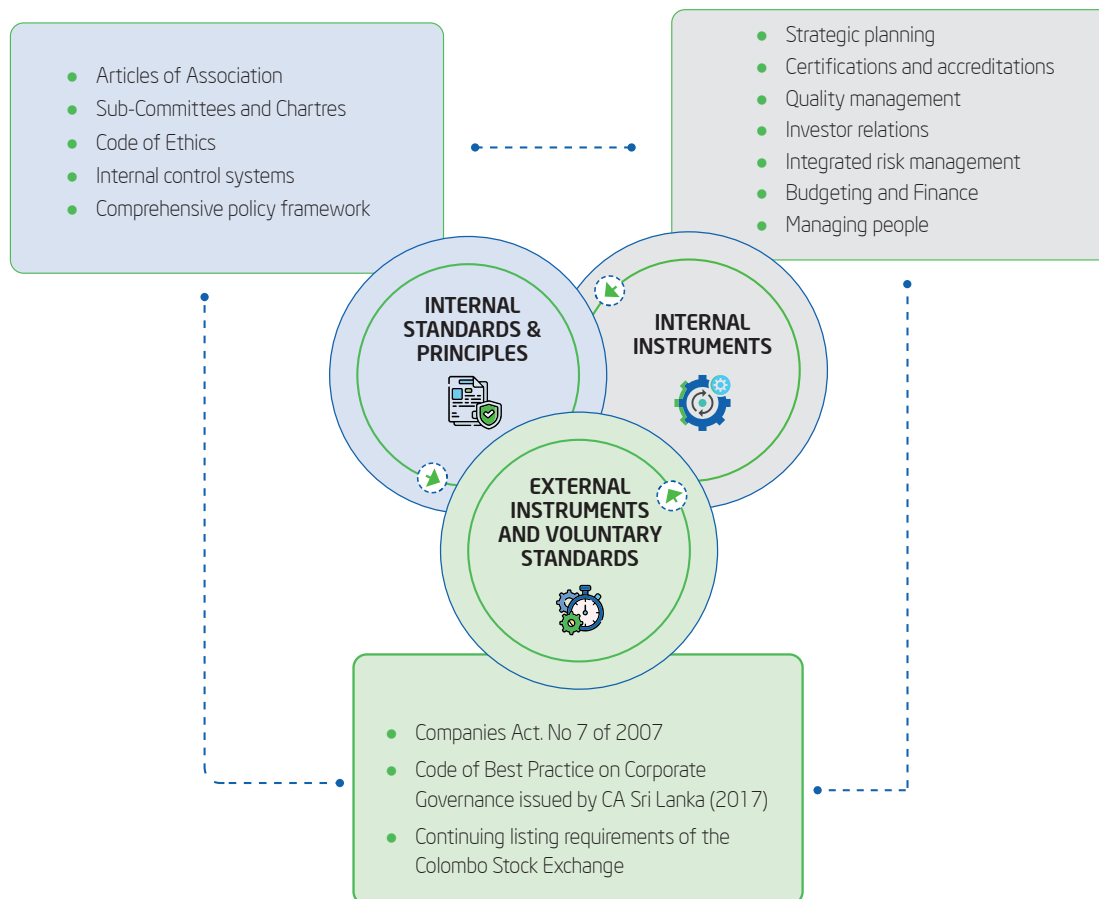
Regulatory Risk		
Risk impact	Risk mitigation	Risk exposure
The risk associated with changes in laws and regulations will materially impact the Company's business operations, financial compliance, information security, technology usage, governance, and marketing and promotional activities. As such, keeping abreast of such changes is mandatory to manage a successful business and conduct ethical business operations.	<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. 	L

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.

Corporate Governance Framework



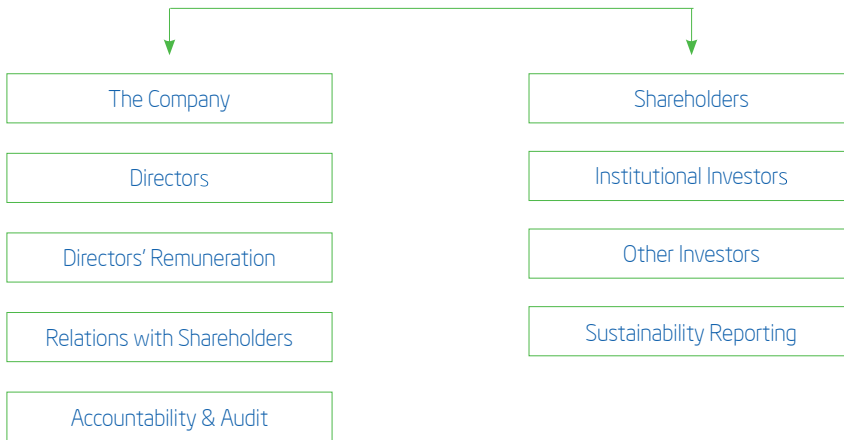
CORPORATE GOVERNANCE

In pursuit of achieving high standard of Corporate Governance the Board ensures the compliance with 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.

Code of Best Practice on Corporate Governance



THE COMPANY

A. Directors

Composition of the Board of Directors

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

As evident from the profiles of Board of Directors, eChannelling PLC's the Board comprise 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.

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

Responsibilities of the Board

The Board is responsible for the formulation and implementation of sound business strategies and 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
- Tracking actual progress against plans

- Overseeing systems of internal control and risk management
- Reviewing HR policies and HR process on management succession planning
- Reviewing and approving investments, acquisitions, disposals and capital expenditure
- Monitoring systems of governance and compliance

Board meetings 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 Board and Sub – committee meetings during the year is set out in the table below;

Director	Board	Audit Committee	Remuneration Committee	Related Party Transactions Review Committee
Mr. Rohan Fernando	5/5	-	-	-
Mr. Dallas Stephen	5/5	6/6	1/1	4/4
Mr. Sampath Hettiarachchi	4/5	6/6	1/1	4/4
Mr. Lawrence Paratz	4/5	-	-	-
Mr. Sudharshana Geeganage	5/5	6/6	-	4/4
Mr. Lalith Seneviratne	5/5	-	-	-

CORPORATE GOVERNANCE

All Board Papers are made available via electronic formats, and comply with the Company's sustainability initiatives, enabling Board members to participate at meetings 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. The Company Secretary functions as the Secretary to all the Board Sub – Committees.

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. D.J. Stephen	None	Director	None	None	None	10
Mr. Sampath Hettiarachchi	None	Director	None	None	None	9

* Director of a listed Company in which they are employed, or having a significant shareholding with voting rights more than 10% of total 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 equivalent to 20% of annual income

*** Employed by Company two years immediately preceding appointment

Mr. Dallas Stephen and Mr. Sampath Hettiarachchi have served on the Board continually from September 2012 and May 2013 respectively. The Board believes that their independence is not compromised by serving on the Board for a period exceeding ten years from their 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 are headed by a qualified financial professional.

Board Balance

The Board of eChannelling PLC currently comprises six Non Executive Directors out of which two of the 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

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 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 Annual General Meeting 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/her 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 Non – Executive Directors are disclosed in Note. 7 of the Financial Statements.

C. Relations with Shareholders

Constructive use of the Annual General Meetings (AGM) and conduct of General Meetings

The Annual General Meeting 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 Annual General Meeting 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 Annual General Meeting to answer any questions raised by the Shareholders if so requested by the Chairman.

CORPORATE GOVERNANCE

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. Announcements are also made to the Colombo Stock Exchange 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 2022.

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 6
- The Statement of Directors' Responsibility for Financial Reporting is given on page 73
- The Independent Auditors' Report on the Financial Statements of the Company for the year ended 31st December 2022 is given on page 78

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 review the reports arising from internal audits. The Director's Report on page 74 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 principals and maintaining an appropriate relationship with the external Auditors.

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

The Audit Committee comprises 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)

The 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 68 to 69 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 Chairman of the Board affirms that there were no material violations of any of the provisions 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 pages 58 to 66 describes the extent to which the Company adheres to established principles and practices of good governance.

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

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. The Annual Report is 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.

CORPORATE GOVERNANCE

Rule No	CSE Rule	Compliance	eChannelling Action
7.10.1. (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. (a)	Independent Directors ("ID") 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 2022.
(b)	Each NED should submit a declaration of his/her independence annually in the prescribed format		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 names of the independent Directors are disclosed on pages 9 and 10 of the Annual Report
(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 and Mr. Sampath Hettiarachchi have served on the Board continually from 2012 and 2013 respectively. The Board believes that their independence is not compromised by serving on the Board for a period exceeding nine years from their 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 7 to 10 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 (a-h)	Determination of Independence 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 ans CEO	Complied	Please refer page 70 for the functions of the RC

Rule No	CSE Rule	Compliance	eChannelling Action
(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 an ID and two members of the AC are members of recognized accounting bodies.
(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 • Overseeing the entity's compliance with financial reporting requirements, information requirements of the Companies Act and other relevant regulations • Overseeing the process to ensure that the entity's internal controls and risk management are adequate to meeting requirement of the Sri Lanka Auditing Standards • Assessment of the independence and performance of the external auditors. • Make recommendation to the Board pertaining to the appointment, re-appointment and removal of external auditors 	Complied Complied Complied Complied	AC assists the Board in fulfilling its oversight responsibilities for the integrity of the Financial Statements. 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. AC assesses the effectiveness of internal control and risk management. AC assesses the External Auditors performance, qualifications and independence. 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

CORPORATE GOVERNANCE

Rule No	CSE Rule	Compliance	eChannelling Action
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.
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.	Complied	RPT – RC comprise of three NEDs of which two are IDs
9.2.4.	ID shall be appointed as the Chairman of the Committee Committee should meet at least once a calendar quarter and minutes of all the meetings should be documented and communicated to the Board'	Complied	Chairman of the Committee is a ID. The committee met four times during the financial year.
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 Director who has a material personal interest in a related party transaction shall not participate and vote on the matter.	Complied	Minutes of the RPT -RC meetings are submitted to the Board. 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 2022, comprised following members;

Name	Category	Meeting Attendance
Sampath Hettiarachchi (Chairman)	Independent Non-Executive Director	6/6
Dallas Stephen	Independent Non-Executive Director	6/6
Sudharshana Geeganage	Non-Independent Non-Executive Director	6/6

Brief profiles of each member are given on pages 9 to 10 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 / Mobitel

Mr. A R R D Alahakoon

Senior Manager Finance

Ms. A P S Amarasinghe

Senior Manager Information system

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

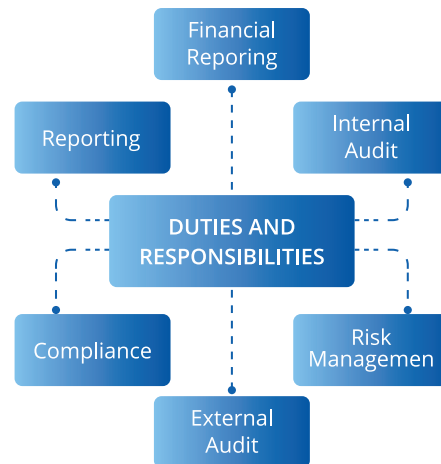
The Committee met six times during the year under review. External Auditors were present at discussions where this was appropriate. The proceedings of the Audit Committee are regularly reported to the Board of directors.

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



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

AUDIT COMMITTEE REPORT

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 48 to 56.

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 committee.

The obtains internal audit & risk assessment advisory services from internal audit section of Sri Lanka telecom PLC & Enterprise risk & information security division of Mobitel (Pvt) Ltd.

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 nonaudit services provided by the External Auditors to the Company to ensure that their independence as Auditors has not been compromised. Further the committee is

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. 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

3rd April 2023

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 Remuneration Committee

The Committee, as at 31st December 2022, comprised following members;

Name	Category	Meeting Attendance
Sampath Hettiarachchi (Chairman)	Independent Non-Executive Director	1/1
Dallas Stephen	Independent Non-Executive Director	1/1

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

Senior General Manager / Mobitel, 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 Independent 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 one time 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

3rd April 2023

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 2022, comprised following members;

Name	Category	Meeting Attendance
Sampath Hettiarachchi (Chairman)	Independent Non-Executive Director	4/4
Dallas Stephen	Independent Non-Executive Director	4/4
Sudharshana 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 9 to 10 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.
- 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 2022, the Committee met four times and the Committee reviewed all the related part transactions and the nature

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

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

3rd April 2023

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 78 to 80.

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 provide by any system of internal controls and accounting.

The Audit Committee meets periodically with the Internal Auditors and the Independent Auditors to review the manner in which these auditors perform 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
eChanneling PLC



Geredene Soares
Company Secretary

3rd April 2023

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 2022. 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

Providing digital lifestyle solution for healthcare and other industries of Sri Lanka where each stake holder in those industries can be benefitted from. Under this mission, the main product of the company is software system which provides an efficient mechanism for the channeling of medical practitioners. In addition, the company provides efficient online queue management solution which fills a vital need for a system to manage the queue effectively and ensure a reduction of traffic outside and inside the office.

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 81 to 125 of this Report while the Auditor’s report on the Financial Statements of the Company are given on pages 78 to 80 as required by section 168 (1) (c) of the Companies Act.

Accounting Policies

The Financial Statements of the Company have 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 pages 87 to 99.

Board of Directors

The names of the persons who held office as Directors of the Company during the financial year ended 31st December 2022 are given below:

Mr. Rohan Fernando

Chairman/Non-Independent
Non -Executive Director

Mr. Dallas Stephen

Independent Non – Executive Director

Mr. Sampath Hettiarachchi

Independent Non –Executive Director

Mr. Lawrence Paratz

Non –Independent Non – Executive Director

Mr. Sudharshana Geeganage

Non –Independent Non – Executive Director

Mr. Lalith Seneviratne

Non –Independent Non – Executive Director

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

Mr. Lalith Seneviratne who has been longest in office since his 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 2022 is given in Note.... 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 31st December 2022, other than those disclosed on pages 114 to 116 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 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 2022 which require disclosure in the Annual Report as per Colombo Stock Exchange 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 Related Party Transactions Review Committee report is set out on pages 71 to 72 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 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 2022 was Rs. 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 7.13.1 (b) which requires a minimum public holding of 10%.

No. of shares held by the public	Float adjusted Market capitalization	Public holding percentage	No of public shareholders
15,156,797	197,034,611.81	12.41%	2,184

Reserves

Retained earnings as at 31st December 2022 amounted to Rs. 306,841,467 - (2021 - Rs. 250,658,530) 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

REPORT OF DIRECTORS

to hire the best talent from external sources to maintain and improve the high quality of the 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.

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 2022.

Auditors

The Financial Statements for the period ended 31st December 2022 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:

	2022	2021
	Rs.	Rs.
Audit Fees	725,000	424,000
Non - Audit Fees	158,364	59,814

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 2023 at the "Orchid" of the Bandaranaike Memorial International Conference Hall (BMICH), Bauddhaloka Mawatha, Colombo 07. The Notice of the Annual General Meeting appears on page 131 of the Annual Report.

For and on behalf of the Board of Directors of eChannelling PLC



Rohan Fernando
Chairman



Lalith Seneviratne
Director



Geredene Suares
Company Secretary

3rd April 2023



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 e-Channelling PLC ("the Company"), which comprise the statement of financial position as at 31st December 2022, 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 81 to 125 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 2022, 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

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.

Our Responses

Our audit procedures included;

- 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 e-Channelling 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 trade receivables and/or 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.

P.Y.S. Perera FCA
W.J.C. Perera FCA
W.K.D.C. Abeyaratne FCA
R.M.D.B. Rajapakse FCA
M.N.M. Sharmal FCA
Ms. P.M.K. Sumanasekera 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

T.J.S. Rajakerier FCA
Ms. S.M.B. Jayasekara FCA
G.A.U. Karunaratne FCA
R.H. Rajan FCA
A.M.R.P. Athakoon ACA

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



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.

INDEPENDENT AUDITOR'S REPORT

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
3rd April 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st December,		2022	2021
	Note	Rs.	Rs.
Revenue	5.	221,542,340	193,249,235
Direct Cost		(52,602,488)	(42,669,493)
Gross Profit		168,939,852	150,579,742
Other income	6.	2,363,297	619,497
Administrative expenses		(106,772,364)	(80,866,407)
Selling and distribution expenses		(20,050,020)	(14,468,825)
Operating profit		44,480,765	55,864,007
Finance Income	8.1	36,066,781	13,745,279
Finance Expenses	8.2	(1,027,868)	(917,396)
Net finance income	8.	35,038,913	12,827,883
Profit before tax	7.	79,519,678	68,691,890
Income tax expense	9.	(14,000,087)	(15,319,578)
Profit for the year		65,519,591	53,372,312
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit liability	21.3	2,124,009	795,115
Related tax	14.1	(637,203)	(190,828)
Equity Investment at FVOCI-net change in Fair Value		239,472	(281,805)
Other Comprehensive income for the year, net of tax		1,726,278	322,482
Total Comprehensive income for the year		67,245,869	53,694,794
Earnings Per Share	10.	0.54	0.44

The notes to the Financial Statements on pages 87 to 125 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION

As at 31st December,	Note	2022 Rs.	2021 Rs.
ASSETS			
Non Current Assets			
Property, plant & equipment	11.	5,133,284	2,501,180
Right-of-use assets	12.	5,214,875	5,136,947
Intangible assets	13.	4,350,454	3,220,256
Deferred tax assets	14.	8,635,571	6,674,600
Equity Investments at FVOCI	17.	2,345,491	2,106,019
Total Non Current Assets		25,679,675	19,639,002
Current Assets			
Inventories		288,465	292,025
Trade and other receivables	15.	156,365,911	79,950,561
Amounts due from related parties	25.2	81,491,464	43,197,814
Short term investments	16.	278,631,182	244,650,912
Cash & cash equivalents	18.	12,450,726	76,327,210
Total Current Assets		529,227,748	444,418,522
Total Assets		554,907,423	464,057,524
EQUITY AND LIABILITIES			
Equity			
Stated capital	19.	93,758,316	93,758,316
Retained earnings		306,841,467	250,658,530
Fair Value Reserve	20.	776,681	537,209
Total Equity		401,376,464	344,954,055
Non Current Liabilities			
Retirement Benefit Obligations	21.	7,606,004	8,599,470
Lease liabilities	22.	-	4,573,796
Total Non Current Liabilities		7,606,004	13,173,266

As at 31st December,	Note	2022 Rs.	2021 Rs.
Current Liabilities			
Trade and other payables	23.	107,855,483	91,799,047
Lease liabilities	22.	11,457,618	5,724,554
Amounts due to related parties	25.3	14,825,508	286,987
Current tax liabilities	24.	10,335,569	8,119,615
Bank overdraft	18.	1,450,777	-
Total Current Liabilities		145,924,955	105,930,203
Total Liabilities		153,530,959	119,103,469
Total Equity & Liabilities		554,907,423	464,057,524

The notes to the Financial Statements on pages 87 to 125 form an integral part of these Financial Statements.

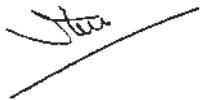
It is certified that the Financial Statements have been prepared in compliance with the requirements of Companies Act, No 07 of 2007.



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

3rd April 2023
Colombo

STATEMENT OF CHANGES IN EQUITY

For the year ended	Notes	Stated Capital Rs.	Fair Value Reserve Rs.	Retained Earnings Rs.	Total Rs.
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		-	-	604,287	604,287
- Fair value gain of investments valued at FVOCI	17.	-	(281,805)	-	(281,805)
Balance as at 31st December 2021		93,758,316	537,209	250,658,530	344,954,055
Balance as at 01st January 2022		93,758,316	537,209	250,658,530	344,954,055
Surcharge tax	94	-	-	(10,823,460)	(10,823,460)
Adjusted balance as at 01st January 2022		93,758,316	537,209	239,835,070	334,130,595
Total Comprehensive income for the year					
Profit for the year		-	-	65,519,591	65,519,591
Other comprehensive income					
- Actuarial gain arising from defined benefit obligation, net of tax		-	-	1,486,806	1,486,806
- Fair value gain of investments valued at FVTOCI	17.	-	239,472	-	239,472
Balance as at 31st December 2022		93,758,316	776,681	306,841,467	401,376,464

The notes to the Financial Statements on pages 87 to 125 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

For the year ended 31st December	Note	2022 Rs.	2021 Rs.
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		79,519,678	68,691,890
Adjustments for :			
Depreciation on property, plant equipment	11.	3,977,646	6,723,235
Amortization of right-of-use asset	12.	5,214,875	2,064,367
Amortization on intangible assets	13.	2,359,695	975,522
Provision for employee benefits excluding actuarial gain/(Loss)	21.	2,324,833	1,833,514
Interest income	8.1	(36,066,781)	(13,745,279)
Interest expense	8.2	1,027,868	917,396
Gain from derecognition of ROU assets/ PPE	6.	(2,097,659)	(10,000)
Provision for impairment of Advance, prepayments and other receivables	15.2	390,167	-
Provision for impairment of bad & doubtful debts	15.1	379,963	-
Operating Profit before Working Capital Changes		57,030,285	67,450,645
(Increase)/Decrease in inventories		3,560	(27,220)
(Increase)/Decrease in trade & other receivable		(77,185,480)	(10,099,751)
(Increase)/Decrease in related party receivable		(38,293,650)	8,752,799
Increase/(Decrease) in related party payable		14,538,521	(6,406)
Increase/(Decrease) in trade & other payables		16,056,436	15,152,760
Cash (Used in) /Generated From Operations		(27,850,328)	81,222,827
Income tax paid	24.	(14,382,307)	(13,549,256)
Surcharge tax paid	9.4	(10,823,460)	-
Employee benefits paid	21.	(1,194,291)	(206,844)
Net Cash (Used in) /Generated From Operating Activities		(54,250,386)	67,466,727

STATEMENT OF CASH FLOWS

For the year ended 31st December	Note	2022 Rs.	2021 Rs.
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property plant and equipment	11.	(6,609,750)	(629,500)
Acquisition of intangible assets	13.	(3,489,893)	(2,396,816)
Proceeds from disposal of Assets		-	10,000
Interest income received		2,086,512	1,191,571
Net Cash Used in Investing Activities		(8,013,131)	(1,824,745)
CASH FLOW FROM FINANCE ACTIVITIES			
Lease rental	22.	(3,063,744)	-
Net Cash Used in Finance Activities		(3,063,744)	-
Net (Decrease)/Increase in Cash and Cash Equivalents		(65,327,261)	65,641,982
Cash & cash equivalents at beginning of the year		76,327,210	10,685,228
Cash and Cash Equivalents at the end of the year	18.	10,999,949	76,327,210
Analysis of Cash and Cash Equivalents			
Cash at bank		12,394,648	76,256,302
Cash in hand		56,078	70,908
Bank Overdraft		(1,450,777)	-
	18.	10,999,949	76,327,210

The notes to the Financial Statements on pages 87 to 125 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

1.1 Corporate Information

E- Channelling PLC (the "Company"), is a public limited liability quoted Company incorporated on 27 July 2000 and domiciled in Sri Lanka. The address of the Company's registered office is No 108, W. A. D. Ramanayake Mawatha, Colombo-02.

1.2 Principal Activities and Nature of Operations

Providing digital lifestyle solution for healthcare and other industries of Sri Lanka where each stake holder in those industries can be benefitted from. Under this mission, the main product of the company is software system which provides an efficient mechanism for the channeling of medical practitioners. In addition, the company provides efficient online queue management solution which fills a vital need for a system to manage the queue effectively and ensure a reduction of traffic outside and inside the office.

1.3 Parent Enterprise & Ultimate Parent Enterprise

Mobitel (Pvt) Ltd is the parent of e-Channelling PLC which holds 87.59% shares of e-channelling 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 2022 is 34 (2021 - 35).

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 2022 were authorized for issue in accordance with a resolution of the Board of Directors on 3rd April 2023.

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.

Further, the tax liability arising from the Surcharge Tax Act No: 14 of 2022 has been accounted as recommended by the Statement of Alternative Treatment (SoAT) issued by the Institute of Chartered Accountants of Sri Lanka as disclosed under the note 1.5 on Income Taxes.

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

NOTES TO THE FINANCIAL STATEMENTS

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 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. 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. Refer Note 32 to the Financial Statements for impact of Current economic condition on the Financial Statements of the Company.

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 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.

3.2.1 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:

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

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.

3.2.2 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.

3.2.3 Leases

3.2.3.1 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.

3.2.3.2 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.

3.2.3.3 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-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.

3.2.4 Financial Instruments

3.2.4.1 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.

3.2.4.2 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

NOTES TO THE FINANCIAL STATEMENTS

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 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.

3.2.4.3 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.

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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.

3.2.4.4 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.

3.2.4.5 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 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.

3.3 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.

3.4 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.

3.4.1 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.

3.5 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

NOTES TO THE FINANCIAL STATEMENTS

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 benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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.

3.6 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

Interest cost is recognised in the Income Statement as it accrues and is calculated by using the effective interest rate method. The Company's finance cost includes interest expenses on ROU lease liability and other interest expenses.

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 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

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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.

4.12 **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 2023 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

A. Deferred Tax related to Assets and Liabilities arising from a single Transaction (Amendments to LKAS 12)

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases

and decommissioning liabilities. The amendments apply for annual reporting periods beginning on or after 1st January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

B. Classification of Liabilities as Current or Non-Current (Amendments to LKAS 1)

The amendments, as issued on 2020, aim to clarify the requirements on determining whether a liability is current or non-current, and apply for annual reporting periods beginning on or after 01st January 2023. However, the IASB has subsequently proposed further amendments to LKAS 1 and the deferral of the effective date of the 2020 amendments to no earlier than 01st January 2024. Due to these ongoing developments, the Company is unable to determine the impact of these amendments on the financial statements in the period of initial application. The Company is closely monitoring the developments.

C. Disclosure of Accounting Policies (Amendments to LKAS 1). The amendment applies to annual reporting period beginning on or after 1 January 2023

The key amendments include,

- requiring companies to disclose their material accounting policies rather than their significant accounting policies.
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements. The Company does not anticipate this amended to have a significant impact.

D. Definition of Accounting Estimates (Amendments to LKAS 8)

The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. Additionally, the amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendment applies to annual reporting periods beginning on or after 1 January 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December		2022	2021
		Rs.	Rs.
5.	REVENUE		
	Revenue from Contracts with Customers		
	Revenue from portals	141,292,652	125,049,995
	Revenue from no-show refund	35,323,387	27,181,075
	Revenue from Other Sources		
	Call charges income	1,469,345	2,325,412
	Revenue from membership cards	1,449,265	379,220
	Software and network commission income	42,007,691	38,313,533
	Total Revenue	221,542,340	193,249,235
5.1	Timing of Revenue Recognition		
	Products & services transferred at a point in time	221,542,340	193,249,235
	Total Revenue	221,542,340	193,249,235
5.2	Primary geographical markets		
	Sri Lanka	221,542,340	193,249,235
	Total Revenue	221,542,340	193,249,235
6.	OTHER INCOME		
	Profit on disposal of Assets	-	10,000
	Gain from derecognition of ROU assets	2,097,659	-
	Sundry income	265,638	609,497
	Total	2,363,297	619,497

For the year ended 31st December		2022	2021
		Rs.	Rs.
7.	PROFIT BEFORE TAX		
	The Profit before taxation is stated after charging all the expenses including the following:		
	Directors' remuneration	2,580,000	2,360,000
	Auditors' remuneration - Audit services	725,000	424,000
	Depreciation of Property Plant and Equipment	3,977,646	6,723,235
	Amortization of intangible assets	2,359,695	975,522
	Amortization of ROU assets	5,214,875	2,064,367
	Staff cost (Note 7.1)	47,152,464	36,551,017
7.1	Staff cost		
	Salary related expenses	38,332,910	29,421,962
	Defined contribution plan - EPF	5,412,251	4,413,784
	Defined contribution plan - ETF	1,082,470	881,757
	Defined benefit plans	2,324,833	1,833,514
		47,152,464	36,551,017
For the year ended 31st December		2022	2021
		Rs.	Rs.
8.	NET FINANCE INCOME		
8.1	Finance Income		
	Interest income from short term investments	33,976,031	12,566,875
	Interest income from saving accounts	2,090,750	1,178,404
		36,066,781	13,745,279
8.2	Finance Expense		
	ROU assets lease interest expense	1,027,868	917,396
		1,027,868	917,396
	Net Finance Income	35,038,913	12,827,883

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December		2022	2021
		Rs.	Rs.
9.	INCOME TAX EXPENSE		
9.1	Income tax expense recognised in the Income Statement		
	Current income tax expense	18,576,214	18,120,795
	(Over) / Under provision in previous years	(1,977,953)	(1,987,332)
	Total Current income tax expense	16,598,261	16,133,463
	Provision/(Reversal) of deferred tax (Note 14.1)	(929,524)	(1,678,391)
	Effect of change in tax rate (Note 14)	(1,668,650)	864,506
	Tax expense on Profit or Loss	14,000,087	15,319,578
	Deferred tax on Other Comprehensive Income	637,203	190,828
	Tax expense on Total Comprehensive Income	14,637,290	15,510,406

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. According to the Inland Revenue Amended Act No 45 of 2022, the tax rate of the Company is increased to 30% from 24% w.e.f. 01st October 2022.

9.3 Reconciliation Between Accounting Profit to Income Tax Expense

For the year ended 31st December		2022	2021
		Rs.	Rs.
	Accounting profit before tax	79,519,678	68,691,890
	Aggregate disallowed expenses	15,812,120	12,514,029
	Aggregate allowable expenses	(23,459,938)	(5,702,607)
	Total taxable income	71,871,860	75,503,312
	Income tax for the year -@ 24%	11,941,348	18,120,795
	Income tax for the year -@ 30%	6,634,866	-
	Total Income Tax Expense for the year	18,576,214	18,120,795

9.4 Surcharge Tax

As per the Surcharge Tax Act No. 14 of 2022 which was certified on 8th April 2022, the Company is liable for the surcharge tax of Rs.10.8 million out of the taxable income of Rs.43.3 million pertaining to the year of assessment 2020/21. According to the said Act, the surcharge tax shall be deemed to be an expenditure in the financial statements relating to the year of assessment which commenced on 1 April 2020. Since the Act supersedes the requirements of the Sri Lanka Accounting Standards, the surcharge tax expense is accounted as recommended by the SoAT on Accounting for Surcharge Tax issued by the Institute of Chartered Accountants of Sri Lanka, in April 2022

The impact of the surcharge tax under the Surcharge Tax Act on the comparative year would have been as given below:

Profit after Tax for 12/31/2020	43,293,838
Surcharge tax levied under Surcharge Tax Act	(10,823,460)
Comparable Profit for the year 2020/2021	32,470,378

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".

For the year ended 31st December	2022	2021
Profit attributable to equity holders of the company (Rs.)	65,519,591	53,372,312
Weighted average number of ordinary shares	122,131,415	122,131,415
Earnings per share (Rs.)	0.54	0.44

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.

NOTES TO THE FINANCIAL STATEMENTS

11. PROPERTY, PLANT & EQUIPMENT

As at 31st December	Computer Equipment Rs.	Computer Servers Rs.	Furniture & Fittings Rs.	Office Equipment Rs.	Total Rs.
COST					
Balance as at 1st January 2021	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
Additions during the year	6,609,750	-	-	-	6,609,750
Balance as at 31st December 2022	37,555,749	41,426,759	6,315,137	2,185,366	87,483,011
ACCUMULATED DEPRECIATION					
Balance as at 1st January 2021	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
Charge for the year	3,900,985	-	76,661	-	3,977,646
Balance as at 31st December 2022	32,455,260	41,426,759	6,282,342	2,185,366	82,349,727
CARRYING AMOUNT					
Balance as at 31st December 2022	5,100,489	-	32,795	-	5,133,284
Balance as at 31st December 2021	2,391,724	-	109,456	-	2,501,180

NOTES TO THE FINANCIAL STATEMENTS

(a) Capitalisation of borrowing cost

There were no capitalized borrowing costs related to the acquisition of property, plant and equipment during the year 2022 (2021 – 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	2022 Rs	2021 Rs
Computer Equipment	30,415,499	22,863,719
Computer Servers	41,426,759	41,426,759
Furniture & Fittings	6,140,383	5,995,383
Office Equipment	2,185,366	2,185,366
	80,168,007	72,471,227

(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. 6,609,750/- (2021 - Rs.629,500/-) by means of cash.

12. RIGHT-OF-USE ASSET

As at 31st December	2022 Rs.	2021 Rs.
Cost		
Balance at the beginning of the year	13,256,747	13,256,747
Additions during the year	10,429,750	-
Derecognition of Leasehold assets	(13,256,747)	-
Balance at the end of the year	10,429,750	13,256,747

NOTES TO THE FINANCIAL STATEMENTS

As at 31st December	2022 Rs.	2021 Rs.
Accumulated Amortization		
Balance at the beginning of the year	8,119,800	6,055,433
Amortization charge for the year	5,214,875	2,064,367
Derecognition of leasehold assets	(8,119,800)	-
Balance at the end of the year	5,214,875	8,119,800
Carrying Amount	5,214,875	5,136,947

The company terminated the lease which was in R.A. De Mel Mawatha, Colombo 03 at the beginning of the year and entered into a new lease for the land and building which is located in, W.A. D.Ramanayake Mawatha, Colombo 02. The lease has been obtained as a lease for 02 years from 15th January 2022 to 15th January 2024. The management has not taken a decision to terminate the lease as at 31st December 2022. During the lease period, the Company has the right to use the land and the building for the business purposes.

13. INTANGIBLE ASSETS

As at 31st December	2022 Rs.	2021 Rs.
Cost		
Balance at the beginning of the year	27,511,481	25,114,665
Additions during the year	3,489,893	2,396,816
Balance at the end of the year	31,001,374	27,511,481
Accumulated Amortization		
Balance at the beginning of the year	24,291,225	23,315,703
Charge for the year	2,359,695	975,522
Balance at the end of the year	26,650,920	24,291,225
Carrying Amount	4,350,454	3,220,256

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	2022 Rs	2021 Rs
Software License	12,369,720	11,685,121
Hospital-net Software	10,804,944	10,804,944
	23,174,664	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	2022 Rs.	2021 Rs.
14. DEFERRED TAX ASSET		
Balance at the beginning of the year	6,674,600	6,051,543
(Provision)/Reversal during the year (Note 14.1)	292,321	1,487,563
Effect of change in tax rates	1,668,650	(864,506)
Balance at the end of the year	8,635,571	6,674,600
14.1 (Provision)/Reversal for the year		
(Provision)/Reversal during the year recognized in Profit or Loss	929,524	1,678,391
(Provision)/Reversal during the year recognized in Other Comprehensive Income	(637,203)	(190,828)
	292,321	1,487,563

NOTES TO THE FINANCIAL STATEMENTS

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

As at 31st December	2022		2021	
	Temporary Difference Rs.	Tax Effect on Temporary Difference Rs.	Temporary Difference Rs.	Tax Effect on Temporary Difference Rs.
Deferred Tax Assets / (Liabilities)				
Property, Plant and Equipment	8,752,004	2,625,601	8,635,602	2,072,545
Impairment on Trade Receivables	2,874,318	862,295	2,494,355	598,645
Employee Benefits	7,606,003	2,281,801	8,599,470	2,063,873
Impairment on Advances	3,310,167	993,050	2,920,000	700,800
Net Right of Use the Asset	6,242,743	1,872,824	5,161,403	1,238,737
Net Deferred Tax Asset	28,785,235	8,635,571	27,810,830	6,674,600

Management has measured the deferred tax asset by applying the tax rates as per Inland Revenue (Amendment) Act No 45 of 2022 as at 31st December 2022. The Deferred Tax Asset is arrived at by applying the Income Tax rate of 30% applicable for the temporary difference as at 31st December 2022. (24% - 31st December 2021). The Corporate tax rate increased from 24% to 30%. This change resulted in a gain of Rs. 1,668,650/- related to the remeasurement of deferred tax assets of the Company.

As at 31st December	2022 Rs.	2021 Rs.
15. TRADE & OTHER RECEIVABLES		
Trade receivable	141,251,580	44,190,050
Provision for impairment of trade receivable (Note 15.1)	(2,874,318)	(2,494,355)
	138,377,262	41,695,695
Advance, prepayments and other receivables (Note 15.2)	17,988,649	38,254,866
	156,365,911	79,950,561
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	379,963	(807,778)
Balance at the end of the year	2,874,318	2,494,355

NOTES TO THE FINANCIAL STATEMENTS

As at 31st December		2022	2021
		Rs.	Rs.
15.2	Advance, prepayments and other receivables		
	Advance, prepayments and other receivables	21,298,816	41,174,866
	Provision for impairment	(3,310,167)	(2,920,000)
	Balance at the end of the year	17,988,649	38,254,866
16.	SHORT TERM INVESTMENTS		
	Balance as at 1st January	241,138,022	229,224,230
	Interest Capitalized during the year	21,890,420	11,913,792
	Balance as at 31st December	263,028,442	241,138,022
	Interest Receivable as at 31st December	15,602,740	3,512,890
	Total Investment in Fixed Deposits as at 31st December	278,631,182	244,650,912

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 2022			31 December 2021		
	No of shares	Cost (Rs)	Market Value (Rs)	No of shares	Cost (Rs)	Market Value (Rs)
Citrus Leisure PLC	31,200	944,741	187,200	31,200	944,741	277,680
Taj Lanka Hotels PLC	10,000	606,702	164,000	10,000	606,702	221,000
Blue Diamonds Jewellery Worldwide PLC	700	2,372	630	700	2,372	630
Serendib Hotels PLC (Voting)	7	162	57	7	162	144
Serendib Hotels PLC (Non Voting)	93	1,628	465	93	1,628	1,070
York Arcade Holdings PLC	10	3,847	1,260	10	3,847	2,105
Lanka Century Investment PLC (Ambeon Holding)	100	7,100	3,530	100	7,100	4,890
Nations Trust Bank PLC	110	8,100	5,082	104	8,100	5,720
Seylan Bank PLC (Non Voting)	119	7,500	3,760	107	7,500	3,563
Renuka Capital PLC	1,128	11,396	8,009	1,100	11,396	21,340
Lankem Developments PLC	100	59	3,150	100	59	630
Hikkaduwa Beach Resorts PLC	20	20	100	20	20	136
Lake House Printers and Publishers PLC	10,697	1,093,983	1,968,248	10,697	1,093,983	1,567,111
	54,284	2,687,610	2,345,491	54,238	2,687,610	2,106,019

No strategic investments were disposed of during the year 2022, 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		2022	2021
		Rs	Rs
18.	CASH & CASH EQUIVALENTS		
	Cash at bank	12,394,648	76,256,302
	Cash in hand	56,078	70,908
		12,450,726	76,327,210
	Bank Overdraft	(1,450,777)	-
	Cash and cash equivalents for the purpose of statement of cashflows	10,999,949	76,327,210
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		2022	2021
		Rs	Rs
	Balance as at 1st January	537,209	819,014
	Changes in fair value during the year	239,472	(281,805)
	Balance as at 31st December	776,681	537,209
21.	RETIREMENT BENEFIT OBLIGATIONS		
21.1	Movement in the present value of the defined benefit obligation		
	Balance as at 1st January	8,599,470	7,767,915
	Actuarial loss/(gain) during the year	(2,124,009)	(795,115)
	Current service costs	962,853	967,231
	Interest cost	1,361,980	866,283
	Payments during the year	(1,194,291)	(206,844)
	Balance as at 31st December	7,606,004	8,599,470

For the year ended 31st December		2022	2021
		Rs	Rs
21.2	Expense recognized in the Statement of Profit or Loss		
	Current service cost	962,853	967,231
	Interest cost	1,361,980	866,283
		2,324,833	1,833,514
21.3	Expense recognized in the statement of other comprehensive income		
	Actuarial loss/(gain) during the year	(2,124,009)	(795,115)
		(2,124,009)	(795,115)

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 2022 in respect of following companies are stated below.

As at 31st December	2022	2021
Discount Rate	18.20%	8.5%
Rate of Salary Increment	15%	5.7%
Staff Turnover Factor	25.00%	11.78%
Retirement age	60 years	60 years

As per the guidelines issued by the institute of Chartered Accountants of Sri Lanka, the discount rates have been adjusted to convert the coupon bearing yield to a zero-coupon yield to match the characteristics of the gratuity payment liability and the resulting yield to maturity for the purpose of valuing employee benefit obligations as per LKAS 19.

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	2022 Rs.	2021 Rs.
Increase /(decrease) in discount rate		
+1%	(394,910)	(476,933)
-1%	420,217	509,651
Increase /(decrease) in salary increment rate		
+1%	448,391	522,422
-1%	(427,140)	(496,912)

As at 31st December	2022 Rs.	2021 Rs.
22. LEASE LIABILITY		
Balance as at 1st January	10,298,350	9,380,954
Derecognition of Leasehold liability	(7,234,606)	-
Lease payments	(3,063,744)	-
Liability during the year	10,429,750	-
Interest cost during the year	1,027,868	917,396
Balance as at 31st December	11,457,618	10,298,350
Balance due within one year	11,457,618	5,724,554
Balance due after one year	-	4,573,796
	11,457,618	10,298,350
(a) Amount recognized in profit or loss		
Depreciation on right-of-use asset	5,214,875	2,064,367
Interest on lease liabilities	1,027,868	917,396
	6,242,743	2,981,763
(b) Amount recognized in statement of cashflows		
Cash outflow for lease	(3,063,744)	-
Total cash outflow for lease	(3,063,744)	-

The following table sets out a maturity analysis lease payments showing the undiscount lease payment after the reporting date.

As at 31st December	2022 Rs.	2021 Rs.
Less Than One Year	11,841,850	6,382,800
One to Two Years	-	4,978,584
	11,841,850	11,361,384

NOTES TO THE FINANCIAL STATEMENTS

As at 31st December		2022	2021
		Rs.	Rs.
23.	TRADE & OTHER PAYABLES		
	Trade payables	79,089,017	63,247,218
	Deferred revenue	4,066,127	1,442,591
	Accrued expenses	24,700,339	27,109,238
		107,855,483	91,799,047
23.1	Deferred Revenue		
	Deferred revenue consists of loyalty point payable to members		
24.	CURRENT TAX PAYABLE/(RECEIVABLES)		
	Balance as at 1st January	8,119,615	6,892,884
	Income Tax Provision for the year	18,576,214	18,120,795
	(Over) / Under provision in previous years	(1,977,953)	(1,987,332)
	WHT set off	-	(1,357,476)
	Payments made during the year	(14,382,307)	(13,549,256)
	Balance as at 31st December	10,335,569	8,119,615

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 2022, are disclosed below,

As at 31st December		2022	2021
		Rs.	Rs.
25.2	Amounts due from related parties		
	Mobitel (Pvt) Ltd	64,833,841	32,561,521
	Sri Lanka Telecom PLC	16,657,623	10,636,293
		81,491,464	43,197,814

As at 31st December		2022	2021
		Rs.	Rs.
25.3	Amounts due to related parties		
	Sri Lanka Telecom PLC	246,505	286,987
	Mobitel (Pvt) Ltd	14,579,003	-
		14,825,508	286,987

25.4 Transactions with related entities

Name of the Related Party	Relationship	Nature of Transaction	2022	2021
			Rs.	Rs.
Mobitel (Pvt) Ltd	Immediate parent	Mobile charges	684,001	1,097,099
		Call Charges Income	1,542,760	2,064,829
		Office maintenance	674,705	300,000
		Building Rent	5,953,281	2,836,800
Sri Lanka Telecom PLC	Ultimate parent	IDC Payments	2,260,619	2,606,017
		Telephone charges	129,244	126,401

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 2022 audited financial statements, which required additional disclosures in the 2022 Annual Report under Colombo Stock Exchange

NOTES TO THE FINANCIAL STATEMENTS

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, have been rerecorded and approved by the Related party transaction review committee of the Company. All these transactions were entered into with these related parties on an arm's length basis under normal commercial terms and conditions. There have been no guarantees provided or received for any related party receivable or payables for the year ended 31st December 2022.

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 2022 audited financial statements, which required additional disclosures in the 2022 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.

(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		2022	2021
	Note	Rs.	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.	2,345,491	2,106,019
		2,345,491	2,106,019
Amortized Cost			
Trade and other receivables	15.	141,251,580	44,190,050
Amounts due from related parties	25.2	81,491,464	43,197,814
Short term investments	16.	278,631,182	244,650,912
Cash & cash equivalents	18.	12,450,726	76,327,210
		513,824,952	408,365,986
Total Financial Assets		516,170,443	410,472,005
Financial Liabilities			
Other Financial Liabilities			
Trade payables	23.	79,089,017	63,247,218
Lease liabilities	22.	11,457,618	10,298,350
Amounts due to related parties	25.3	14,825,508	286,987
		105,372,143	73,832,555

26. FINANCIAL INSTRUMENTS

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

NOTES TO THE FINANCIAL STATEMENTS

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 2022	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets				
Financial assets measured at FVOCI				
Equity Investments in Quoted Shares	2,345,491	2,345,491	-	-
Assets carried at amortized cost				
Trade and other receivables	141,251,580	-	-	-
Amounts due from related parties	81,491,464	-	-	-
Short term investments	278,631,182	-	-	-
Cash & cash equivalents	12,450,726	-	-	-
Total financial assets	516,170,443	2,345,491	-	-
Financial liabilities				
Other Financial Liabilities				
Trade payables	79,089,017	-	-	-
Lease liabilities	11,457,618	-	-	-
Amounts due to related parties	14,825,508	-	-	-
Total financial liabilities	105,372,143	-	-	-

As at 31 December 2021	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
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	44,190,050	-	-	-
Amounts due from related parties	43,197,814	-	-	-
Short term investments	244,650,912	-	-	-
Cash & cash equivalents	76,327,210	-	-	-
Total financial assets	410,472,005	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	-	-	-

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.

NOTES TO THE 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.

Exposure to credit risk

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

As at 31st December	Note	2022 Rs.	2021 Rs.
Trade And Other Receivables	15.	141,251,580	44,190,050
Amounts Due From Related Parties	25.2	81,491,464	43,197,814
Short Term Investments	16.	278,631,182	244,650,912
Balances with Banks	18.	12,394,648	76,256,302
		513,768,874	408,295,078

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	2022		2021	
	Gross Rs.	Impairment Rs.	Gross Rs.	Impairment Rs.
Not due 0-30 days	98,384,089	-	39,143,626	-
Past due:				
Past due 31-60 days	38,327,846	-	1,420,567	-
Past due 61-90 days	349,680	-	238,662	-
Past due 91-360 days	1,695,610	379,963	892,840	-
More than one year	2,494,355	2,494,355	2,494,355	2,494,355
	141,251,580	2,874,318	44,190,050	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 Company 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.

Balances with Banks

The Company is also exposed to credit risk through its cash at bank balances. The credit worthiness of the financial instruments are assessed using the credit ratings assigned to each Bank. This rating provides the Company the indication of the financial stability of the investment. The ratings are based on Fitch Ratings.

NOTES TO THE FINANCIAL STATEMENTS

As at 31st December,	2022 Rs.	2021 Rs.
Cash at Bank having credit ratings		
A (lka)	170,429	50,427,277
AAA (lka)	9,177,415	20,315,682
A- (lka)	3,064,804	5,513,343
	12,394,648	76,256,302
Short Term Investments having credit ratings		
A (lka)	4,016,358	3,690,821
A- (lka)	274,614,824	240,960,091
	278,631,182	244,650,912

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 2022	Carrying Amount Rs.	Contractual Cash Flows Rs.	Less than One Year Rs.	More than One year Rs.
Other Financial Liabilities				
Lease liabilities	11,457,618	11,841,850	11,841,850	-
Amounts due to Related Companies	14,825,508	14,825,508	14,825,508	-
Trade Payables	79,089,017	79,089,017	79,089,017	-
Other payable	24,700,339	24,700,339	24,700,339	-
	105,372,143	105,756,375	105,756,375	-

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	-
Other payable	27,109,238	27,109,238	27,109,238	-
	73,832,555	74,895,589	69,917,005	4,978,584

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 Rs. 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	
	2022 Rs.	2021 Rs.
Fixed rate instruments		
Financial assets	278,631,182	244,650,912
Financial liabilities	11,457,618	10,298,350

NOTES TO THE FINANCIAL STATEMENTS

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. IMPACT OF CURRENT ECONOMIC CONDITION

Current Economic Condition of the Country

During the first half of 2022 all key sectors contracted, amid shortages of inputs and supply chain disruptions with the economic crisis. Year-on-year headline inflation reached an unprecedented 73.7 percent in September 2022, due largely to high food inflation of 93.7 percent. This reflects the impact of rising global commodity prices, monetization of the fiscal deficit and currency depreciation. From October 2022 onwards the year-on-year headline inflation rate started to drop slightly whereas in December 2022 the year-on-year inflation rate is 59.2 percent.

Impact to the Company

The Management assessed the current economic conditions, in preparation of financial statements and is of the view that Company has appropriate systems in place to identify and take necessary actions to minimise any unfavorable business impact. Lack of foreign exchange liquidity in the banking sector has resulted in delayed foreign supplier payments whether for capital or consumable goods creating challenges in sustaining the smooth business operations.

As per the accounting policies, the Company reviewed the carrying values of property, plant and equipment, intangible assets, trade and other receivables as at the reporting date, especially the impact the current economic condition could have on these assets and determined that no impairment is necessary. Further, the Company also reviewed the medium term business plans and is satisfied that necessary procedures are in place to mitigate any adverse impact on the operations and to safeguard assets.

Hence, the Board of Directors, is of the view that the economic conditions in the country have not significantly impacted Company performance for the year under review. The Board is satisfied that the Company has business plans with adequate resources to continue the business and mitigate the risks for the next 12 months from the date of approval of these financial statements.

For the year ended 31st December 2022		2022	2021
		Rs.	Rs.
33	NET ASSETS PER SHARE		
	Net assets attributable to ordinary shareholders	401,376,464	344,954,055
	Weighted average number of ordinary shares in issue	122,131,415	122,131,415
	Net assets per share (Rs.)	3.29	2.82

FIVE YEAR PERFORMANCE SUMMARY

For the year ended 31 December	2018	2019	2020	2021	2022
Revenue	132,805,602	130,197,702	130,061,513	193,249,235	221,542,340
Net Operating Expenses	(108,586,069)	(128,566,791)	(107,049,500)	(137,385,228)	(177,061,575)
Profit from operating activities	24,219,533	1,630,911	23,012,013	55,864,007	44,480,765
Profit before taxation	46,291,644	22,440,862	40,142,538	68,691,890	79,519,678
Profit/(loss) for the year	33,720,150	15,012,834	30,002,621	53,372,312	65,519,591
Total Assets	317,872,135	349,287,510	392,240,694	464,057,524	554,907,423
	-	-	-	-	-
Equity	244,275,734	260,256,545	291,259,261	344,954,055	401,376,464
Total Liabilities	73,596,401	89,030,965	100,981,433	119,103,469	153,530,959
	317,872,135	349,287,510	392,240,694	464,057,524	554,907,423
Other Information					
Net Profit Ratio (%)	25.39	11.53	23.07	27.62	29.57
Earnings Per Share (Rs.)	0.28	0.12	0.25	0.44	0.54
Market Price Per Share (Rs.)	5.90	5.50	7.10	26.20	13.00
Price Earning Ratio (Time)	21.37	44.74	28.90	59.95	24.23
Net Assets Per Share (Rs.)	2.00	2.13	2.38	2.82	3.29
Current Ratio (Times)	4.56	4.56	4.33	4.20	3.63
Earning Yeild (Rs)	0.05	0.02	0.03	0.02	0.04
Return On Assets (Rs.)	0.10	0.05	0.08	0.12	0.13

SHAREHOLDER INFORMATION

ANALYSIS OF SHAREHOLDERS AS AT 31.12.2022											
Shareholdings		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 (%)	
1 -	1,000 Shares	1,349	378,846	0.30	3	454	-	1,352	379,300	0.30	
1,001 -	10,000 Shares	620	2,372,013	1.94	3	19,000	0.02	623	2,391,013	1.96	
10,001 -	100,000 Shares	184	5,311,980	4.35	1	50,000	0.04	185	5,361,980	4.39	
100,001 -	1,000,000 Shares	22	4,794,148	3.93	0	-	-	22	4,794,148	3.93	
Over	1,000,000 Shares	3	109,204,974	89.42	0	-	-	3	109,204,974	89.42	
		2,178	122,061,961	99.94	7	69,454	0.06	2,185	122,131,415	100.00	

Categories of Shareholders	Number of Shareholders	Number of Shares
Individual	2,108	12,404,675
Institutional	77	109,726,740
	2,185	122,131,415

SHARE TRADING	2022	2021
Highest Price	28.80	32.50
Lowest Price	5.10	5.00
Closing Price	13.00	26.20

COMPUTATION OF PUBLIC SHAREHOLDING

Issued share capital as at 31st December 2022	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 BASED ON THEIR SHAREHOLDING

No	Name of shareholder	31 st December 2022	
		No of Shares	% Holding
1	Mobitel (Pvt) Ltd	106,974,618	87.59
2	Mr. G.C. Goonetilleke	1,162,000	0.95
3	People's Leasing & Finance PLC / Mr. R.R.S Ananda	1,068,356	0.87
4	Mr. P. Rathnayaka	840,000	0.69
5	Mr. D.K.A.K Weerathunga	429,441	0.35
6	Mr. M.A.B Morahela	293,300	0.24
7	Mr. A.H Munasinghe	277,031	0.23
8	Mr. H.M.C De Alwis	269,373	0.22
9	Merchant Bank of Sri Lanka & Finance PLC / Y.R.PD Silva	242,801	0.20
10	Mr. M.A. Kumarasinghe	232,433	0.19
11	Mr. Z.G Carimjee	231,933	0.19
12	MBSL / A.G.C Sugath	209,165	0.17
13	Mrs. T.R. Selvanayagam	201,000	0.16
14	Merchant Bank of Sri Lanka & Finance PLC / P.V.R.J.B Ponnawila	184,000	0.15
15	Mr. J.M.A.J.Q Peries	161,659	0.13
16	Mr. D.M.A Mudunkotuwa	150,000	0.12
17	Mr. H.L.H Madumadawi	135,874	0.11
18	Mr.M.H.M Fahim	133,300	0.11
19	Citizen Development Business Finance PLC / Mohomed Uwais Fareeha Hashim	122,782	0.10
20	Mr.B.A.S.I Perera	120,400	0.10
	Sub Total	113,439,466	92.87
	Others	8,691,949	7.13
	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	37
	102-3	Location of headquarters	IBC
	102-4	Location of operations	IBC
	102-5	Ownership and legal form	IBC
	102-6	Markets served	38
	102-7	Scale of the organisation	29/81-82
	102-8	Information on employees and other workers	28-34
	102-9	Supply chain	41
	102-10	Significant changes to the organisation and its supply chain	N/A
	102-11	Precautionary Principle or approach	49-56
	102-12	External initiatives	57
	102-13	Membership of associations	N/A
	102-14	Statement from senior decision-maker	4-6
	102-16	Values, principles, standards, and norms of behavior	57-63
	102-18	Governance structure	57-66
	102-40	List of stakeholder groups	14-15
	102-41	Collective bargaining agreements	N/A
	102-42	Identifying and selecting stakeholders	14
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	102-44	Key topics and concerns raised	14-17
	102-45	Entities included in the consolidated financial statements	N/A
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	102-48	Restatements of information	21
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102-53	Contact point for questions regarding the report	IBC	
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GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16-17
	103-2	The management approach and its components	16-17
	103-3	Evaluation of the management approach	16-17
GRI 201 : Economic Performance 2016	201-3	Defined benefit plan obligations and other retirement plans	110-111
GRI 202 : Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	28-32

GRI INDEX

GRI Standard		Disclosure	Page No.(s)
	202-2	Proportion of senior management hired from the local community	28-32
GRI 203 : Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	41
GRI 204 : Procurement Practices 2016	204-1	Proportion of spending on local suppliers	40
GRI 205 : Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	40
GRI 301 : Materials	301-2	Recycled input materials used	43
GRI 302 : Energy	302-4	Reduction of energy consumption	44
GRI 305 : Emissions	305-5	Reduction of GHG emissions	44
GRI 306 : Effluents & Wastage	306-2	Waste by type and disposal method	44
GRI 401 : Employment 2016	401-1	New employee hires and employee turnover	29
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	30
	404-2	Programs for upgrading employee skills and transition assistance programs	30
	404-3	Percentage of employees receiving regular performance and career development reviews	31
GRI 405 : Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	33
GRI 406 : Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	40
GRI 408 : Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	33
GRI 410 : Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	40
GRI 412 : Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	40
GRI 413 : Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	25
GRI 415 : Public Policy	415-1	Political contributions	40
GRI 416 : Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	37
GRI 417 : Marketing and Labeling 2016	417-2	Incidents of non-compliance concerning product and service information and labeling	26
GRI 418 : Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	38
GRI 419 : Socio Economic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	40

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Third Annual General Meeting of e-Channelling PLC will be held at 12.30 pm on 11th May 2023 at the "Orchid" 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 2022, together with the Reports of the Directors and the Auditors thereon.
2. To re-elect as a Director, Mr. Lalith Seneviratne, 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

6th April 2023

- 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.

FORM OF PROXY

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

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 Third Annual General Meeting of the Company, to be held on 11 th May 2023 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 2022 with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re- elect as a Director, Mr. Lalith Seneviratne who retires by rotation in terms of Article 86 and 87 of the aiticles 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 Three.

.....
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.
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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 is 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 Soares

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

Website: www.echannelling.com

E-mail: info@echannelling.com

