

eChannelling PLC
Annual Report 2023

@CHANNELLING



EXCELLENCE

IN DIGITAL HEALTH CARE

EXCELLENCE

IN DIGITAL HEALTH CARE

eChannelling PLC has achieved significant strides of progress in its transformative journey of growth. As a customer-centric and dynamic organisation we have stepped up to serve the evolving healthcare needs of our nation. As customers move towards a digitally-driven lifestyle we have ensured equitable access to high quality healthcare services for all by expanding our geographical reach whilst creating an expansive ecosystem of hospitals, pharmacies and other medical facility providers. As we navigate our way through a dynamic business landscape we look to the future with optimism as we strive to create new pathways of excellence by redefining the health sector of Sri Lanka.

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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
Organised
Loyal
Efficient
United
Motivated



ABOUT
THE COMPANY

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

FINANCIAL HIGHLIGHTS

	Year ended 31st December 2023	Year ended 31st December 2022
	Rs.	Rs.
Revenue	271,193,906	221,542,340
Profit from operations	15,784,902	44,480,765
Profit before income tax expense	59,541,732	79,519,678
Profit for the year	43,826,611	65,519,591
Total Assets	588,501,117	554,907,423
Net Assets	443,095,156	401,376,464
Net Current Assets	438,018,407	383,302,793
Net Assets Per Share	3.63	3.29
Earning Per Share (EPS)	0.36	0.54
Return on Investment (ROI)	9.89%	16.32%
Gross Profit Ratio	76.3%	76.25%
Operating Profit Ratio	5.8%	20.1%

RETURN ON INVESTMENT (ROI)

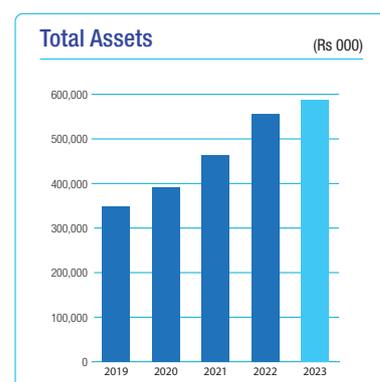
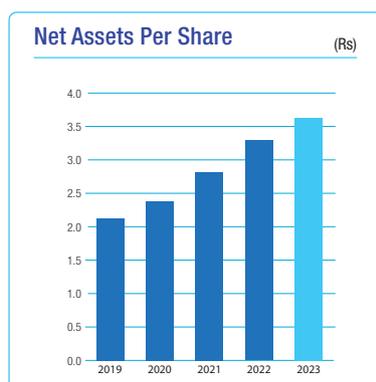
9.89%

TOTAL ASSETS

588.5Mn

SHORT TERM INVESTMENTS

305.5Mn



CHAIRMAN'S MESSAGE



"WE CONTINUED TO ADD VALUE TO OUR EXISTING HEALTHCARE SERVICES PORTFOLIO AND EXPANDED OUR GEOGRAPHICAL REACH TO ADDITIONAL TOWNS AND CITIES BY ONBOARDING 43 HOSPITALS, 55 PHARMACIES AND OTHER CLINICS AND MEDICAL FACILITIES TO OFFER EASIER AND CONVENIENT DOCTOR APPOINTMENT SERVICES."

Dear Shareholder,

I am pleased to present eChannelling PLC's Annual Report and Financial Statements for the year 2023. Despite challenging economic conditions, the Company made a significant progress over the past year towards achieving our strategic goals and delivering value to our shareholders. As the Chairman, I am honoured to lead a team that is dedicated towards revolutionising the way healthcare is accessed and passionate about our vision to be the nation's channelling hub providing digital lifestyle solutions.

It is encouraging to note that we have emerged as a stronger and a more competitive organisation notwithstanding the challenging

economic conditions we had to steer through in 2023.

Context to performance

The healthcare sector is undoubtedly one of the most complex and dynamic industries, characterised by a myriad of challenges, from regulatory requirement and technological disruptions to shifting demographics and evolving patient expectations. The COVID-19 pandemic changed global healthcare - from accelerating the adoption of new technology and care delivery models to increasing the focus on sustainability and resiliency. New technology is being embraced to address ongoing challenges, including cost reduction, improved access to care and a shortage of skilled workers, while AI and other emerging technologies offer the potential to personalise patient interactions, streamline administrative and care processes and allocate resources in an optimal manner.

In terms of the local context, the year 2023 was preceded by four years of hardship, commencing with the Easter attacks in 2019, the pandemic and then the economic crisis. A year into Sri Lanka's sharp economic decline, the country's health institutions faced a slew of pressures including shortages of medicine, concerns about the quality of medicines, rising healthcare costs and an

exodus of medical professionals, forcing the sector to be more adaptive and resilient. Yet, amidst these complexities lie boundless opportunities for transformation, growth and impact. Thus, as a dynamic organisation receptive to the needs of consumers and rapid advancements in technology, we stepped up to serve the nation in our capacity, introducing diverse and more convenient digital lifestyle offerings and ensuring equitable access to high-quality healthcare services for all. We continued to add value to our existing healthcare services portfolio and expanded our geographical reach to additional towns and cities by onboarding 43 hospitals, 55 pharmacies and other clinics and medical facilities to offer easier and convenient doctor appointment services.

Progressive performance

In today's fast-paced world, access to quality healthcare is more crucial than ever. Accordingly, eChannelling remains committed to bridging the gap between patients and healthcare professionals by offering a convenient, reliable and efficient platform for online doctor appointments as well as other healthcare and non-healthcare services. Our aim is to empower individuals to take control of their health journey, providing access to expert medical advice and personalised care at their fingertips.

Tireless efforts to align strategies with external market developments resulted in a satisfactory performance for the year ended 31 December 2023. The Company achieved an impressive revenue growth of 22% for the year under review, compared to the 15% growth recorded in the previous year. Our diversification strategy executed to offer non-healthcare related services also contributed to this growth in revenue. The most notable consequence resulting from external economic factors was the reduction observed in both pre- and post-tax profits during the year under review. Despite recording a commendable growth in the topline, exchange rate fluctuations and inflationary pressures directly impacted business operations leading to increased operating costs. This resulted in eChannelling recording a 25% decline in pre-tax profits and a 33% decline in post-tax profits compared to the previous year. Total post-tax profits earned for the year 2023 amounted to Rs. 43.8 Mn compared to Rs. 65.5 Mn achieved in the previous year. While profits are lower than what was achieved in the previous financial year, we perceive this as a positive outcome within the context of challenges faced in the operating environment during the year under review.

Our balance sheet remains strong and resilient, providing a solid foundation for future growth and innovation.

CHAIRMAN'S MESSAGE

The total assets of the Company amounted to Rs. 588.5 Mn at the end of 2023 compared to Rs. 554.9 Mn recorded as of 31 December 2022. We have maintained a healthy liquidity position, with ample cash reserves and no borrowings, enabling us to seize strategic opportunities and navigate potential challenges with confidence. We have continued to invest in strategic growth initiatives aimed at expanding our market reach, enhancing our product and service offerings and driving innovation across our business lines. These investments have positioned us for future success and reinforced our competitive advantage in the marketplace.

Creating value for our stakeholders

Amidst all these challenges the Company remained dutiful to its stakeholders and maintained a resolute commitment to creating value for them. We pursued this objective by consistently working towards our corporate goals, implementing proactive strategies and closely monitoring external market developments. By keeping communication channels open, we remained attuned to the evolving needs of our stakeholders.

Our goal to deliver exceptional customer service remained steadfast and we worked towards cultivating robust relationships with our valued

“THE COMPANY ACHIEVED AN IMPRESSIVE REVENUE GROWTH OF 22% FOR THE YEAR UNDER REVIEW, COMPARED TO THE 15% GROWTH RECORDED IN THE PREVIOUS YEAR.”

customers. Understanding the financial pressures our customers were facing, we carried our several promotional campaigns while offering reduced fees on selected services. Furthermore, we upgraded our virtual platform dedicated to providing valuable insights, informative articles and engaging discussions on all matters related to healthcare, to include articles in English, Sinhala and Tamil, ensuring our customers had equal access to information provided.

As a people-centric business we value the potential and capabilities of our team. We continued to maintain our hybrid working model, allowing our employees to work both from office and from home, giving them a better work-life balance. We also implemented a new Health and Well-being Policy, designed to intensify the

company's efforts in improving and supporting employees in adopting good health and well-being practices. We also made sure that hard work was appreciated and rewarded, while giving more focused attention to the career growth and planning for succession.

We also understand that building strong community relationships is paramount to our success and remained deeply committed to fostering trust, transparency and collaboration with diverse communities. We joined hands with our parent company SLT-MOBITEL and carried our several CSR campaigns aimed at uplifting the health and wellbeing of the people of our nation. Donations of essential drugs and medical equipment to hospitals across the island and organising exclusive free of charge medical camps for underprivileged communities were some of the key initiatives we engaged in during the year.

Innovating for sustainability

In the realm of healthcare and lifestyle solutions, sustainability is multifaceted. It encompasses delivering high-quality, accessible healthcare services to individuals while also preserving precious resources, promoting health equity and fostering economic prosperity. We firmly believe that innovation is the cornerstone of sustainability and continuously leverage cutting-

edge technology and data-driven insights to enhance the accessibility, affordability and effectiveness of our digital healthcare platform. Whether it's through service innovations or process optimisations, we are constantly striving to innovate across every aspect of our business. From appointment scheduling to secure telemedicine consultations, we are redefining the patient experience and driving positive outcomes across the healthcare ecosystem.

During the year, we successfully launched the running number system in all leading hospitals. This concept allows patients to check the ongoing appointment, real-time, on the eChannelling mobile app, which in turn translates to significant savings for the customer in terms of time spent waiting, as well as resource savings for the hospitals. While implementing measures to optimise internal resource usage across business operations, our efforts extend across the value chain, enabling our business partners also to move towards more sustainable practices. In this context, we introduced the e-receipt system, eliminating the need for physical paper receipts. While creating a positive impact on the environment in terms of reduced waste and carbon emissions, through this initiative we have also supported hospitals in reducing expenses associated with paper and printing as well as storage

space and administrative overheads related to managing paper receipts.

Beyond innovation, sustainability at eChannelling is about advocating change for the better. Our initiatives collectively contribute towards the UN 2030 Sustainable Development Agenda and our focus is mainly directed towards ensuring business stability and creating a better lifestyle for the community, while minimising the carbon footprint through responsible consumption of natural resources. Through philanthropic initiatives, employee volunteer programmes and partnerships with local organisations, we actively work to address social issues, promote healthcare education and improve the quality of life for individuals and communities across the country.

As a responsible corporate citizen, we hold ourselves to the highest standards of integrity, transparency and accountability in all aspects of our operations. We adhere to ethical business practices, respect human rights and uphold the principles of fairness and equity in our interactions with stakeholders.

I am confident that our commitment to sustainability will continue to be a driving force behind our transformative journey. By staying true to our core values, embracing innovation and working together towards a common purpose, we aim

to create a healthier, more equitable world for generations to come.

Celebrating achievements

This year we had the privilege of being honoured with the Gold Award for the Online Brand of the Year at the SLIM Brand Excellence Awards 2023. Adding on, we also received the 'Best Management Practices Company Award 2023' in the category for Software Development/Healthcare Service Provider at the Best Management Practices Company Awards 2023 organised by the Institute of Chartered Professional Managers of Sri Lanka (CPM), the Bronze Award under the Service Sector category at the TAGS Awards 2023 organised by CA Sri Lanka and the Bronze Award at the SLIM National Sales Award 2023 for the Best Front Liner Sales in the IT & E-Commerce sector. These accolades are a reflection of our unwavering commitment to excellence, our relentless pursuit of innovation and our dedication to delivering exceptional value to our customers, partners and stakeholders.

Looking beyond

We are encouraged by the progress achieved in the government's macro-economic stabilisation programme and are confident that the Sri Lankan economy is moving towards a path of recovery and growth. On the healthcare front, the government has a primary objective

CHAIRMAN'S MESSAGE

of ensuring an uninterrupted and accessible healthcare service to all citizens and the decision makers bear the weight of responsibility as they grapple with the challenges of reviving the healthcare system. To overcome the present challenges, the government may should 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.

Having made steady progress amidst extreme turmoil in the country, eChannelling now stands stronger than ever before. From this vantage point, I am confident that the Company is well positioned to uncover the opportunities that will no doubt arise as the Sri Lankan economy gradually resets over the coming year. We have ambitious plans to initiate a tourism hub where a tourist can fulfil their entire healthcare needs and collaborate with foreign embassies to enhance and strengthen our service offering. We also look forward to strengthening our partnerships with all hospitals and business partners while collaborating with government offices for queue management.

As I look to the future, I am filled with optimism for what lies ahead. The pace of change may be accelerating and the challenges we face may be daunting, but I am confident that our

relentless pursuit of innovation will guide us through these turbulent waters and lead us to even greater heights of success.

Appreciations

I take this opportunity to thank my colleagues on the Board for their support and guidance during this very challenging year. I am deeply grateful for the unwavering support and dedication of our employees who continue to push the boundaries of what is possible, drive positive change and make a lasting impact on the health and well-being of individuals and communities. I also wish to thank our parent company SLT-MOBITEL whose unfailing support and collaboration have been instrumental in our journey.

To our customers, business partners, regulators, healthcare authorities, telecommunication regulators and all others, I want to express my profound appreciation for your trust, loyalty and continued partnership. As we move ahead, I remain optimistic that the forthcoming year will bring better results and I am confident that with the continued support of our stakeholders we will achieve our ultimate objectives.



A.K D D D Arandara

Chairman

04 April 2024

BOARD OF DIRECTORS



MR. A K D D ARANDARA

Chairman/Non Independent
Non - Executive Director



DR. ISURU DASANAYAKE

Non Independent Non Executive
Director



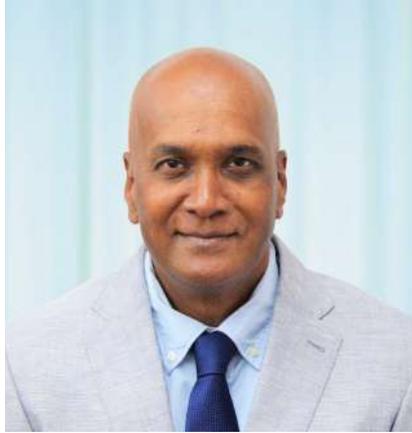
MR. LAWRENCE PARATZ

Non Independent Non Executive
Director



MR. SAMPATH HETTIARACHCHI

Independent Non Executive Director



MR. DALLAS STEPHEN

Independent Non Executive Director



MR. DINESH VIDANAPATHIRANA

Non -Independent Non -Executive Director

BOARD OF DIRECTORS



MR. A K D D ARANDARA

**Chairman/Non Independent
Non - Executive Director**

Appointed as Director/Chairman of the Company on 29th February 2024

Directorships in Group Companies/ Board Committee memberships

Chairman/Director of Sri Lanka Telecom PLC, Mobitel (Pvt) Ltd., Sri Lanka Telecom (Services) Ltd., SLT Human Capital Solutions (Pvt) Ltd and SLT Property Management (Pvt) Ltd. and Director of Galle Submarine Cable Depot (Pvt) Ltd and Mobit Technologies (Pvt) Ltd.

Member of the Remuneration Committee and Nomination & Governance Committee.

Skills & Experience

Mr. Arandara, currently serves as the Additional Director General of the Department of Legal Affairs. He has joined the public service in 2000 and has served as the Senior Assistant Secretary of the Ministry of Justice and Director General of the Consumer Affairs Authority.

He has held the position of Board member of the Post Graduate Institute of Medicine, Sri Lanka Independent Television Network, Prima Ceylon and the Sri Lanka Ayurvedic Corporation.

Mr. Arandara is a lawyer with 25 years' experience in the legal profession.

Other Appointments

Director of Sri Lankan Airlines, Sri Lankan Catering, Sino Lanka and Sahasya Co. Ltd



DR. ISURU DASANAYAKE

**Non Independent Non Executive
Director**

Appointed as Director of the Company on 29th February 2024

Directorships in Group Companies

Director of Sri Lanka Telecom PLC and Mobitel (Pvt) Ltd.

Skills & Experience

Dr. Dasanayake possess a Ph.D. in electrical engineering from the Washington University in St. Louis with research experience in control systems and optimisation. He also holds M.Sc degree from the same university and a B.Sc. Eng. Electrical and Electronic Engineering degree from the University of Peradeniya.

He is a senior lecturer attached to the Department of Electrical and Electronic Engineering of the University of Peradeniya and has over 12 years of experience in both foreign and local industries.

He has penned numerous journal and conference publications pertaining to engineering.

Other Appointments

Director, Information and Communication Technology Agency of Sri Lanka.



MR. LAWRENCE PARATZ

**Non Independent Non Executive
Director**

Appointed as Director of the Company on 26th May 2016

Directorships in Group Companies/ Board Committee Memberships

Director of Sri Lanka Telecom PLC, Mobitel (Pvt) Ltd., SLT Property Management (Pvt) Ltd., Sri Lanka Telecom (Services) Ltd., Galle Submarine Cable Depot (Pvt) Ltd. and Mobit Technologies (Pvt) Ltd.

Member of the Nomination & Governance Committee.

Skills & Experience

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

an M. Eng. Sc. from the University of Queensland.

He is a Fellow of Engineers Australia (FIEAust) and an alumnus of the Stanford University Executive Development Programme. He also holds Bachelor's Degrees in Science and Engineering (Honours). In 2011, he was elected as a Fellow of the Australian Academy of Technological Sciences and Engineering (ATSE).

Mr. Paratz has more than 40 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 is also an Advisor to major companies in the Australian Telecommunication market.

Mr. Paratz has had executive responsibility for multi-billion dollar programmes and integrations including network transformations

and deployments across multiple technologies, with extensive experience in international, metropolitan regional and rural communications. He previously served as a member of the Board of the Australian Government's Internet Assistance Programme. He has been an invited speaker at the Australian Health Informatics Conference and the Australian Academy of Technological Sciences and Engineering.

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

Other Appointments

Director of Razorback Pty Ltd., Ultima Development Pty Ltd., Paratz Group of Companies and Real Thing Entertainment Pty Ltd & associated subsidiaries.



MR. SAMPATH HETTIARACHCHI *Independent Non Executive Director*

Appointed as Director of the Company on 1st May 2013

Board Committee memberships

Chairman of the Audit Committee, Remuneration Committee and Related Party Transactions Review Committee

Skills & Experience

Mr. Hettiarachchi was the Chief Financial Officer of Lanka Hospitals Corporation PLC from 2008 to 2013. He has over 29 years of managerial and leadership experience at leading corporate institutions in both service sector and manufacturing operations including Ansell Lanka Private Ltd, Lanka Bell Ltd and the DCSL Group. At present he holds directorships in a number of private entities.

Mr. Hettiarachchi holds a Master of Business Administration from the Western Sydney University, Australia and is an Associate Member of the Chartered Institute of Management Accountants UK. (ACMA) and a Chartered Global Management Accountant (CGMA)



MR. DALLAS STEPHEN *Independent Non Executive Director*

Appointed as Director of the Company on 26th September 2012

Board Committee memberships

Member of the Audit Committee, Remuneration Committee and Related Party Transactions Review Committee

Skills & Experience

Mr. Stephen holds a Postgraduate Diploma in Marketing (Dip.M) from the Chartered Institute of Marketing, UK.

BOARD OF DIRECTORS

He also holds a Masters in Business Administration (MBA) from University of Sri Jayawardanapura (Postgraduate Institute of Management -PIM) He is a well established practicing marketer with over twenty years of experience in the areas ranging from sales management, product/marketing management, export marketing service marketing to direct marketing. He has worked in several well known Sri Lankan and multinational organisations 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 Programme). He has conducted several programmes on CRM and related areas with much success. He was a lecturer at the Sri Lanka Institute of Marketing (SLIM) for the CIM (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 the Postgraduate Institute of Management (PIM) conducting training for their Management Development Programmes. He is a visiting consultant attached to the external faculty of several well known organisations, conducting training programmes on negotiation 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 seven hundred training programmes. After having acquired a wealth of experience and having risen to the very top in sales and marketing management while being honoured with a MBA from the most prestigious tertiary level management education institution in Sri Lanka, Mr. Stephen finally gave into his entrepreneurial urge and set up Kaizen Plus SkD (Pvt) Ltd. which essentially specialises in corporate training, management consultancy, outsourcing staff and Head Hunting with corporate philosophy of “Partnering Continuous Excellence” within their client organisations. His client organisations consist some of the prominent entities from diverse sectors such as banking, fast moving consumer goods, insurance, manufacturing, retail, technology, services export etc.



MR. DINESH VIDANAPATHIRANA

Non -Independent Non -Executive Director

Appointed as Director of the Company on 27th March 2024.

Directorships in Group Companies/ Board Committee memberships

Director of Sri Lanka Telecom PLC, Mobitel (Pvt) Ltd. SLT Human Capital Solutions (Pvt) Ltd.

Member of the Audit Committee and Related Party Transactions Review Committee

Skills & Experience

Mr. Vidanapathirana is an attorney- at law of the Supreme Court of Sri Lanka and counts 15 years of practice at the Bar as a Counsel and Instructing Attorney. He currently serves as the head of Vidanapathirana Associates. He commands an extensive practice in the Supreme Court, other Appellate Courts, the Commercial High Court and District Court mainly in the areas of Commercial Law, Construction Law, Civil Law, Administrative Law and Human Rights. He is an expert on Sri Lankan as well as International Laws. He acts in International Jurisdictions at the highest level as well as in Sri Lanka. He also possesses Commercial Arbitration expertise.

Other Appointments

Director, National Lotteries Board.

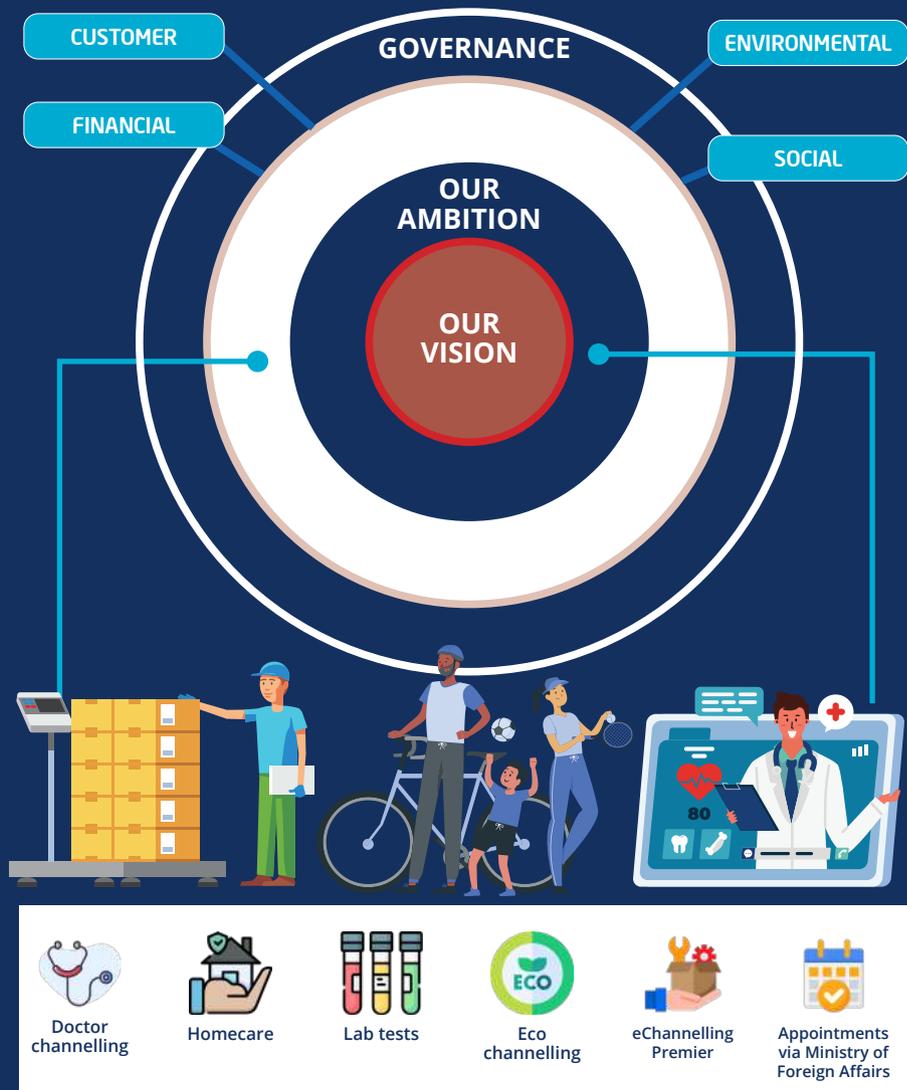


OUR BUSINESS MODEL

Our unique business model is the blueprint that outlines how we create, deliver and capture value. At the core of our business model is a story of innovation and strategy.

VALUE CREATION MODEL

INPUT CAPITALS	
FINANCIAL CAPITAL <ul style="list-style-type: none"> Equity Debt 	
INTELLECTUAL CAPITAL <ul style="list-style-type: none"> Positive brand image Technical know-how 	
HUMAN CAPITAL <ul style="list-style-type: none"> A motivated workforce Competent and skilled employees Digital expertise 	
SOCIAL CAPITAL <ul style="list-style-type: none"> Customer relationships Business partnerships 	
MANUFACTURED CAPITAL <ul style="list-style-type: none"> Technological facilities IT management systems 	
NATURAL CAPITAL <ul style="list-style-type: none"> Fuel and electricity 	



OUTPUT CAPITALS

FINANCIAL CAPITAL

- Returns to shareholders

INTELLECTUAL CAPITAL

- Retained market position
- Better customer experience

HUMAN CAPITAL

- Fair remuneration and benefits
- Training opportunities
- Career progression
- Flexible work model

SOCIAL CAPITAL

- Contribution to social development
- Compliance with social and legal regulations

MANUFACTURED CAPITAL

- Enhanced business volumes
- Updated diverse portfolio of services

NATURAL CAPITAL

- Promoting a paperless culture
- Efficient energy consumption
- Following the 3R concept

OUTCOME INDICATORS

PAT- 43.8 MN

NAV per share 3.63
EPS 0.36

5.3 Mn Facebook Reach

0.7 Mn Instagram Reach

45 Mn remuneration and benefits

229.9 Training Hours

05 promotions

35 YouTube health awareness videos released

0.25 Mn Investments in community development projects

10 New product & features introduced

10,000 savings of paper

CO₂ efficiency through emission free delivery

SDG IMPACT



ENGAGING WITH STAKEHOLDERS

Establishing a connection with our stakeholders is of utmost importance as it has a substantial influence on our business operations. The opinions and actions of stakeholders determine an organisation's reputation. Thus, creating effective company plans and achieving our strategic goals would be aided by our awareness of the shifting behavior and various responses and views.

We believe that by approaching stakeholder engagement effectively we can ensure organisational 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 organisational image. Our organisation 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 • WhatsApp Groups 	<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 programmes 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 organisations.
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 the maximum number of customers • Quality of service • Access given to private hospitals for affordable rates (Colombo and suburb areas) • Save the valuable time of customers 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

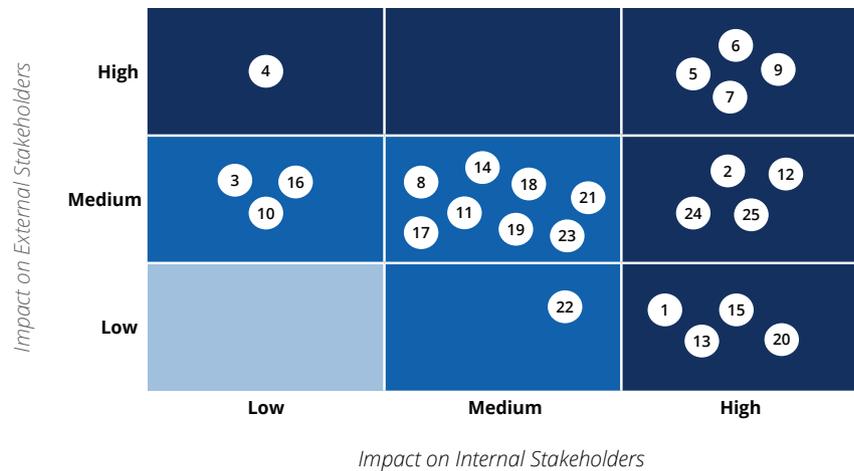
MATERIAL MATTERS

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 organisation.

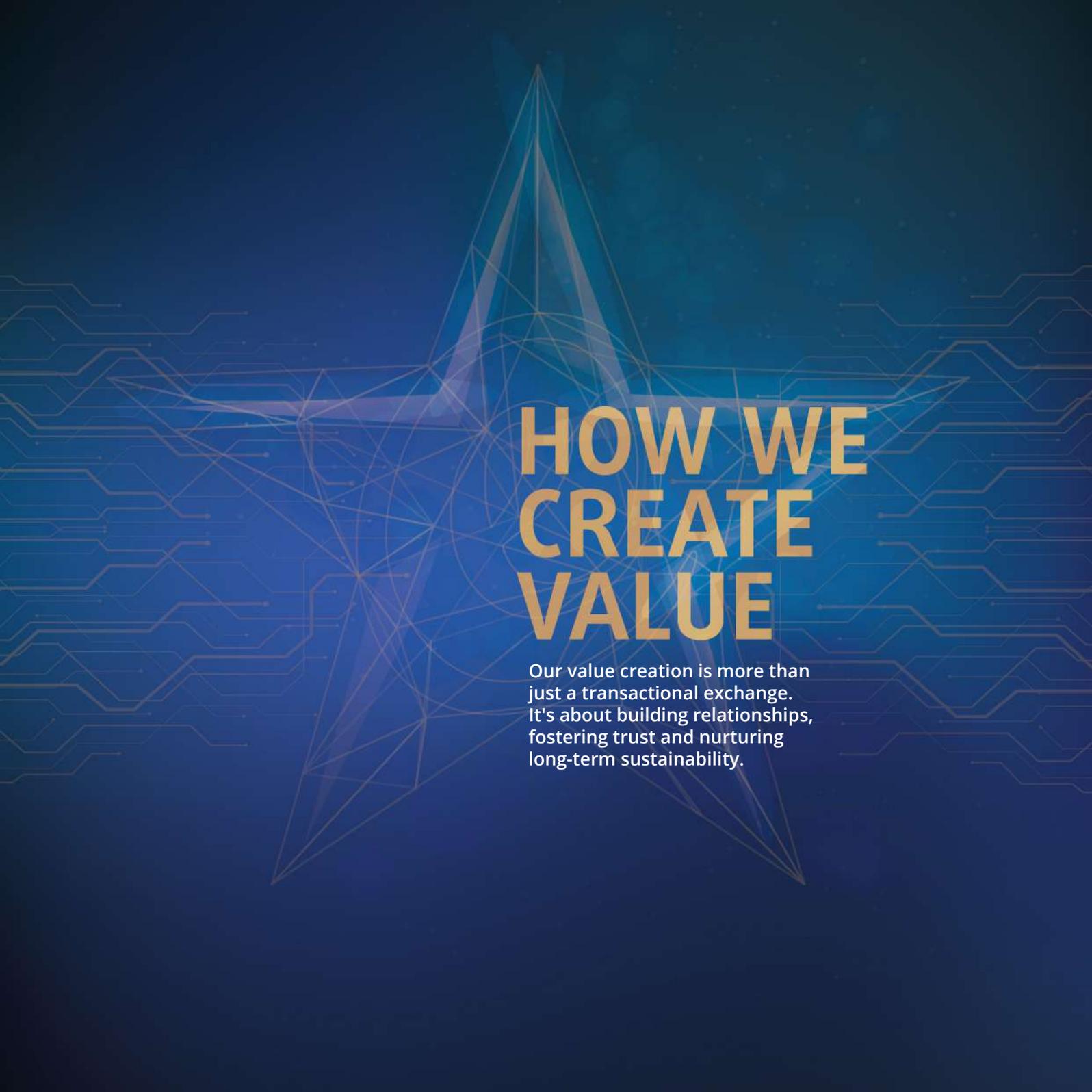


Material matters identification process of the Company

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 associated with it. Internal deliberations / reserch 	<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	Low	Low
2	Anti-corruption	205	High	Medium
3	Child labour	408	Low	Medium
4	Community development	413	Low	High
5	Corporate governance	102	High	High
6	Customer privacy	418	High	High
7	Customer satisfaction	416	High	High
8	Diversity and equal opportunity	405	Medium	Medium
9	Economic performance	201	High	High
10	Effluents and waste	306	Low	Medium
11	Emissions	305	Medium	Medium
12	Employee health and safety	403	High	Medium
13	Employee training and development	404	High	Low
14	Energy consumption	302	Medium	Medium
15	Expertise acquisition and retention	401	High	Low
16	Forced or compulsory labour	409	Low	Medium
17	Human rights	412	High	High
18	Indirect economic impacts	203	Medium	Medium
19	Materials	301	Medium	Medium
20	Marketing and labelling	417	High	Low
21	Non-discrimination	406	Medium	Medium
22	Procurement practices	204	Medium	Low
23	Public policy	415	Medium	Medium
24	Regulatory compliance	419	High	Medium
25	Risk management	202	High	Medium

 High
  Medium
  Low



HOW WE CREATE VALUE

Our value creation is more than just a transactional exchange. It's about building relationships, fostering trust and nurturing long-term sustainability.

FINANCIAL CAPITAL

ENSURING STABILITY FOR A SUSTAINABLE FUTURE

IN NAVIGATING THE COMPLEX LANDSCAPE OF MODERN BUSINESS, EFFECTIVE MANAGEMENT OF FINANCIAL CAPITAL STANDS AS A CORNERSTONE OF SUCCESS. AT eCHANNELLING, WE RECOGNISE THE PIVOTAL ROLE THAT FINANCIAL RESOURCES PLAY IN DRIVING GROWTH, SUSTAINING OPERATIONS AND DELIVERING VALUE TO OUR STAKEHOLDERS.



KEY HIGHLIGHTS OF 2023



- Considerable growth in revenue through volume growth & new services offerings
- Increase in short-term investments and growth in interest income
- Introduction of new services and implementation of cost-efficient internal processes
- Adherence to all regulatory and compliance requirements and standards

VALUE CREATED



- Rs. 43.8Mn profit after tax
- Rs. 3.63 net assets per share
- Rs. 0.36 earnings per share
- 7.4% return on assets

OUTCOME OF FY23

Growth, revenue expansion and market penetration

LINK TO SDG



Our Approach to Financial Capital Management

At the heart of our financial capital management approach lies a commitment to balancing growth

LINK TO MATERIAL TOPICS

09 24 25

with stability, ensuring sustainable prosperity for our stakeholders. Our approach to financial capital management is characterised by a blend of strategic foresight,

FINANCIAL CAPITAL

prudent risk management and unwavering commitment to long-term sustainability. With a keen focus on optimising returns while safeguarding against volatility, we strive to strike a delicate balance between growth aspirations and financial stability.

Transparency and accountability are ingrained in our financial practices, underpinning trust and confidence among investors and regulatory authorities alike. We adhere to stringent governance standards and robust reporting mechanisms, ensuring clarity and integrity in our financial disclosures. Being listed on the Colombo Stock Exchange (CSE), eChannelling PLC also complies with all rules and regulations of the Securities and Exchange Commission and the CSE, thereby reducing any negative impact on financial resource management.

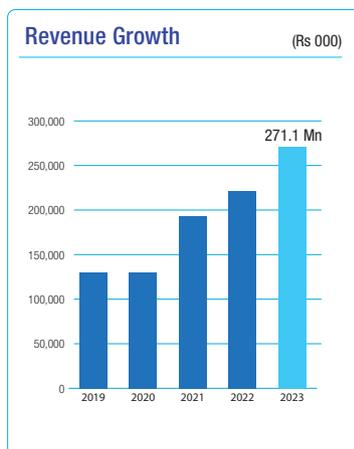
Analysis of our financial performance

The year 2023 witnessed robust financial performance, reflecting our commitment to prudent financial management and strategic planning. Despite economic headwinds and market volatility, we maintained resilience, achieving significant growth while preserving financial stability. Broadening our healthcare-related channelling services and expanding into non-healthcare segments continued to yield positive results on the income statement, generating

financial capital value for our shareholders and investors.

Revenue

During 2023, eChannelling succeeded in recording the highest revenue in its history. Driven by strong performance across product lines, total revenue reached Rs. 271Mn, marking an increase of 22 % compared to the previous year.

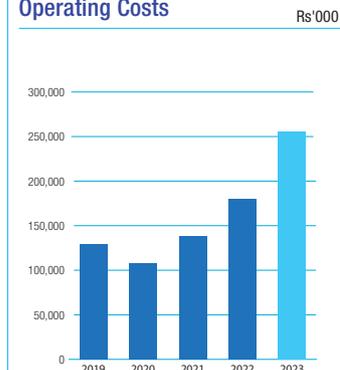


Operating costs

Operating costs marked a 43% growth during the year under review recording Rs. 255.9Mn as at year end. Administration costs which accounted for 66% of the total operating costs reached Rs. 168.5Mn as at year end, marking a 58% increase compared to the previous year. Selling and distribution costs also increased by Rs. 3.1Mn

compared to the previous year recording Rs. 23.2 as at year end.

Operating Costs



Taxation

Despite experiencing a drop in profit before taxes by 25% compared to the previous year, tax expenses recorded

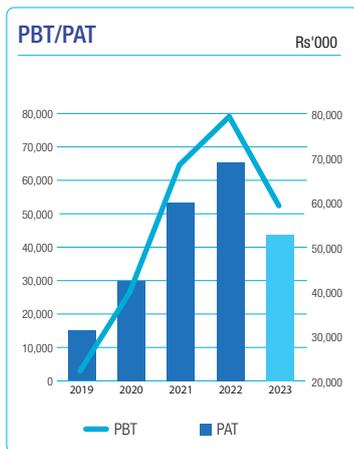
Approach to managing taxes

The Company's tax strategy is directed by its Board of Directors and implemented by the finance team. Compliance with tax regulations is monitored on an ongoing basis by the Internal Audit team with independent evaluation carried out by the external auditors at the end of the fiscal year. The responsibility of liaising with the tax authorities and filing of tax returns with the respective departments of the Inland Revenue lies with the finance team.

an increase as a result of the increase in tax rates of Sri Lanka to 30%. As at year end tax expenses amounted to Rs. 15.7Mn compared to Rs. 14Mn recorded during the prior year. eChannelling was in adherence with all tax regulations and no incidents of non-compliance were reported during the year.

Profitability

Although the company recorded a significant increase in its topline, profit before tax and profit after tax marked a decline compared to the previous year. With the rise in operating expenses, profit margins narrowed during the year and profit after tax stood at Rs. 43.8Mn marking a 33% decline compared to the previous year's record of Rs. 65.5Mn.



Analysis of our financial position

The company's balance sheet experienced a notable expansion in line with the 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.

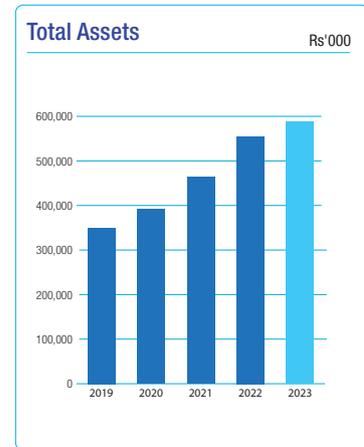
Total assets

During the financial year, eChannelling witnessed an increase of 6% in its total assets, which reached Rs. 588.5Mn as at 31st December 2023. This increase was primarily driven by the significant growth in trade and other receivables, short term investments and cash and cash equivalents. Non-current assets marked a decline of Rs. 9.3Mn with the decrease in right of use assets and majority of old assets being depreciated, while current assets grew by Rs. 43Mn.

The Company's liquidity position remained strong with short term investments and cash and cash equivalents, increasing by 10% and 78% respectively as at the year end. The company's short-term investments primarily consisting of fixed deposits, which are a low-risk investment that provides satisfactory

annual returns and stood at at Rs. 305Mn as at year end.

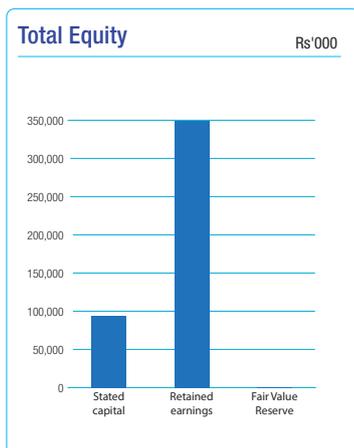
The current ratio marked an improvement during the year reaching 4.26 as at year end from the previous year's position of 3.63. This healthy liquidity position has been maintained without any borrowings.



Total equity

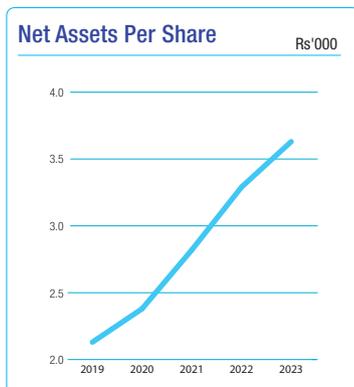
The Company's funding position strengthened during the year under review. Strong business performance resulted in a 10% expansion to Rs. 443Mn in equity as at the year-end. Conscious efforts were made to operate without borrowings, given the high interest rate environment prevailing in Sri Lanka and improved working capital position.

FINANCIAL CAPITAL



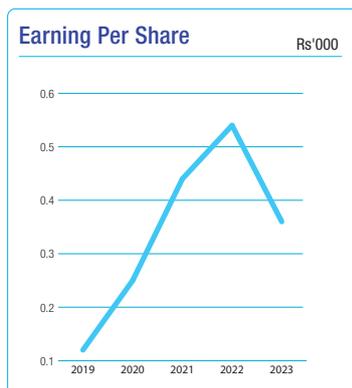
Net assets per share

Growth in the company's asset base growth resulted in a substantial improvement in the net assets per share position year after year. In 2023, the net assets per share rose by 10% to Rs. 3.63, compared to the previous year-end figure of Rs. 3.29.



Earnings per share

In 2023, the Company's Earnings Per Share (EPS) shrank to Rs. 0.36 in line with the decrease in profits. This is a considerable decrease compared to the EPS for 2022 which amounted to Rs. 0.54.



WAY FORWARD

- Expecting the remarkable revenue & number of transactions increase through investments to upgrade the eChannelling digital infrastructure to enhance the customer experience and operational.



Reporting Cycle and Date of Most Recent Previous Report

The Annual Report 2023 of eChannelling PLC reports for the 12 months period from 1st January 2023 to 31st December 2023. This period is consistent with the Company's usual annual reporting cycle. The Company's most recent report was for the financial year 2022.

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 third time for Sustainability Reporting. However an independent assurance report has not been obtained due to the external limitations.

INTELLECTUAL CAPITAL

UNLOCKING MINDS,
FUELING INNOVATION

IN A RAPIDLY EVOLVING DIGITAL LANDSCAPE, ADAPTION AND INNOVATION IS PIVOTAL IN STAYING AHEAD AND MAINTAINING A COMPETITIVE ADVANTAGE. OUR INTELLECTUAL CAPITAL - i.e. OUR TEAM'S KNOW-HOW IS FUNDAMENTAL TO OUR ORGANISATION'S SUCCESS: HENCE WE SEEK TO LEVERAGE THE KNOWLEDGE, SKILLS AND EXPERTISE WITHIN THE ORGANISATION TO DRIVE GROWTH AND THRIVE IN AN INCREASINGLY DIGITAL AND INTERCONNECTED WORLD.



KEY HIGHLIGHTS OF 2023



- Received the Gold Award for the 'Online Brand of the Year' at the 22nd Brand Excellence Awards 2023 organised by the Sri Lanka Institute of Marketing (SLIM).
- Build brand awareness as 'the nation's lifestyle channelling hub'
- Retain the market position as the nation's foremost brand offering digital and automated healthcare and non-healthcare appointment services in the country
- Knowledge enhancement to remain sustainable, relevant and competitive
- Adopted digital marketing, utilising SEO, SEM and social media for a wider reach of audience

VALUE CREATED



- Increased social media visibility
- Fortified market presence
- Recognised as the best online brand of the year by the Sri Lanka Institute of Marketing

OUTCOME OF FY23

Leveraged our intellectual assets to drive significant advancements and outcomes as the premier brand in the healthcare sector.

LINK TO SDG



LINK TO MATERIAL TOPICS

20

Our approach to intellectual capital management

As a digital-focused organisation primarily operating in the digital sphere - eChannelling has

seamlessly integrated multiple aspects of intellectual capital into its business operations, thereby creating value for its stakeholders.

INTELLECTUAL CAPITAL

We have steadily built our brand reputation over the past two decades, which has laid a strong foundation for our transformative endeavours in 2023, enabling us to establish crucial connections and create extensive knowledge-based assets. Building on this foundation we are charting new territories by exploring blue ocean markets and diversifying our business, while embracing a new strategic focus to evolve into a national provider of digital services in the upcoming years.

The company's innovative and customer-focused digital channelling services have been crucial in establishing market reputation and expanding the customer base, annually.

eChannelling has not only successfully navigated challenges and made significant strides in digitising healthcare services in its niche market but has also transitioned from being solely a healthcare provider to a diversified channelling platform. Incorporating emerging, cutting-edge technologies reinforces our commitment to providing the latest advancement in technology enhancing the effectiveness of our service delivery.

Our combined efforts of traditional and digital advertising have resulted in an increased market awareness and a wider reach. Investing in expanding our knowledge and expertise add value to our business

and employees, enabling us to effectively meet consumer needs. We remain committed to ethical business practices and corporate values, which ensures that we stay true to our corporate culture. Moreover, our intellectual capital not only create value for other capitals, but also plays a pivotal role in driving sustainable business growth.

Knowledge and Expertise

Our intellectual capital encompasses the knowledge, collective intellect, expertise, skills and experiences of our employees, which adds value to the company and benefits a broader stakeholder group. Employees personal experiences, educational background and diverse work experience in different industries and fields contribute to the development of a learning organisational culture.

The accumulation of knowledge and skills over the years serves as a catalyst for business expansion and equips us to overcome both internal and external challenges, as well as capitalise on emerging opportunities in the market. We understand that encouraging our employees to explore new ideas and innovations is important to foster learning experiences that will lead to long-term sustainable business operations. Empowering employees to try new ideas and innovate, provides them with the opportunities to learn from both success and failures. The knowledge that is gained from such

experiences becomes apart of the company's inherent and acquired knowledge, contributing to the culture of continuous learning and improvement, positioning us for enduring success.

Brand Building

Building a strong brand presence, across diverse platform serves as a cornerstone in eChannelling PLC's strategy, to connect with its audience and promote its products and services. The company's brand reputation is built on how we conduct business operations and how our employees and service partners interact with and serve our customers, i.e. the reliability and uninterrupted service availability which has an impact on the brand reputation.

All our marketing communications carried out during the year, accentuated the 'Best Brand of the Year' tagline, reflective of receiving the Gold Award for being recognized as the Best Online Brand of the Year by the Sri Lanka Institute of Marketing and winning the Merit Award for Best Practice from CPM.

The overall goodwill for the eChannelling brand is built through promotional activities, community engagement and sponsorships.

To effectively communicate with our diverse and wide audience, we employ both traditional and digital marketing strategies. This allows us to keep our

stakeholders and the public informed about our corporate development, service enhancements and relevant information concerning the company and its services. We employ print media and a range of digital channels like social media, search engine optimisation and search engine marketing, through which we seek to improve our online visibility and attract more hospitals to engage with our platform.

Despite the challenges presented by the economic crises, we have successfully utilised marketing initiatives to reach our target audience and broaden our customer base - which is a reflection of the trust and confidence placed in our company.

Digital Marketing

Throughout the year, the company continued its effective use of digital media to engage with its audience and promote its product and service offerings. Platforms like Facebook, Instagram and YouTube were key in creating public awareness of promotions, corporate developments and topics on health and wellness.

Marketing and communication endeavours were conducted in Sinhala, English and Tamil to ensure inclusivity across all demographic segments, so that all can benefit from our initiatives.

We utilise strategies such as posting content on social media, search

engine optimisation and search engine marketing, to enhance online visibility and attract more hospitals and healthcare service providers to the platform. We leveraged social media to communicate and educate our audiences on health related matters and promote our services. Our mobile App, another tool used for digital marketing efforts along with e-mails, are also used to disseminate marketing materials and promote campaigns to our target audience.

The company observed a significant growth in its marketing reach, during the year. With an easing of socio-economic constraints, we plan to reintegrate traditional marketing activities while continuing to prioritise digital marketing, - focusing increasing App downloads and launching a YouTube video-series featuring top-medical specialists across various medical fields.

We are willing to embrace change and innovation in order to stay ahead in digital marketing, by adapting to the evolving landscape of online platform, consumer behaviour and technological advancements. We also adopted the use of QR codes in all our communications, encouraging our customers to adopt these for easier transactions.

We used extensive social media marketing to actively promote our brand and extend our organic reach, evident in the growth in the number

of our Facebook and Instagram followers. We also adopted Tik-Tok by creating engaging content to inform and reach a younger audience, recognising its potential as a growing platform.



Traditional Marketing

In our ongoing efforts to effectively engage with our diverse customer base, traditional marketing methods continued to hold significance. We have allocated resources towards both above-the-line (ATL) and below-the-line (BTL) marketing initiatives, which included advertising in print media,

INTELLECTUAL CAPITAL

newspapers, magazines, co-branding with our service provider partners, TV commercial and social media advertising and other traditional marketing methods like hoardings, point-of-sale marketing and posters.

Branding at Hospitals



Brandings at Business Partners

These promotional activities were instrumental in elevating brand visibility, further reinforcing our message amongst our target audience. We remain steadfast in our commitment to enhancing our marketing efforts to expand our reach, attract new customers, while strengthening our relationships with the existing ones.

Sponsorships and campaigns

The company strategically uses sponsorship to enhance corporate reputation and increase brand awareness and brand visibility within specific consumer segments. By aligning with events and projects

that resonate with our purpose and values, we reinforce our commitment outlined in the eChannelling vision and mission statements. In the year under review, the company made strategic investments in sponsoring several key projects that aligned with our purpose, across diverse sectors.

Fostering a positive brand image through social responsibility is a cornerstone of our company's values. We are intentional in building a positive image of our company among our stakeholders through our steadfast commitment to social responsibility, innovation and sustainability, which in turn contribute to the companies intellectual capital, by elevating its brand value, nurturing customer loyalty and garnering more business opportunities.



As the digital healthcare partner to the Sri Lanka Medical Association (SLMA), we are committed towards supporting their mission to improve healthcare and well-being in Sri Lanka. Partnering with their road safety campaign, we aim to raise awareness about road safety and position ourselves as a socially responsible healthcare partner.

SPONSORSHIPS



Sponsored the 86th Nuwara Eliya golf tournament including a wellness therapy center.



Official event partner in the Medicare Exhibition - the largest Annual National Healthcare exhibition in Sri Lanka.

INTELLECTUAL CAPITAL

Business processes

As a customer-centric enterprise we focus on leveraging information technology and digitisation to create enduring value for our clientele base as well as for our employees. To this end we have made strategic investments in technology to ensure its up-to-date, bug-free, secure and user-friendly across its internal and external domains. We have adopted technology to deliver a seamless experience to our customers, so that they are able to utilise our digital platform without any issue.

The prevailing socio-economic and political turbulence in the country, led to a decline in the purchasing power of people, that was challenging for us as a company. Nevertheless, we were able to adeptly navigate this obstacle and was able to secure a significant agreement with the Ministry of Foreign Affairs to handle appointments for document authentication processes. Further, we strengthened our strategic partnerships for medicine delivery and concierge services targeted towards those willing to pay a premium price for enhanced convenience.

We seek to capitalise on opportunities to strengthen our presence in the healthcare domain, through our strategic partnerships and the introduction of our premium services, while we also look towards diversifying our operations by

venturing into new sectors such as corporate investigation.

We are also keen on penetrating untapped markets, known as 'Blue Ocean' Markets with low competition and high potential for value creation. We also have plans to pioneer a new health and wellbeing category with a bundle of services such as

medical camps, fitness packages and corporate offerings, while we also look towards venturing into non-health related service sector.

These strategic initiatives align with eChannelling's objectives of fortifying its market presence and expanding its service portfolio to cater to evolving consumer needs and preferences.

AWARDS AND ACCOLADES



'Online Brand of the Year - Gold Award' - 22nd Sri Lanka Institute of Marketing (SLIM) Brand Excellence Awards 2023.



'Best Management Practices Company Award 2023' in the category for Software Development/Health care Service Provider at the Best Management Practices Company Awards 2023 ceremony organised by the Institute of Chartered Professional Managers of Sri Lanka (CPM).



Bronze Award under the Service Sector category at the TAGS Awards 2023 organised by CA Sri Lanka.

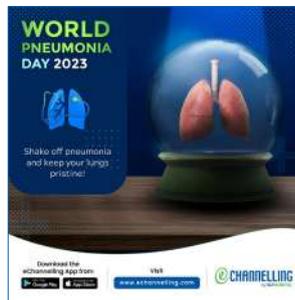
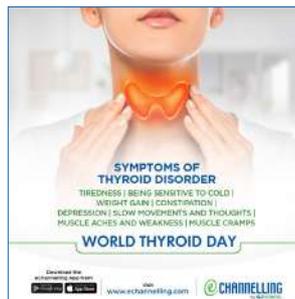


Senior Executive Prabath Dewapriyal from our eChannelling family - won Bronze Award at the SLIM National Sales Award 2023 as the Best Front Liner Sales in the IT & E-Commerce sector.

WAY FORWARD



- Invest in training programmes, knowledge-sharing platforms and mentorship, to nurture learning at every level.
- Leverage technology like artificial intelligence and data analytics to optimally utilise our intellectual capital to establish a competitive advantage.
- Empower our employees to unleash untapped potential, in order to create engaged, motivated and resilient workforce.



HALLMARK DAYS POST

- World Diabetes Day
- World Radiology Day
- World Thyroid Day
- World Alzheimer's Day
- International Day of Yoga
- World Patient Safety Day
- World Pneumonia Day

HUMAN CAPITAL

UNLOCKING POTENTIAL,
EMPOWERING FUTURES

AT eCHANNELLING WE RECOGNISE THAT OUR MOST VALUABLE ASSET IS OUR PEOPLE. WITH A COMMITMENT TO NURTURING TALENT, FOSTERING GROWTH AND CREATING OPPORTUNITIES, WE CULTIVATE A DYNAMIC ENVIRONMENT WHERE EVERY INDIVIDUAL CAN THRIVE. FROM INNOVATIVE TRAINING PROGRAMMES TO PERSONALISED DEVELOPMENT PATHWAYS, WE INVEST IN OUR HUMAN CAPITAL TO DRIVE SUCCESS, INNOVATION AND COLLECTIVE PROSPERITY.



KEY HIGHLIGHTS OF 2023



- Enhanced compensation and benefits
- Support employee work-life balance
- Improve HR processes
- Providing Training and Development
- Create a supportive work environment

VALUE CREATED



- Rs. 64Mn payments to employees
- Rs. 0.8Mn investment in Training and Development
- Training hours per employee (Managerial – 8.5 hrs & Executive 7 hrs)
- 5 promotions

OUTCOME OF FY23

Engaged and inclusive teams

LINK TO SDG



LINK TO MATERIAL TOPICS

02 03 08 12 13 15 16 17 21

Our Approach to Human Capital Management

We are committed to treating our employees fairly and ethically, providing them with equal

opportunity in employment and career development. We provide them with a holistic work environment that supports their personal and professional growth and by rewarding

their commitment towards the firm we encourage them to realise their full potential.

We have implemented HR policies and procedures in order to create a supportive and positive work environment which reflects the changing environment and evolving need of our employees.

In line with our goal to be the “Nation’s Lifestyle Channeling Hub” we work towards building a corporate culture, where our employees are valued and empowered, promoting work-life balance, to offer them a fulfilling career.

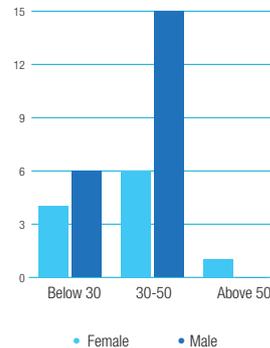
We recognise that investing in our team, is the key to our success and we remain committed to supporting and developing our team, to advance our goals. We uphold environment stewardship, ethical values, stringent compliance with legal requirements and respect for the communities that we operate in and support the UN Sustainable Development Goals (SDGs), in our employment practices.

Our Team

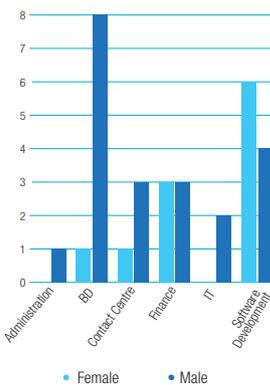
We operate on a lean business model as the digital nature of our business requires a limited workforce. Thus, we focus on building a diverse team, that is skilled and experienced across various fields to support business growth and development. We realise that a diverse and inclusive workforce is critical to our success hence we aim to cultivate a work environment

devoid of discrimination and bias. The total full time permanent employees stood at 32, with 11 female employees and 21 male employees as at 31st December 2023.

Total employees by age and gender



Total employees by department and gender



Workforce Diversity

Our employees are treated fairly and equally, without any discrimination based on race, gender, religion or sexual orientation in accordance with Global Human Rights principles. In compliance with International Labour Laws, we do not employ child labour and our employees have also chosen not to be a part of any Labour Unions. Non-discrimination and equal opportunity are rooted in our HR practices ensuring that all recruitment, promotions and employee-related decisions are based on these principles.



Male

65%



Female

35%

STRATEGIES AND GOALS FOR GENDER PARITY

- Providing access to training and promotions to ensure women are empowered with knowledge and skills they need to succeed.
- Work-life balance

HUMAN CAPITAL

HR PRACTICES

- Create a gender-neutral job description
- Provide equal pay and benefits
- Offer equal opportunities for career advancement
- Establish clear anti-discrimination policies

FEMALE REPRESENTATION BY CATEGORY

Category	M	F	% of females employed
Senior Management	02	01	33%
Management	07	04	36%
Executive	11	06	35%
Non-executive	01	0	0

PROMOTIONS



Male
03



Female
02

Indicator	2023
Employees who went on parental leave	01

Recruitment and Turnover

Seven new employees joined our team during the year, enabling us to seamlessly fulfil our business goals. Our new recruits, as well as the majority of our employees fall between the age bracket of 25-35, who are Millennial and this presents a competitive advantage to the company, as they bring tech-savvy, technology focused insight which will contribute positively towards long-term growth objectives of the firm.

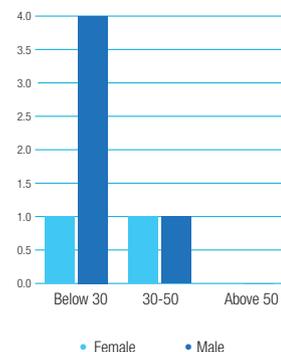
We assess each candidate's educational background, experience, skills and subject matter knowledge. Our process involves a series of interviews at various levels, which evaluates both professional competencies and soft skills to ensure that candidates align with our organisational culture. Our employment offers are extended only to candidates who meet our 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.

To ensure minimal staff turnover, the company's focused efforts on increasing employee job satisfaction has proven to be effective over the years. This is reflective of our commitment towards providing a positive and fulfilling work environment for our employees.

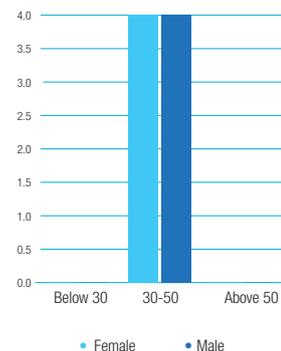
New recruits **07**

Resignations **08**

Employee hires by age and gender



Employee resignations by age and gender



Training and Development

Continuous learning and innovation capability is a core focus of how we develop our people at eChannelling. While it adds value to the business, it also contributes to career development and personal growth of our employees. We recognise that investing in our staff's skills and knowledge is crucial for delivering exceptional customer service and staying ahead in the digital healthcare industry.



We conduct regular training sessions and workshops, directed at building technical skills and leadership development. We want to enable personal growth and adaptability, so that our employees are open to diverse ideas and perspectives, can adapt at pace and sustain high performance. In 2023 the company offered several training programmes including 5 physical trainings and 11 online training, requiring mandatory



employee participation. Our focus was more on minimising knowledge gap in developing the second layer of the company.

AVERAGE TRAINING HOURS PER EMPLOYEE BY EMPLOYMENT CATEGORY

 **Managerial**
8.5 hours

 **Executive**
7 hours

TRAINING FOCUS AREAS

Software development	Taxation	Telephone etiquette
Business development	Marketing strategy	AI in marketing

Rs. 0.8 Mn
Total investment in training

Performance Management

We value our employee's contributions and are dedicated to enhancing their performance through robust HR processes. To this end, we have strengthened our performance management system to create value for our employees who are critical to our success. This performance management system pre-determines each employee KPIs based on departmental and organisational goals, aligning them with the company's broader strategic goals.

All employees complete a self-appraisal at the end of the year and receives one-to-one feedback by their immediate supervisors. This year we reviewed our employee performance bi-annually which we believe will help us set more realistic goals and enhance our workforce alignment with strategic priorities of the organisation. These improvements aim to boost organisational performance and create a more positive work environment reflecting our commitment to employee growth and empowerment.

We also acknowledge that our employees have career aspirations, with a desire to grow in their career roles and encourage them to take on work challenges, often on employees own request, which enhances and add value to the existing job-roles.

HUMAN CAPITAL

BENEFITS PROVIDED TO STAFF

Fixed pay

-Basic salary

Variable pay

-Annual bonus

Medical benefits

-In accordance with the eChannelling Health and Well-Being Policy employees receive training, support and guidance to maintain good physical and mental well-being, with a focus on managing work-related stress.

Staff loan

-All permanent employees can apply for a staff loan equivalent to 2.5 times their basic salary, which is interest free and to be repaid in six-monthly installments, deducted from the employee's monthly salary.

Educational expenses

-All permanent employees are eligible for reimbursement of annual fees paid to professional organisations and academic or professional fees. The reimbursement is provided within agreed-upon limits and is subject to the bond agreement.

Other

-Employees have the first opportunity to purchase a replaced laptop from the company at a minimal cost of Rs. 10,000.

-Employees are provided with the option of either purchasing or upgrading their smartphone/smart devices bi-annually which is based on the employee's grade.

Rewards and Remuneration

Rewards and remuneration is one of the key pillars which adds value to our human resource capital. Our company's reward and remuneration policy is intrinsically linked to employee motivation, satisfaction, welfare and well-being. We believe in offering fair compensation and benefits to our employees so they can provide for their families and maintain a reasonable standard of living.

Our employees are offered monetary and non-monetary benefits, according to their grade and position. Our fair compensation and benefits are based on the Shop and Office Employees (Regulation of Employment & Remuneration) Act of Sri Lanka and the parent company's policies.

All reward and remuneration are reviewed annually to ensure that they are commensurate with the industry standards, after considering the prevailing inflation rates and cost of living. Salary increments and bonuses are based on the employees' achievement of KPIs and satisfactory execution of job responsibilities. The year end employee performance appraisals are used to determine the annual bonus.

The company's leave policy is aligned with the Shop and Office Act of Sri Lanka. Maternity leave is provided for our female employees, while

we also provide voluntary paternity leave to our male employees. This policy re-affirms our commitment to creating a supportive work environment for our employees, while demonstrating that we value our employees' personal lives, as we do their professional lives.

Employee Motivation and Engagement

Engaged and motivated employees consistently give their best in their workplace. As a part of the company's efforts to keep employee motivation and morale high, we recognise their professional achievements, by felicitating them before their team members, at small impromptu work gatherings. We also organised an annual trip for our staff and their family members and an indoor softball cricket tournament during the year, aimed at fostering a sense of community and belonging among our employees and creating an amicable workplace culture.





Annual staff trip 2023



Monthly indoor softball cricket tournaments

The company re-iterates its vision, mission and goals, encouraging the integration of corporate values throughout the organisation, which are emphasised during induction and at other times, to ensure that they are practiced from the top-most management to the lowest level of employees. Hard work and effort on behalf of the company is appreciated and recognised, encouraging our employees to do better while they build a career with the organisation.

Employee Welfare and Work-life Balance

The HR value creation process at eChannelling prioritises enabling employees to achieve professional success while effectively managing

personal responsibilities. This is facilitated through a range of monetary and non-monetary benefits aimed at supporting various aspects of employees' lives.



We have continued to maintain our hybrid working policy, which allows our employees to work both from office and from home, giving them a better work-life balance. While the employees were expected to adhere to a management approved roster, only the required staff attendance was mandatory. Employees can also work flexible hours during the work week by completing the required 9 work hours weekly at our office premises, as long as business is not adversely affected.

The company's Open Door Policy allows our employees the freedom to freely express their grievances and share their feedback with the management, ensuring that their voices are heard and the management takes every opportunity to address them so that the company can ensure they are working towards

the same goals. As our workforce is limited, the management is able to interact with employees on a personal level, allowing swift resolving of any concerns and addressing of grievances.

In alignment with the company's commitment towards UN's Sustainable Development Goals (SDG's) related to "Good Health and Well-being", eChannelling increased its focus on enhancing employee well-being. We implemented a new eChannelling Health and Well-being Policy, designed to intensify the company's efforts in improving and supporting employees in adopting good health and well-being practices.

These initiatives on work-life balance played a pivotal role in helping employees to adapt quickly and manage additional family obligations, particularly during economically challenging times, ensuring that employees did not experience adverse effects stemming from reduced economic activity.

Occupational Health and Safety

In response to the pandemic outbreak, the company has heightened its focus on employee health and safety in recent years. Management has actively promoted a hybrid working system, where whenever employees' physical presence is required in office, strict adherence to hygiene rules and

HUMAN CAPITAL

precaution is required. The company is dedicated to ensuring employee well-being and is committed to safeguarding their health and welfare.



Anti-bribery and Corruption

As an emerging e-commerce platform that specialises in offering health and lifestyle services, we seek to enhance our adherence to the Anti-Corruption Act 9. of 2023. We aim to reinforce our compliance framework to safeguard against bribery and corruption thereby solidifying our market position and investor confidence. To this end, we focus on providing training to raise awareness among employees and partners and implement risk assessment procedures. We acknowledge the importance of a stronger due diligence process and clear communication channels for reporting issues. Additionally, we aim to use digital tools to improve monitoring and gain real-time insights into compliance risks.

We are committed to implementing necessary internal controls to identify corruption, to train our employees in order to raise awareness of potential dangers while we seek to adhere to national anti-corruption and bribery laws and regulations.

WAY FORWARD



- Implement initiatives to enhance productivity and retention through training, development and upskilling programmes.
- Promote diversity and inclusion within the workforce, focusing on recruitment practices and support programmes.
- Competitive benefits in the form of cash and other benefits in line with industry standards and the cost of living.
- Improve the transparency of the performance appraisal process, with KPIs measured against metrics and employee performance rewarded accordingly.
- Implement policies supporting employee health and well-being, including mental health initiatives, work-life balance practices and providing a good working environment.

SOCIAL AND RELATIONSHIP CAPITAL

BUILDING BONDS,
ENRICHING COMMUNITIES

WE UNDERSTAND THAT THE RELATIONSHIPS WE MAINTAIN WITH OUR STAKEHOLDER GROUPS ARE FUNDAMENTAL TO BUILDING TRUST, CREDIBILITY AND LOYALTY AMONG OUR CUSTOMERS, PARTNERS AND THE WIDER COMMUNITY. THESE RELATIONSHIPS SERVE AS THE BUILDING BLOCKS FOR SUSTAINABLE GROWTH, CUSTOMER SATISFACTION AND BUSINESS SUCCESS. THUS, WE PRIORITISE INVESTING IN OUR SOCIAL AND RELATIONSHIP CAPITAL TO FOSTER STRONG CONNECTIONS AND DRIVE SUSTAINABLE VALUE FOR OUR STAKEHOLDERS.



KEY HIGHLIGHTS OF 2023



- Transitioning to a digital lifestyle platform through re-branding efforts
- Expanding eChannelling services to meet the increasing demand for digital services in the marketplace
- Continuously innovating to enhance customer satisfaction and operational efficiency
- Provided innovative and convenient medical services, including access to over 280 hospitals, medicine delivery services, online booking for driver's license medical appointments and audio and video doctor channelling services

Our approach to managing our social and relationship capital

Our commitment to sustainable development is steadfast and evident in our advocacy for community-

VALUE CREATED



- Maintaining quality of service
- Leveraging partnerships
- Enhance customer experience

OUTCOME OF FY23

Resilient and empowered communities

LINK TO SDG



LINK TO MATERIAL TOPICS

04 06 07 18 22 23

related causes that align with the United Nations Sustainable Development Goals (SDGs) particularly those related to Good Health and Well-Being. Creating value for our diverse stakeholder groups, which

SOCIAL AND RELATIONSHIP CAPITAL

includes customers, business partners, government, suppliers and the wider community is essentially at the core of our approach in creating long term sustainability as a business and we have implemented specific strategies to achieve this objective.

Continuously developing new products and services for our customers is a key strategy, while we expand our geographic reach and presence to include smaller less developed towns in regional areas. We recognise the importance of digitisation, in the era we live in, hence we have made our platform available and accessible across various digital devices which has not only created value for our customers but also supported the growth and expansion of our business partner network.

We are expanding our presence into non-healthcare services, actively promoting awareness of local services and creating opportunities for related business to grow their customer base and contribute to Sri Lankan economy. Our business goals are aligned with the government's healthcare objectives and we actively raise awareness about available local healthcare services. We also believe that expanding into the non-healthcare services sector can help advance Sustainable Development Goals (SDGs), while it also greatly benefits the broader community.

Our best-in-class procurement practices are a reflection of our commitment towards responsible consumption and production and we are dedicated to promoting sustainable practices across all our operations, recognising our crucial role in advancing a more sustainable future.

We understand the significance that building social and relationship capital extends beyond our immediate stakeholder group, hence we strive to create value across various societal groups, by sponsoring and supporting community events, activities and projects that adds value, benefiting them in the long run. Sustainable development is at the core of our operations and we aim to generate value for all stakeholders in line with the SDGs.

eChannelling remained committed to its progress, despite the economic challenges, marked by high inflation and a decrease in people's purchasing power. We strengthened our re-branding efforts, as we continued our transition from a medical check-up channelling platform to a digital lifestyle platform, a shift towards empowering Sri Lankans, by offering them opportunities for a healthier lifestyle.

Enriching Customer Experiences

We prioritise customer satisfaction, therefore being customer-oriented remains at the forefront of all that we do, prioritising their needs and providing them with an optimal customer experience. Our customers are the driving force behind our business growth, hence ensuring their satisfaction is our responsibility. During the year, we focused on expanding our services to establish a "total healthy lifestyle platform.", as we believe that by empowering our customers to lead a healthier lifestyle will positively impact their health and wellbeing, enabling them to achieve their goals.

Towards this end, we continued to modernise our services to improve customer convenience ensuring their accessibility across a range of technical platforms and traditional channels. We also sought to broaden our geographic reach through partnering with various healthcare and non-healthcare service providers, by making our digital channels more user-friendly and leveraging third-party services like online payment gateways.

SOCIAL AND RELATIONSHIP CAPITAL



24 X 7
CALL CENTRE OPERATIONS ON
0710225225



ESTABLISHING
PARTNERSHIPS
WITH STATE HOSPITALS



RUNNING NUMBER
(QUEUING SYSTEM)



OWN SELF-HELP
KIOSK MACHINES



AUTOMATED PROCESS
FOR CLAIMING REFUNDS
ON THE WEBSITE



MULTI-CHANNEL
DIGITAL TOUCH
POINTS FOR EASY SETTLEMENT OF
PAYMENTS



WALK-IN FACILITIES
AT PHARMACIES, BANKS AND OTHER
AGENTS TO MAKE CONSULTATION
APPOINTMENTS



ONLINE-CHANNELLING
(WEB PORTAL AND MOBILE APP)

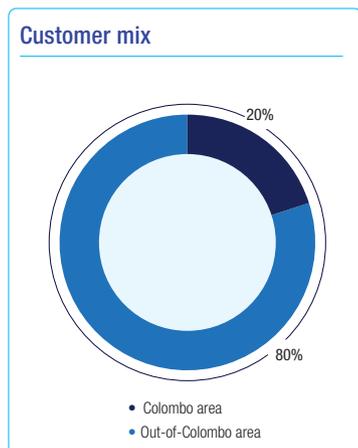
Customer relationship management

As a consumer-centric organisation, we actively engage and communicate with our customers through various channels. We use social media and other tools to share updates on

new services, offer health advice and disseminate crucial information about healthcare in our efforts to establish enduring relationships with our customers and build brand loyalty. We have received positive feedback from our customers, about constantly enhancing our products

and service offerings, strengthening our relationships with customers. The growth in our customer base and repeat customers is a testament to the success of our consumer-focused approach and our strategies for delivering value to our customers through dedicated measures.

Customer mix



During the year under review our company saw an expansion of its customer base as we expanded our presence nationwide, away from the Greater Colombo region. This diversification of our customer mix is expected to be more risk-averse in the future, as we also look towards diversifying our product portfolio to include non-traditional healthcare and non-healthcare services.

Moreover, we identified that the walk-in customer base had increased in Out-of-Colombo region. In order to convert them as eChannelling appointments, we have developed a link where customers can make the payment via that link in a hassle freeway.

Customer privacy

Ensuring customer privacy, data security and information protection is vital for maintaining customer relationships at our company. We handle all customer information with utmost confidentiality, restricting access to employees only as needed. We prioritise IT security by implementing robust firewalls and other security measures to protect our systems, software and data.

As a company operating in the digital sphere, we prioritise customer privacy by employing advanced IT security systems and anti-hacking software, along with strict protocols for data processing. To ensure optimal operational levels and alignment with industry developments and emerging data threats, we regularly update and upgrade our IT systems and software.

The company recently re-launched its website, implementing more stringent security measures to enhance customer privacy. We engage with experts in the field to continually improve our customer privacy and data protection protocols and run regular vulnerability tests and bi-annual audits, in partnership with TechCert - Sri Lanka's first and largest Computer Emergency Readiness Team, to provide customer assurance. Up to date, the company has not encountered any negative issues

regarding customer privacy or loss of customer data.

Complaint handling

As a customer-centric organisation, we constantly seek to improve our customer complaint handling process, which is overseen by a committee of members from different departments and seniority levels, that ensures all customer grievances and complaints received are appropriately handled, treated confidentiality and resolved to the satisfaction of all parties involved. Furthermore, their valuable suggestions are used towards regular systems improvement and enhancement activities. The company has not received any major complaint regarding our product and service offerings during the year and any minor complaints were promptly addressed and closed to the satisfaction of the customers.

CUSTOMER FEEDBACK



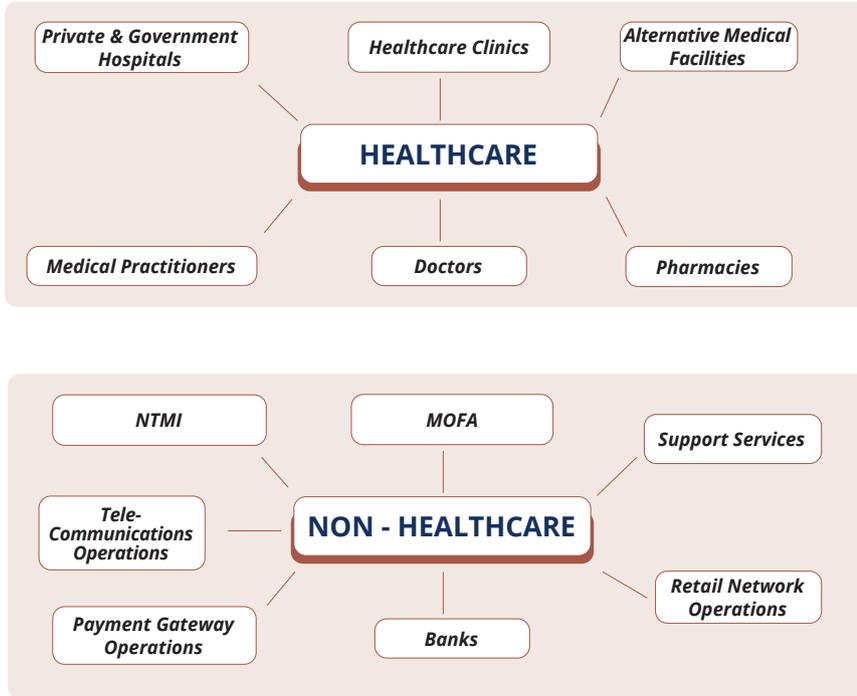
Hotline : +94 (071) 0225 225

E-mail : info@echannelling.com

SOCIAL AND RELATIONSHIP CAPITAL

Nurturing Partnerships

Business partners



We acknowledge the crucial role played by our business partners including both healthcare and non-healthcare service providers who offer services through our appointment platform, as well as banks, agents and other payment gateway operators who support our business activities, in enabling sustainable growth and facilitating the operations of our eChannelling platform.

The company adopts several strategies in our efforts to create value for our partners. These include expanding our geographical reach, raising awareness of our product and service portfolio in the marketplace, providing

PRODUCT PORTFOLIO

Products



valuable insights based on customer feedback on partner services and enhancing our value-added services. We provide our new partners with necessary training during the on-boarding process, to understand how to use our eChannelling platform effectively.

Aligned with our commitment to enhancing value for our existing partners, we actively promote the expansion of small businesses in Sri Lanka's rural areas, by encouraging them to partner with the eChannelling network, which significantly contribute towards the economic development of these towns. During the year under review, we partnered with 43 new hospitals and 55 new pharmacies and we remain committed to working closely with them, to ensure their continued success, while also contributing to the overall economic growth of Sri Lanka.

NEW PARTNERSHIPS IN 2023

 **43**
HOSPITALS

 **55**
PHARMACIES

We continued our partnership with the Ministry of Foreign Affairs, offering digitised reservations for document

attestation, enhancing efficiency and convenience for Sri Lankans. The Ministry plays a crucial role in managing document attestation for citizens, with around 40 document variants to be approved on average.

eChannelling's online Queue Management Solution reduces congestion and simplifies complexities of people's busy schedules. All six branches of the Ministry, including the Consular Office in Colombo and regional offices in Kandy, Jaffna,

Our key supplier groups



We prioritise partnering with local organisations and this also extends to our supplier partnerships. Having established 20 supplier partnerships from Colombo, with an average partnership lasting for 3 years, our longest most enduring partnership extends for over 20 years.

A key focus in enhancing supplier value is to provide sufficient lead time for goods and services delivery and settle invoices promptly according to agreed payment terms. This approach aims to cultivate enduring and mutually beneficial relationships with suppliers, which will ultimately benefit our customers and partners.

Kurunegala, Matara and Trincomalee, now use eChannelling's system for easy appointment booking.

Suppliers

Our suppliers have a direct impact on our operational efficiency, cost management, service quality and customer satisfaction. Therefore, we acknowledge the importance of investing in reliable suppliers and effective supplier management practices to maintain sustainable growth and stay ahead of evolving customer demands.

SOCIAL AND RELATIONSHIP CAPITAL

We acknowledge the critical role our suppliers play in our business operations and are dedicated to maintaining strong relationships with them, built on trust, transparency and mutual respect. We believe that close collaboration with our suppliers enables us to deliver high-quality services to our customers and partners, driving growth and success for our company.

Procurement process

The Company follows a stringent procurement process to ensure fair and ethical partnerships with suppliers. Prospective suppliers undergo thorough screening to verify their authenticity and the quality of their products/services. Approved suppliers are added to the Company's database, which authorised employees use for purchasing. The Company's policy requires obtaining three quotations for purchase orders to compare prices, quality and service levels.

Strengthening Communities

Community relationships involve engaging with a diverse range of stakeholders, including residents, local businesses and government agencies. Collaborating with these stakeholders enables us to address community concerns, leverage local expertise and identify opportunities for mutual benefit and sustainable development.

By actively engaging with and investing in the communities we serve, we cultivate meaningful connections, drive positive change and create shared value for all stakeholders involved.

Key initiatives carried out during the year to uplift our communities are as follows.



Vesak donation: eChannelling joined hands with SLT-MOBITEL in donating over Rs. 8 Mn worth of essential drugs to hospitals across the country under its Sambandiyawe Dahami Sathkaraya' programme.

Honouring International Women's Day, eChannelling partnered with SLT-Mobitel to celebrate Women's Day at the Apeksha Hospital Maharagama. Rs 250,000.00 worth of medical equipment was donated to the hospital.



Joined hands with SLT-MOBITEL to provide multivitamins to children at Anuradhapura Ruwanweliseya.



Exclusive medical camp carried out free of charge, in partnership with Joseph Fraser Hospital, for customers on World Diabetics Day.



Status of compliance

We regularly update our compliance policies to stay up-to-date with the current compliance standards. We ensure that our platform meets legal requirements, protect customer data and maintains trust with users, as we understand that the failure to comply will result in legal issues and damage to our platform's reputation. We ensure that our customer's data is handled securely and ethically, so as to maintain trust and credibility in the marketplace.

Legal Actions for Anti-competitive Behaviour, Anti-trust and Monopoly Practices

- The Our Response
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 Our Response
The Company does not have any business activities which are subject to human rights reviews or impact assessments.

Political Contributions

- The Our Response
The Company has not made any political contributions during the year under review.

Social Economic Compliance

- The Our Response
There were no issues regarding non-compliance with laws and regulations in the social and economic areas of the Company.

Security Practices

- The Our Response 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

- The Our Response
No incidents of discrimination were reported during the year under review

WAY FORWARD



- Continue to invest in employee training and development programmes to foster a culture of innovation and knowledge sharing.
- Actively seek partnerships with organisations aligned with our values, both within and outside the healthcare sector, to contribute to society.
- Continue to support local communities through initiatives promoting education, health and economic empowerment.
- Maintain high standards of transparency and governance to build trust with stakeholders and ensure accountability in our operations.
- Regularly monitor and evaluate the impact of our social capital initiatives to ensure they align with our goals and deliver value to stakeholders.

MANUFACTURED CAPITAL

CRAFTING TOMORROW'S FOUNDATIONS TODAY

AT eCHANNELLING, WE TAKE PRIDE IN OUR MANUFACTURED CAPITAL, WHICH REPRESENTS OUR TANGIBLE ASSETS AND INFRASTRUCTURE. WITH CUTTING-EDGE TECHNOLOGY, WE ARE COMMITTED TO CREATING AND MAINTAINING HIGH-QUALITY, SUSTAINABLE ASSETS THAT DRIVE OUR BUSINESS FORWARD. THROUGH INNOVATIVE DESIGN, EFFICIENT PRODUCTION PROCESSES AND A FOCUS ON ENVIRONMENTAL RESPONSIBILITY, WE STRIVE TO ENHANCE THE VALUE OF OUR MANUFACTURED CAPITAL WHILE MINIMISING OUR ECOLOGICAL FOOTPRINT.



KEY HIGHLIGHTS OF 2023



- Implemented several new mechanisms to tighten our security features through up-to-date software technology
- Commenced revamping the corporate website
- Invested Rs. 2.6 Mn in 2023 on enhancing digital capital
- Improving operational efficiency through process improvements

VALUE CREATED



- Enhanced business volumes by 22%
- Introduced 10 new product & features

OUTCOME OF FY23

Greater and more convenient access to healthcare

LINK TO SDG



LINK TO MATERIAL TOPICS

01

Our Approach to Manufactured Capital Management

In our e-business environment, managing manufactured capital is

crucial for maintaining operational efficiency and meeting customer demands. 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 data centre remain the key sources of the Company's manufactured capital value. Our approach focuses on leveraging these digital technologies and strategic practices to optimise service delivery, enhance resource utilisation and ensure the resilience of our physical assets.

Optimal use of software and hardware creates the highest returns for our stakeholders, as it enables the creation of value for other capitals while adding value to manufactured capital. To ensure the highest level of manufactured capital value for our stakeholders, we schedule regular maintenance and repair for fixed assets and IT infrastructure. We continuously implement robust security measures to protect our digital assets and sensitive data from cyber threats, ensuring the integrity and security of manufactured capital.

We also remain committed to the United Nations Sustainable Development Goals (SDGs) on Responsible Consumption and Production in our purchasing decisions and by integrating sustainability principles into our business practices, we aim to contribute to a more sustainable future.

Physical Infrastructure

We recognise the critical importance of effectively managing our physical infrastructure to support our operations and ensure the delivery of high-quality products and services. We begin by conducting thorough assessments of our infrastructure needs, considering factors such as capacity, resilience and future growth projections. Through careful planning and investment, we develop robust infrastructure strategies tailored to meet the evolving demands of our business and industry.

Our rented office premises, furniture and fittings and other equipment form a part of our manufactured capital. As at 31st December 2023 our property, plant and equipment value stood at Rs. 6 Mn.

Digital Infrastructure

Safeguarding our digital infrastructure is critical to ensuring the security, reliability and resilience of our operations in an increasingly interconnected world. It is not just a matter of compliance or convenience ; it is essential to preserving the trust and confidence of our customers, partners and stakeholders. Our approach to digital infrastructure security is comprehensive, proactive and continuously evolving to address emerging threats and vulnerabilities.

The company 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.

TIGHTENING SECURITY FEATURES

- Carried our server upgrades to enable the latest software updates in accordance with the recommendations provided through the annual TechCert assessment
- Introduced new user access policies to systems and servers
- Implemented a new password policy to the eChannelling system

IMPROVING PERFORMANCE

- Upgraded the Application Programming Interfaces (API) manager to the latest version, facilitating a higher serving rate for users
- Commenced work on upgrading the corporate website

At eChannelling, we understand the importance of data security and business continuity, which is why we have processes in place for scheduled

MANUFACTURED CAPITAL

data backups for mission-critical information and offer 24/7 IT support to minimise 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.

We also invest in employee training and awareness programmes to

cultivate a culture of cybersecurity awareness and vigilance across our organisation. By empowering our staff with the knowledge and tools to recognise and respond to security threats, we enhance our overall resilience against cyber-attacks and insider threats.



IT Governance

At eChannelling we have one systems engineer and one junior systems engineer responsible for IT infrastructure and security aspects. The overall IT security infrastructure is managed by the Mobitel Data Center, comprising of a separate infrastructure managing team, network team, database team and internal security evaluation team.

AUDIT

INTERNAL SECURITY AUDIT

Carried out 3 times per annum by SLT and Mobitel Internal audit teams

EXTERNAL ASSESSMENT

Carried out 3 times per annum by TechCert

WAY FORWARD



- Improve the performance of the primary servers by providing access to report and statistic generating facilities through a separate server.
- Improving the functionality of the eChannelling App and managing development internally in a faster and reliable manner.

NATURAL CAPITAL

PRESERVING NATURE'S WEALTH FOR FUTURE GENERATIONS

WE UNDERSTAND THAT THE HEALTH OF OUR PLANET IS FUNDAMENTAL TO OUR COLLECTIVE WELL-BEING. THUS, THROUGH RESPONSIBLE STEWARDSHIP AND INNOVATIVE PRACTICES, WE STRIVE TO SAFEGUARD OUR NATURAL RESOURCES FOR CURRENT AND FUTURE GENERATIONS. FROM SUSTAINABLE USE OF NATURAL RESOURCES TO CONSERVATION INITIATIVES, WE ARE COMMITTED TO PRESERVING BIODIVERSITY, MITIGATING CLIMATE CHANGE AND PROMOTING ECOLOGICAL RESILIENCE.



KEY HIGHLIGHTS OF 2023



- Reducing our paper-trail to become a paperless business operation
- Efficient management of energy consumption
- Improving recycling and waste collection process
- Investing in energy saving equipment and digital service delivery

VALUE CREATED



- Reduced paper usage by 90% - Saved 10,000 A4 sheets for year 2023.

OUTCOME OF FY23

Enabling optimal use of natural capital in our business and through our customers' use of technology

LINK TO SDG



LINK TO MATERIAL TOPICS



Our approach to managing our natural capital

As a predominantly digitally operated business within the Sri Lankan healthcare sector,

eChannelling PLC adheres to sustainable business practices, through its commitment to conservation of natural resources and minimal use of scarce resources in its daily operations.

NATURAL CAPITAL



As a company that operates in the digital sphere, our virtual presence enables us to seamlessly create value for natural capital and preserve limited resources for future generations. The company preserves natural capital value by leveraging technology in all their service offerings thereby creating a positive impact on the consumption of natural resources both internally and externally. Over the years, the company has automated many processes, enabling a reduction in paper-based processes across its operations. This has been further supported with data storage and record maintenance via digital platforms.

eChannelling as a virtually run organisation facilitates its services online and most of its stakeholder engagement and communication is undertaken through digital and social media platforms. Our services are accessed remotely, at our customers convenience across various electronic devices, which also helps to conserve both energy and environmental resources.

The introduction of video-audio physician consultation and other value-added services has partly revolutionised doctor-patient interaction, taking the aspect of natural capital value creation to another level, allowing the consumer to actively reduce the use of limited natural resources.

Reduction of Paper Use

The fully automated nature of our service offerings directly promotes a paperless supply and delivery process from beginning to the end. From the point when a customer interacts with the eChannelling platform, to receiving appointment details, making payments and generating receipts, the entire process is carried out without using paper.

With the introduction of the video-audio doctor consultations, the electronic prescriptions are shared with the patients and sent directly to pharmacies for medication delivery, further contributing to the paper-less concept.

At eChannelling, we prioritise creating a paperless organisational culture within our internal processes and systems, in addition to focusing on external stakeholders; facilitating both a paperless work environment and the reduced use of paper by consumers.

Our communication, report generation and online service delivery systems are developed to support electronic processes, both internally and externally. This also indirectly helps reduce fuel usage, air pollution and carbon emissions, contributing to environment sustainability.

We have been able to successfully reduce our direct paper usage over the years, in our endeavour to

HIGHLIGHTS OF 2023

- Carried out communications with stakeholders - customers, suppliers and organisations through e-mails and SMS
- Shifted to generating digital invoices, debt notes, credit notes and memos
- Asserted the adoption of online payments
- Introduced the e-receipt system for doctor consultations

move towards complete paperless operations. All mandatory paper-based communications strictly adhere to guidelines such as 'print only when necessary and unavoidable' and 'print on both sides of the paper'.

Moreover, our business indirectly contributes to reducing paper usage by consumers and other stakeholders. Every consultation appointment made on our platforms, receives electronic notifications which has gone on to save an estimated 2 million worth of papers during 2023. eChannelling also facilitates the use of e-receipts at hospitals where physical documents such as physical bills, receipts and prescriptions have been converted to digital copies, leading to digitisation of 90% of our internal payment processes, significantly contributing to the reduction of the paper-trail.

Our value creation activities under natural capital are aligned with the UN's Sustainable Development Goals (SGD's) related to 'Responsible Consumption and Production' initiative. We endeavour to use natural resources in a sustainable manner, in our continuous effort to reduce waste generation, through reduction, recycling and reuse mechanisms. As a company, we remain committed to reducing our paper trail, advocating for a sustainable future for our community and our planet.

Fuel Usage

The eChannelling business model promotes reduced fuel consumption by encouraging individuals to schedule healthcare and lifestyle appointments through convenient digital platforms with internet access.

Our nature of service offerings- such as audio-video consultations, both locally and with a few specialist doctors residing overseas and direct delivery of medications has eliminated the need to travel, thereby curtailing fuel consumption.

The continuation of the hybrid work policy which came into place due to the pandemic, has indirectly contributed to decrease in fuel consumption, as weekly office commutes are no longer mandatory. However, as it is impractical to attempt such a calculation, it is difficult to quantify the exact reduction in fuel usage. Nonetheless

we believe that our business objectives and focused efforts towards sustainability have resulted in the reduced use of fuel by our customers over the years.

Managing the use of Electricity

Our business requires electricity to power devices such as computers, laptops, servers, data storage centers and lighting equipment and we source our electricity from the National Electricity Grid.

Key energy saving initiatives

- Switching off lights and air conditioners (AC) 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

We have implemented various processes and best practices, in our continuing efforts to conserve electricity, which includes low-energy consuming electronic devices, utilising cloud-based services to reduce the need for excessive data storage facilities and implementing energy-saving lighting and cooling

systems. As a result of these efforts, we witnessed a decrease in the overall energy usage at the head office during the year. With employees working from home several days a week, in line with our hybrid work policy, our electricity consumption was further reduced.

Waste Management

The company manages its waste by segregating it according to recyclable and non-recyclable materials and organic materials to ensure proper disposal of waste. We have also encouraged our employees to practice responsible waste disposal at home by separating organic waste from recyclables. The majority of the waste generated by the company is organic and paper based, which was minimal during the year.

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 adverse impact of plastic on the environment
- Encouraging employees to recycle waste such as paper and plastics

NATURAL CAPITAL

The company also generates e-waste in the form of printer toners, laptop batteries and used out-dated laptops, which are centrally collected and disposed of in line with national policy on Electric and Electronic Waste Management, in accordance with the National Environment Act (No. 47).

Emissions Reduction

As a virtually operated business, eChannelling promotes the reduction of emissions by limiting the need to travel to access healthcare and lifestyle needs. The services that we provide including virtual doctor consultations and eco-friendly foot-bike home delivery of medications also contributes to improved air quality and lower emissions. However, since emission reduction is not a direct benefit of our services, we currently lack a method to quantify the emissions saved over time.

Our initiatives reflect our commitment to aligning with UN Sustainable Development Goals, particularly its goal on Climate Action which urges us to take urgent action to combat climate change and its impacts on the wider environment.

WAY FORWARD



- We will optimise the use of natural resources, i.e energy and water, by investing in energy-efficient technologies, reducing water consumption and minimising waste generation.
- To reduce the carbon footprint, associated with our operations, transportation and packaging, we look towards switching to renewable energy sources, optimising transportation routes and promoting sustainable packaging solutions.
- We look towards implementing measures to ensure that our platform's impact on local biodiversity and ecosystems are minimal, re-reinforcing our commitment to supporting conservation initiatives.
- We also intend to collaborate with our suppliers to promote sustainable practices throughout the supply chain and support sustainability initiatives.



CORPORATE GOVERNANCE

Corporate governance recognises the importance of sound leadership and oversight to ensure accountability and transparency.

SUSTAINABILITY

Sustainability at eChannelling is not just a goal to be achieved but a journey towards a more harmonious and resilient future for humanity and the planet. It requires collective action, collaboration and innovation to overcome challenges and build a more sustainable world for present and future generations. Sustainability is embedded in our corporate ethos and we continuously work towards integrating sustainability into our core business functions to create long-term stakeholder value. As a future-ready company, we strive to preserve

and balance the needs of today considering the Environmental, Social and Governance (ESG) impacts of our decisions.

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 as having a direct or

indirect interest in or can influence or be impacted by our business activities.

Environmental, Social and Governance practices and metrics are entrenched in our business model and the United Nations Sustainable Development Goals form a blueprint in guiding, enhancing and strengthening our efforts towards achieving sustainable development. We have identified the SDGs most relevant to our business and those that have the greatest impact. By linking SDGs to our own strategy, we are able to make a significant contribution to the UN international development agenda. The following section highlights the progress we have made during the year 2023.

Our sustainability priorities



ENVIRONMENT

REDUCING CARBON EMISSIONS

CLIMATE POSITIVE INNOVATIONS

ENVIRONMENTAL CONSERVATION PROJECTS



SOCIAL

RESPONSIBLE BUSINESS PRACTICES

RISK MANAGEMENT AND COMPLIANCE



GOVERNANCE

DIVERSITY AND INCLUSION

TRAINING AND DEVELOPMENT

ACCESSIBILITY AND SERVICE ENHANCEMENTS

COMMUNITY UPLIFTMENT

Sustainability dashboard 2023

ENVIRONMENT

As a digital lifestyles solutions provider our impact on the environment through our core operations is minimal. Environmental sustainability encompasses the Company's carbon footprint, its handling of water and waste and the ecological impact of the services and products offered.

Reducing carbon emissions

PG 54

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

PG 52

- Paperless receipt system
- Running number system for doctor appointments



Environmental conservation projects

PG 53

- Garbage Separating projects (Garbage disposal has been separated into Food waste, Polythene & Degradable items – Papers etc)

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

PG 33

Our commitment to equal opportunity ensures that all individuals have an equal chance for employment opportunities and to be treated fairly and without bias in all aspects of employment, including recruitment, hiring, training, promotion, compensation and termination. Our non - discriminatory HR policies are aligned offer equal employment and leadership opportunities based on experience and skills.

Female representation- 2023	35%
Female representation in managerial positions	35%

SUSTAINABILITY

Training and development

Provide employees with the necessary knowledge, skills and competencies required to perform their roles effectively and efficiently.

PG 35



No. of training programmes conducted in 2023	16
Total number of employees trained	All ((Managerial – 8.5 hours & Executive 7 hours)

Accessibility and service enhancements

Sustainability at eChannelling encompasses social equity and justice and emphasises the importance of addressing systemic inequalities. We seek to empower marginalised communities and promote access to healthcare by 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.

PG 41



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.

PG 46



YouTube health awareness videos released	35
Health camps and promotion campaigns	05
Blog articles	20

GOVERNANCE

A well governed organisation contributes to a stable operating platform that positions us to meet our obligations towards our stakeholders.

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.

PG 70



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, maximise any potential opportunities arising from such risks events and mitigate and minimise the adverse effects stemming from those identified risks. We also ensure compliance with all applicable laws, regulations, directions and standards.

PG 60

WAY FORWARD



- The ESG landscape is rapidly evolving, driven by shifting societal expectations, regulatory developments and investor demands for greater transparency and accountability. Looking ahead, we aim to further integrate ESG factors into our investment decision-making as we work towards enhancing the healthcare services of our nation. By embracing ESG principles and embedding sustainability into our core business strategies, we aim to position ourselves for long-term success while contributing to positive environmental, social and governance outcomes for society as a whole.

RISK MANAGEMENT

eChannelling adopts an integrated governance, risk and compliance system to record and track risks and controls. We manage the risks and uncertainties inherent in the dynamic environment by reinventing our processes and systems in order to adapt to an ever changing complex and volatile landscape.

In this turbulent and unpredictable operating landscape, the Company has placed considerable emphasis on risk management to negate the unfavourable effects of converging risks. Determining the best trade-off between risk and return is vital towards gaining the trust of the stakeholders and enhancing the long-term value of the business. eChannelling's proactive and systematic risk management approach is guided by a clear policy framework, governance structure and reasonable levels of empowerment. This has played a significant role in ensuring the stability and uninterrupted flow of business operations while displaying resilient performance through a challenging year.

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 management framework

The risk management framework established at eChannelling sets out the processes and responsibilities for identifying, measuring, mitigating, monitoring and reporting risks. It ensures that the actions we take to achieve our strategic objectives fall within our appetite for risk, which is determined based on the level of risk that the Company is willing to accept in reaching its business objectives.

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 governance

The Board of Directors holds ultimate responsibility for identifying and managing the Group's risk exposures 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 of 03 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 quarterly with the Board Audit Committee which has ultimate oversight for the Company's risk management process.

Risk management process

The risk management process begins with identifying potential risks related to the business and involves engaging various stakeholders and

relevant business units. Once risks are identified, we assess their potential impact and likelihood of occurrence and prioritise these in order to take mitigating or preventive action.

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.

Risk management process



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

RISK MANAGEMENT



ECONOMIC RISKS			
STRATEGIC RISKS	Risk impact	Risk mitigation	Risk exposure Risk trend
	<p>Economic risks are ongoing risks that the Company faces mainly due to the nature of our business activities. Macro-economic conditions and levels of consumer spending are two key criteria that can adversely or positively affect the business outcomes of the Company</p>	<ul style="list-style-type: none"> Regular monitoring of economic indicators and changes in consumer spending patterns which form an important input in determining the service price and sale plan for the year. Continuous focus on process efficiencies and productivity improvements to mitigate cost increases in support services. Maintaining different pricing structures for consumers in the Greater Colombo area and those consumers in more remote geographic locations. Ensuring a widespread geographic reach by partnering with hospitals, clinics, pharmacies and agents across the island. Introducing new services to reach a wider target market and satisfy the price and convenience needs of various demographics in terms of customer convenience and purchasing power. 	<p>L</p> <p>↔</p>

COMPETITION RISK

Risk impact	Risk mitigation	Risk exposure	Risk trend
<p>The competitive advantage the Company has enjoyed as the pioneer in automating channelling services in the country has reduced over the last few years due to growing competition from new vendors providing channelling service. This situation has eroded the Company's overall market share while increasing marketing and promotional costs</p>	<ul style="list-style-type: none"> • Allocating resources to maintain industry positioning including the practice of the 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. 	L	

RISK MANAGEMENT

REPUTATIONAL RISK

Risk impact

Reputational risk relates to the Company's brand and service-related reputation from the perspective of our stakeholders. Adverse publicity or negative reviews 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.

Risk mitigation

- Engaging regularly with stakeholders to understand their concerns and offer them solutions.
- The Company has in place a grievance handling process for employees as well as customers.
- Ensuring any customer complaints are immediately and efficiently considered and action is taken to solve the issue in a mutually satisfactory manner.
- Engaging in brand building campaigns. Developing organisational policies and procedures and providing training to ensure all employees can act responsibly and behave appropriately in any situation

Risk exposure

L

Risk trend



INNOVATION RISK

Risk impact

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.

Risk mitigation

- 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 programmes 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.
- Obtaining professional advice from parent companies and other professional institutes when necessary.

Risk exposure

L

Risk trend



OPERATIONAL RISK				
OPERATIONAL RISKS	Risk impact	Risk mitigation	Risk exposure	Risk trend
		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

RISK MANAGEMENT

CREDIT RISK			
Risk impact	Risk mitigation	Risk exposure	Risk trend
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	

LIQUIDITY RISK

Risk impact	Risk mitigation	Risk exposure	Risk trend
Liquidity risk relates to the inability or difficulties the Company may face in meeting its financial obligations as they become due without affecting normal business operations.	<ul style="list-style-type: none">• The liquidity position of the Company is reviewed regularly.• The Company maintains good relationships with banks to enable meeting any short-term funding requirements.• Company cash reserves have been invested in short term fixed deposits and risk-free options.• Period review of and regular follow-up with trade debtors.• Strategically planning future funding requirements and utilisation of short-term borrowing facilities.• Ability to offer Company assets as collateral for future funding requirements.• Settling suppliers' payments on time without building up cumulative dues	L	

RISK MANAGEMENT

HUMAN RESOURCE RISK			
Risk impact	Risk mitigation	Risk exposure	Risk trend
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 programmes. Offering reasonable annual salary increments to employees by considering the cost of living and prevalent inflation rates in the country. 	M	
ENVIRONMENTAL RISK			
Risk impact	Risk mitigation	Risk exposure	Risk trend
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	

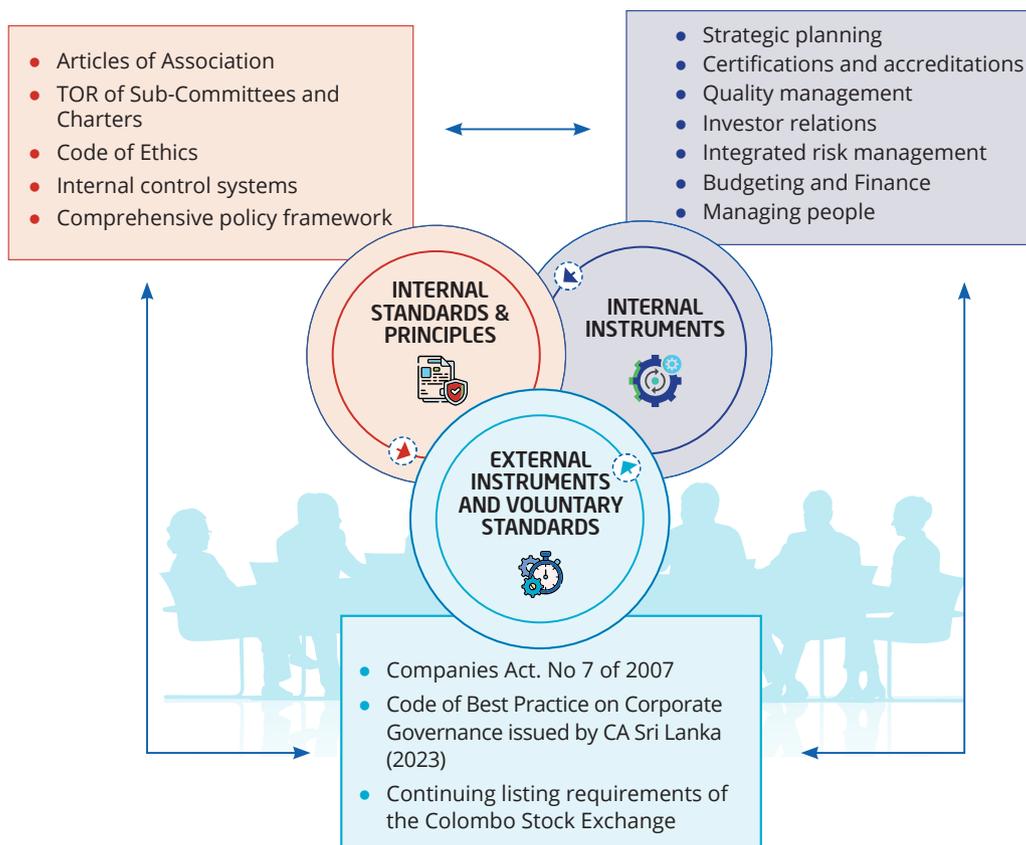
COMPLIANCE RISK	LEGAL RISK			
	Risk impact	Risk mitigation	Risk exposure	Risk trend
	Legal risk results from any adverse impact to the business from the legal or regulatory framework which governs the Company and its transactions with third parties. Legal risks relate not only to general laws and rules 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	
	REGULATORY RISK			
	Risk impact	Risk mitigation	Risk exposure	Risk trend
	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



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 of the Company	Terms of Reference of Sub-committee.
SEC regulations	Code of Ethics

THE COMPANY

A. DIRECTORS

Board composition and diversity

The Board of eChannelling PLC during the financial year 2023 comprised six Non - Executive Directors with two of them being Independent Directors.

As evident from the profiles of Board of Directors, eChannelling PLC's Board comprises of professionals as well as entrepreneurs who have many years of experience in the corporate sector. The Board gives leadership in setting the strategic direction and establishing a sound control framework and is accountable for the governance of the Company. The Board's composition during the year reflects a sound balance of independence and anchors shareholder commitment.

Name	Board Skills
Mr. Rohan Fernando	Marketing & General Management
Mr. Dallas Stephen	Marketing & Soft Skilled Development
Mr. Sampath Hettiarachchi	Finance & Risk Management
Mr. Lawrence Paratz	Engineering & General Management
Mr. Sudharshana Geeganage	Engineering & Finance Management
Mr. Lalith Seneviratne	Engineering & General Management

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

Role & Responsibilities of the Board

The Board is responsible for the formulation and implementation

of sound business strategies and 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

CORPORATE GOVERNANCE

- 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	2/2	-	-	-
Mr. Dallas Stephen	2/2	4/4	1/1	4/4
Mr. Sampath Hettiarachchi	1/2	4/4	1/1	4/4
Mr. Lawrence Paratz	2/2	-	-	-
Mr. Sudharshana Geeganage	2/2	4/4	-	4/4
Mr. Lalith Seneviratne	2/2	-	-	-

Board Sub-Committees

The Company's governance structure is strengthened with the Board Sub- Committees to fulfil regulatory requirements and to exercise better control over business operations. A formal Terms of Reference is in place for each of these committees and the appointees are experts in the respective areas of focus. Regular meetings are conducted to deliberate matters falling within their preview and observations and recommendations are reported to the Board on a regulator basis.

The composition and the functions of these sub-committees are discussed in detail under the relevant sub – committee reports.

Each committee is chaired by an Independent Non-Executive Director. The Committee's composition met the requirements of the Listing Rules of the Colombo Stock Exchange

The Nominations & Governance Committee was established in March 2024 in compliance with the revised Listing Rules of the CSE. The Committee seeks to ensure the succession of candidates to the Board and the Senior Management and also exercise oversight with respect of governance matters.

The Committee comprise the following Directors;

- Mr. Dallas Stephen, Chairman
- Mr. Sampath Hettiarachchi
- Mr. A K D D D Arandara
- Mr. Lawrence Paratz

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 supports the Chairman in the delivery of the agenda, in particular the planning of the Board and Committee meetings and ensures that information is made available to the Board members in a timely manner. The Company Secretary functions as the Secretary to all the Board Sub – Committees.

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.

Independent Directors

The Independent 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 Non-Executive Directors have submitted written Declarations of their independence as required by section 9.8.5 of the Listing rules.

Mr. Dallas Stephen and Mr. Sampath Hettiarachchi have served on the Board continually from September 2012 and May 2013 respectively. The Board recognises that these Directors have acted in an independent manner over the years bringing their independent judgement upon matters relating to the Board and its sub -committees. The Board is of the opinion that their independence is not compromised by serving on the Board for a period exceeding nine years from their appointment.

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 Meetings. 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.

Appointments to the Board

Appointments to the Board are 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

CORPORATE GOVERNANCE

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

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

Disclosure of Information in respect of Directors

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

B. DIRECTORS' REMUNERATION

Remuneration procedure

The Board has appointed a Remuneration Committee to make recommendation to the Board within

the agreed Terms of Reference, on the Company's remuneration to the Chairman and the Directors and to set guidelines for the remuneration of the management staff.

In terms of the Articles of the Company, the Board determines the fees payable to the Chairman and the Directors, based on the recommendation of the Remuneration Committee.

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. The Remuneration Committee Report is given on page 82 of this report.

C. RELATIONS WITH SHAREHOLDERS

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

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

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

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

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

Communication with Shareholders

The Company disseminates information pertaining to the performance of the Company through the publication of the Interim Financial Statements and

the Annual Report in a timely manner. An announcement is also made to the 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 & Directors, subsidiary companies or related parties except for those disclosed in Note 25 of the Financial Statements.

D. ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board recognises 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 8
- The Statement of Directors' Responsibility for Financial Reporting is given on page 85
- The Independent Auditors' Report on the Financial Statements of the Company for the year ended 31st December 2023 is given on page 93

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 Audit Committee review the reports arising from internal audits. The Director's Report on page 87 includes a declaration on compliance with laws and regulations, review of the internal controls covering risk management and

compliance controls and that they have obtained reasonable assurance of their effectiveness and compliance.

Audit Committee

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

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 Report is given on the pages 79 to 81 of this report.

Related Party Transactions Review Committee (RPT-RC)

The Board has established a RPT-RC to ensure that the interest of the Shareholders are taken into account when entering into related party transactions, enhance corporate transparency and promote fair transactions between the company and related parties.

CORPORATE GOVERNANCE

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

The RPT-RC Report is given on page 83 of this Report.

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

e-Channelling PLC is fully compliant with the requirements stipulated in the Listing Rules on “Corporate Governance” and the table set out in pages 70 to 78 describes the extent to which the Company adheres to the established principles and practices of good governance.

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 2023.

SHAREHOLDERS

E. INSTITUTIONAL & OTHER INVESTORS

Shareholders are provided sufficient financial information and other relevant information on the website of the Company to enable them to make decisions regarding their investments. Annual Reports are circulated to all registered shareholders within prescribed timelines. All shareholders are encouraged to participate at the AGM and vote on matters set before the shareholders.

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.

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

Section No.	CSE Rule	Degree of Compliance
7.10	Compliance Compliance with Corporate Governance Rules	eChannelling is in compliance with the Corporate Governance Rules issued by the CSE
7.10.1.	Non Executive Directors ("NED") Two or one third of the total no. of directors whichever is higher shall be NEDs.	Complied All the Directors are NEDs
7.10.2.	Independent Directors ("ID") Two or one third of the NEDs whichever is higher shall be independent Each NED should submit a declaration of his/her independence annually in the prescribed format	Complied The Board comprise of two Independent Directors as at 31st December 2023. All NEDs have submitted declarations confirming their independence/ non - independence.
7.10.3	Disclosure relating to Directors Disclose compliance with the following; <ul style="list-style-type: none"> - Annual Determination of Independence of Directors based on declaration by Directors. - If a Director does not qualify any independence criteria but is considered nevertheless independent by the Board, the criteria not met and the basis for such determination. - Brief resume of each Director including the nature of his/her expertise in relevant functional areas. 	Complied Declarations have been obtained from NEDs. Board has considered Mr Sampath Hettiarachchi and Mr Dallas Stephen as Independent. The Board is believes that their independence is not compromised by serving on the Board for a period exceeding nine years. Profiles of the Directors are provided on pages 10 to 12 of the Annual Report.
7.10.5	Remuneration Committee ("RC") Names of Directors comprising the Committee. Remuneration Policy Aggregate remuneration paid to executive and non - executive Directors	Complied. Details are given in the Remuneration Committee Report set out in page 82.

CORPORATE GOVERNANCE

Section No.	CSE Rule	Degree of Compliance
7.10.6	<p>Audit Committee ("RC")</p> <p>Names of Directors comprising the committee</p> <p>Determination of the independence of the auditors and basis of such determination</p> <p>Report by the Audit Committee, setting out the manner of Compliance by the Entity in relation to 7.10.6</p>	<p>Complied</p> <p>Details are given in the Audit Committee Report set out in page 79.</p>
9.3.2 (a) (b)	<p>Related Party Disclosures</p> <p>Non -recurrent RPT exceeding 10% of the Equity or 5% of the Total Assets, whichever is lower</p> <p>Recurrent RPT exceeding 10% of the gross revenue/income</p>	<p>Non -recurrent RPTs have not exceeded 10% of the equity or 5% of the total assets</p> <p>Details of Recurrent RPTs exceeding 10% of the gross revenue/ income is given in Note 25.7 of the Financial Statements.</p>
9.3.2 (c)	<p>RPT Review Committee Report</p> <p>Names of the Directors comprising the Committee</p> <p>Statement that committee has reviewed RPTs and communicated comments/observations to the Board.</p> <p>Policies and procedures adopted by the Committee</p> <p>Number of Committee Meetings</p>	<p>Complied</p> <p>Details are given in the RPT-Reivew commttee Report set out in page 83</p>
9.3.2 (d)	<p>Affirmative declaration by the Board of Directors on compliance with RPT rules or negative statement to that effect.</p>	<p>Complied</p> <p>Declaration is given in the Annual Report of the Board of Director on page 10 .</p>

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 2023, comprised following members;

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

The Committee was reconstituted in March 2024 with the appointment of Mr Dinesh Vidanapathirana as a member of the Committee, in place of Mr

Sudarshana Geeganage who resigned on 13th March 2024.

Brief profile of each member is given on pages 11 to 12 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 Listing Rules of the Colombo Stock Exchange.

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

Regular Attendees by Invitation.

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

Mr. Isuru Dissanayake
Senior General Manager

Mr. R P S P Randeni
Manager Finance

Ms. A P S Amarasinghe
Head - Information System

Charter of the Audit Committee.

The Audit Committee charter is periodically reviewed and revised if

required with the concurrence of the Board of Directors. In order to ensure that new developments relating to the function of the Committee are included. The Terms of Reference of the Committee are clearly defined in the charter of the Audit Committee.

Audit Committee Meetings

The Committee met 4 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, non-audit services and recommending to the Board on the reappointment of Auditors.

AUDIT COMMITTEE REPORT

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 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 recognised 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 60 to 69.

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.

The Committee obtains internal audit & risk assessment advisory services from the Group Internal Audit Division of Sri Lanka Telecom PLC & the Enterprise Risk & Information Security Division of Mobitel (Pvt) Ltd.

External Audit

The Committee held meetings with the External Auditors to review the nature, approach and scope of the audit and Audit Management Letter of the Company. The Audit Committee has reviewed the non-audit services provided by the External Auditors to the Company to ensure that their independence as Auditors has not been compromised. Further the Committee is involved in approving remuneration and terms of engagements of the external auditors.

The Committee 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 in 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

The 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

04 April 2024

REMUNERATION COMMITTEE REPORT

Purpose of the Committee

The Committee considers and recommend the Company's remuneration policy and the remuneration to be paid for Chairman and Non-Executive Directors. The Committee also approves the remuneration of the Senior Management on the recommendation made by the SGM and Management Committee.

Composition of the Remuneration Committee

The Committee, as at 31st December 2023, comprised following members;

Name	Category
Sampath Hettiarachchi (Chairman)	Independent Non-Executive Director
Dallas Stephen	Independent Non-Executive Director

Mr A.K.D.D.D Arandara was appointed as a member of the Committee with effect from 27th March 2024.

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

Senior General Manager / 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 complied 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 fees of the Chairman and Directors and ensuring that no Director is involved in setting his or her own remuneration.
- Formulating guidelines, policies and parameters for the compensation structures for all executive staff of the Company.
- Reviewing information related to executive pay from time to time to ensure same is in par with the market/industry rates.
- Evaluating the performance of each department against the predetermined targets & goals.
- Approving annual salary increments, bonus, commission structures and staff benefits etc.

Remuneration Policy

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 once 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 recommended the payment of the annual bonus and increment to the staff.

Aggregate Remuneration paid to 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

04 April 2024

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 2023, comprised following members;

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

Mr. Dinesh Widanapathirana was appointed as a member of the Committee with effect from 27th March 2024 in place of Mr Sudarshana Geeganage who resigned with effect from 13th March 2024.

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

Brief profiles of each member are given on pages 11 to 12 of this report.

The Company Secretary acts as the Secretary to the Related Party Transactions Review Committee. The meetings were attended by the 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 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 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.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

- 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.

Activities during the Year

During the year 2023, the Committee met 4 times and reviewed all the related part transactions and the nature of the such transactions at its meetings and communicated the observations and recommendations of the Committee to the Board of Directors.

The following types of related party transactions at Sri Lanka Telecom PLC and Mobitel (Pvt) Ltd were 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

Details of related party transaction entered into by the company during the year is disclosed in Note 25 to the Financial Statements.

Declaration

A declaration is given by the Board of a Directors in the Annual Report of the Board of Directors on page 89 on the compliance with regard to the Rules on Related Party Transaction set out in section 9.14 of the Listing Rules.

On behalf of the Related Party Transactions Review Committee.



Sampath Hettiarachchi
Chairman

04 April 2024

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 93 to 96

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 prevent and detect 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 External 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

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

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
e-Channelling PLC



Geredene Soares
Company Secretary

04 April 2024

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

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 2023. 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 ACTIVITIES OF THE COMPANY

The principal activity of the Company is providing digital lifestyle solution for healthcare and other industries in Sri Lanka where each stakeholder in those industries can be benefited. Under this mission, the main product of the Company is the software system which provides an efficient mechanism for channelling of medical practitioners. In addition, the Company provides 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 Manager Finance and signed by two Directors in compliance with sections 152, 153 and 168 of the Companies Act are given from pages 97 to 148 of this Report while the Auditor’s report on the Financial Statements of the Company are given from pages 93 to 96 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 page 103 to 118.

BOARD OF DIRECTORS

The names of the persons who held office as Directors of the Company during the financial year ended 31st December 2023 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

Messrs Rohan Fernando, Lalith Seneviratne and Sudarshana Geeganage have tendered their resignation from the Board with effect from 30th January 2024, 29th January 2024 and 13th March 2024 respectively.

Mr. A K D D D Arandara was appointed as a Non - Independent Non - Executive Director and Chairman of the Board of e-Channelling PLC with effect from 29th February 2024.

Dr. D M I S Dasanayake and Mr. Dinesh Vidanapathirana were appointed as Non – Independent Non -Executive Director of the Company with effect from 29th February 2024 and 27th March 2024 respectively.

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

Annual REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

Mr. Dallas Stephen 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.

Pursuant to section 211 of the Companies Act No.07 of 2007 an ordinary resolution will be put before the shareholders for the re-appointment of Mr. Lawrance Paratz notwithstanding the age limit of seventy years stipulated by section 210 of the Companies Act.

Mr. A K D D D Arandara, Dr. D M I S Dasanayake and Mr. Dinesh Vidanapathirana who were appointed to the Board subsequent to the previous Annual General Meeting retire in terms of Article 94 of the Articles of Association of the Company and being eligible offer themselves for 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
- Nominations & Governance 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 2023 is given in Note 07 to the Financial Statements as required by section 168 (1) (f) of the Companies Act.

DIRECTORS' INTEREST IN CONTRACTS

The Directors have no direct or indirect interest in any contracts or proposed contract with the Company for the financial year ended 31 December 2023, other than those disclosed on pages 138 to 139 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 authorised 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 members of the Board of Directors of the Company have been identified as Key Management Personnel. In accordance with the Related Party Transaction Policy, declarations are obtained from each Key Management Personnel of the Company for the purpose of identifying parties related to them in any Company where they hold office or ownership. Based on the information furnished in these declarations, the Company retrieves data on related party transactions from the database of the Company.

NON- RECURRENT RELATED PARTY TRANSACTIONS

There were no non-recurrent related party transactions where aggregate value exceeded 10% of the equity or 5% of the total assets of the Company, during the year ended 31st December 2023, which required disclosures in the 2023 Annual Report as required by Listing Rule 9.14.8 of the CSE.

RECURRENT RELATED PARTY TRANSACTIONS

Details of recurrent related party transactions of which aggregate value exceeds 10% of the gross revenue of the Company during the year ended 31st December 2023 is given below.

Name of Related Party	Relationship	Nature of the transaction	Aggregate values of the transactions entered into during the financial year	Aggregate value of Related Party transaction as a % of Gross Revenue/ income	Terms and conditions of the Related Party Transactions
Mobitel (Pvt) Ltd	Immediate parent	Database & System support	12.61%	34,208,166	Ordinary course of business

The Board of Directors has given the following statement in respect of the related party transaction.

The related party transactions of the Company during the financial year have been reviewed by the Related Party Transactions Review Committee and are in compliance with the Section 09 of the CSE Listing rules. Please refer page 83 for RPTRC report.

CORPORATE DONATIONS

The Company has not made any donations during the financial year for charitable or political purposes. (2022 – 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.

No. of shares held by the public	Float adjusted Market capitalisation	Public holding percentage	No of public shareholders
15,156,797	212,191,120	12.41%	2,176

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 2023 was LKR 93,758,316 divided 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 (i) (b) which requires a minimum public holding of 10%.

RESERVES

Retained earnings as at 31st December 2023 amounted to LKR 348,730,712- (2022 – LKR 306,841,467). The movements are 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.

Annual REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

GOING CONCERN

The Board having considered the financial position, operating conditions, regulatory and other factors and such matters required to be addressed in the Corporate Governance Code, have a reasonable expectation that the Company possesses adequate resources to continue its operations for the foreseeable future. For this reason, the Company continues to adopt the 'Going Concern basis' in preparing the Financial Statements.

EMPLOYMENT POLICIES

The Company identifies Human Resource as one of the most important factors contributing to the continuation and growth of the Company in the current competitive business environment. The Company while appreciating and valuing the service of the employees make a greater effort to hire the best talent from external sources to maintain and improve the high quality of 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.

MATERIAL FORESEEABLE RISK FACTORS

Information pertaining to material foreseeable risk factors are discussed on pages 60 to 69 of this annual report.

STATUTORY PAYMENTS

The Directors to the best of their knowledge and belief are satisfied that all statutory payments in relation to the Government and the employees have been paid or provided for in the Financial Statements.

COMPLIANCE WITH LAWS AND REGULATIONS

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 Continuing Listing requirements 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 2023.

AUDITORS

The Financial Statements for the period ended 31st December 2023 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:

	2023	2022
	LKR	LKR
Audit Fees	725,000	725,000
Non – Audit Fees	158,364	158,364

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 14th May 2024 at the “Ruby.” of the Bandaranaike Memorial International Conference Hall (BMICH), Buddhaloka Mawatha, Colombo 07. The Notice of the Annual General Meeting appears on page 154 of the Annual Report.

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



A K D D Arandara
Chairman



Sampath Hettiarachchi
Director



Geredene Soares
Company Secretary

04 April 2024



FINANCIAL STATEMENTS

We are committed to deliver sustainable value for our stakeholders. Our consistent performance ensures that value is preserved thereby safeguarding the future.

INDEPENDENT AUDITOR'S REPORT



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TO THE SHAREHOLDERS OF E-CHANNELLING PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of e-Channelling PLC ("the Company"), which comprise the statement of financial position as at December 31, 2023 and the statement of profit and 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 material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of

the financial position of the Company as at December 31, 2023 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 for professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit

evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

KPMG, a Sri Lankan Partnership and a member firm of the KPMG 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. Abeyratne FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. F.M.K. Sumanasekara FCA

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

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

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

INDEPENDENT AUDITOR'S REPORT



Revenue recognition	
Refer Note 4.1 and Note 5 to the financial statements.	
Risk Description	Our Responses
Revenue is recognized predominately from the operational system of e-Channelling. 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 completeness, existence and accuracy of revenue, is considered as a key audit matter because of the inherent risks involved in revenue and the significant reliance on the e-Channeling operational system.	<p>Our audit procedures included;</p> <ul style="list-style-type: none"> ● Involving our internal IT specialists, in obtaining an understanding and evaluating the design, implementation and operating effectiveness of key internal controls over the capturing and recording of e-Channelling transactions in the system. ● Assessed the precision of data input, extraction and data integrity in the reports generated by the operational system. ● Comparing the monthly manual journal entries relating to the aggregate revenue balance recorded in the accounting system with reports generated by the operational system.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

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

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



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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

INDEPENDENT AUDITOR'S REPORT



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 relevant ethical requirements 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, actions taken to eliminate threats or safeguards applied.

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.

A handwritten signature in black ink, appearing to be 'K. Kumara', written over a light blue background.

Chartered Accountants
Colombo, Sri Lanka

04 April 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31st December	Note	2023 Rs.	2022 Rs.
Revenue	5.	271,193,906	221,542,340
Cost of sales		(64,209,473)	(52,602,488)
Gross Profit		206,984,433	168,939,852
Other income	6.	502,875	2,363,297
Administrative expenses		(168,512,033)	(106,772,364)
Selling and distribution expenses		(23,190,373)	(20,050,020)
Operating profit		15,784,902	44,480,765
Finance Income	8.1	44,141,063	36,066,781
Finance Expenses	8.2	(384,233)	(1,027,868)
Net finance income	8.	43,756,830	35,038,913
Profit before tax	7.	59,541,732	79,519,678
Income tax expense	9.	(15,715,121)	(14,000,087)
Profit for the year		43,826,611	65,519,591
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit liability	21.3	(2,767,665)	2,124,009
Related tax	14.1	830,299	(637,203)
Equity Investment at FVOCI-net change in Fair Value		(170,553)	239,472
Other Comprehensive income for the year, net of tax		(2,107,919)	1,726,278
Total Comprehensive income for the year		41,718,692	67,245,869
Earnings Per Share	10.	0.36	0.54

The Accounting Policies and Notes on pages 103 to 148 form an integral part of the Financial Statements.

Figures in brackets indicate deductions.

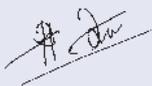
STATEMENT OF FINANCIAL POSITION

As at 31st December,	Note	2023 Rs.	2022 Rs.
ASSETS			
Non Current Assets			
Property, plant & equipment	11.	2,492,970	5,133,284
Right-of-use assets	12.	-	5,214,875
Intangible assets	13.	3,534,526	4,350,454
Deferred tax assets	14.	8,092,564	8,635,571
Equity Investments at FVOCI	17.	2,175,670	2,345,491
Total Non Current Assets		16,295,730	25,679,675
Current Assets			
Inventories		288,465	288,465
Trade and other receivables	15.	179,801,680	156,365,911
Amounts due from related parties	25.2	64,125,164	81,491,464
Short term investments	16.	305,455,480	278,631,182
Cash & cash equivalents	18.	22,534,598	12,450,726
Total Current Assets		572,205,387	529,227,748
Total Assets		588,501,117	554,907,423
EQUITY AND LIABILITIES			
Equity			
Stated capital	19.	93,758,316	93,758,316
Retained earnings		348,730,712	306,841,467
Fair Value Reserve	20.	606,128	776,681
Total Equity		443,095,156	401,376,464

As at 31st December,	Note	2023 Rs.	2022 Rs.
Non Current Liabilities			
Retirement Benefit Obligations	21.	11,218,981	7,606,004
Total Non Current Liabilities		11,218,981	7,606,004
Current Liabilities			
Trade and other payables	23.	89,100,213	107,855,483
Lease liabilities	22.	1,488,321	11,457,618
Amounts due to related parties	25.3	36,041,242	14,825,508
Current tax liabilities	24.	4,589,930	10,335,569
Bank overdraft	18.	2,967,274	1,450,777
Total Current Liabilities		134,186,980	145,924,955
Total Liabilities		145,405,961	153,530,959
Total Equity & Liabilities		588,501,117	554,907,423

The notes to the Financial Statements on pages 103 to 148 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.



R P S Randeni

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



A K D D D Arandara

Chairman



S A Hettiarachchi

Director

04 April 2024
Colombo

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31st December	Note	Stated Capital Rs.	Fair Value Reserve Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01st January 2022		93,758,316	537,209	250,658,530	344,954,055
Surcharge tax		-	-	(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		-	239,472	-	239,472
Balance as at 31st December 2022		93,758,316	776,681	306,841,467	401,376,464
Balance as at 01st January 2023		93,758,316	776,681	306,841,467	401,376,464
Total Comprehensive income for the year					
Profit for the year		-	-	43,826,611	43,826,611
Other comprehensive income					
- Actuarial loss arising from defined benefit obligation, net of tax		-	-	(1,937,366)	(1,937,366)
- Fair value gain of investments valued at FVTOCI	17.	-	(170,553)	-	(170,553)
Balance as at 31st December 2023		93,758,316	606,128	348,730,712	443,095,156

The Accounting Policies and Notes on pages 103 to 148 form an integral part of the Financial Statements.

Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

For the Year Ended 31st December	Note	2023 Rs.	2022 Rs.
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		59,541,732	79,519,678
Adjustments for :			
Depreciation on property, plant equipment	11.	3,751,714	3,977,646
Ammortization of right-of-use asset	12.	5,214,875	5,214,875
Amortization on intangible assets	13.	2,368,928	2,359,695
Provision for employee benefits excluding actuarial gain/(loss)	21.	2,384,229	2,324,833
Interest income	8.1	(44,141,063)	(36,066,781)
Interest expense	8.2	384,233	1,027,868
Gain from derecognition of ROU assets/ PPE	6.	-	(2,097,659)
Provision for impairment of Advance, prepayments and other receivables	15.2	-	390,167
Provision for impairment of bad & doubtful debts	15.1	606,569	379,963
Dividend Received	17.	(732)	-
Operating Profit before Working Capital Changes		30,110,485	57,030,285
(Increase)/decrease in inventories		-	3,560
Increase in trade & other receivable		(24,042,338)	(77,185,480)
(Increase)/decrease in related party receivable		17,366,300	(38,293,650)
Increase in related party payable		21,215,734	14,538,521
Increase/(decrease) in trade & other payables		(18,755,270)	16,056,436
Cash Generated/ (Used in) From Operations		25,894,911	(27,850,328)
Income tax paid	24.	(20,087,454)	(14,382,307)
Surcharge tax paid	9.4	-	(10,823,460)
Employee benefits paid	21.	(1,538,917)	(1,194,291)
Net Cash Generated/ (Used in) From Operations From Operating Activities		4,268,540	(54,250,386)

STATEMENT OF CASH FLOWS

For the Year Ended 31st December	Note	2023 Rs.	2022 Rs.
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property plant and equipment	11.	(1,111,400)	(6,609,750)
Acquisition of intangible assets	13.	(1,553,000)	(3,489,893)
Investment in Fixed Deposits	16.	(15,344,142)	-
Interest income received		32,660,907	2,086,512
Net Cash Generated/ (Used in) From Investing Activities		14,652,365	(8,013,131)
CASH FLOW FROM FINANCE ACTIVITIES			
Lease rental	22.	(10,353,530)	(3,063,744)
Net Cash Used in Finance Activities		(10,353,530)	(3,063,744)
Net Increase/(Decrease) in Cash and Cash Equivalents		8,567,375	(65,327,261)
Cash & cash equivalents at beginning of the year		10,999,949	76,327,210
Cash and Cash Equivalents at the end of the year	18.	19,567,324	10,999,949
Analysis of Cash and Cash Equivalents			
Cash at bank		22,435,313	12,394,648
Cash in hand		99,285	56,078
Bank Overdraft		(2,967,274)	(1,450,777)
	18.	19,567,324	10,999,949

The Accounting Policies and Notes on pages 103 to 148 form an integral part of the Financial Statements.

Figures in brackets indicate deductions.

NOTES TO THE FINANCIAL STATEMENTS

1. Reporting entity

1.1 Corporate Information

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

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

1.3 Parent 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 2023 is 34 (2022- 34).

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 2023 were authorized for issue in accordance with a resolution of the Board of Directors on 22nd March 2024.

2. Basis of preparation

2.1 Statement of compliance

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

of Cash Flows together with the significant accounting policies and notes to the Financial Statements.

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

2.2 Basis of measurement

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

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

NOTES TO THE FINANCIAL STATEMENTS

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

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

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

Information about assumptions and estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the

Financial Statements is included in the following notes:

Note 14 - Deferred taxation

Note 15 - Impairment of trade receivables

Note 21 - Employee benefit obligations

Note 29 - Recognition and Measurement of provisions and Contingencies

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.

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 Standard.

3. Material 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.

In addition, the Company adopted disclosure of accounting policy (amendments to LKAS 01 and IFRS practice statement 2) from January 2023. The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendment did not result in any changes to the accounting policies themselves.

3.1 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.

3.1.1 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

NOTES TO THE FINANCIAL STATEMENTS

of the asset and cost incurred subsequently to add to, replace part of, or service it. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use and the costs of dismantling and removing the items and restoring the site on which they are located.

Subsequent costs

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

De-recognition

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

When replacement costs are recognized in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost is derecognized.

Depreciation

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

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

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.

3.1.2 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	03 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.

3.1.3 Leases

3.1.3.1 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;

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- 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.

3.1.3.2 Subsequent measurement

Right of use asset

The right-of-use asset is subsequently amortised 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.

3.1.3.3 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's Policy is 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.

3.1.4 Financial Instruments

3.1.4.1 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.

3.1.4.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI - debt

investment; FVOCI - equity investment; or FVTPL.

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

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

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

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

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Financial assets - Business model assessment:

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed

and information is provided to management. The information considered includes:

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

NOTES TO THE FINANCIAL STATEMENTS

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

The Company had no financial assets held outside trading business models that failed the SPPI test.

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.

3.1.4.3 Derecognition

Financial assets

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

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

Financial liabilities

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

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

3.1.4.4 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.

NOTES TO THE FINANCIAL STATEMENTS

3.1.4.5 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 reorganisation; or
- the disappearance of an active market for a security because of financial difficulties

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at 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.

3.2 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and bank 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.

3.3 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.

3.3.1 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.

3.4 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

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further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the statement of profit or loss in the periods during which services are rendered by employees.

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund

Contributions in accordance with the respective statutes and regulations.

Employees' Provident Fund

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

Employees' Trust Fund

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

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

b) Defined benefit plans - retiring gratuity

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

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

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

the defined benefit liability during the period as a result of benefit payments. Interest expense and other expenses related to defined 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 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 Company 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.

3.5 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 its main revenue from customers as and when the channeling appointments are booked.

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. Additionally, provisions have also been made for impairment of

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financial assets, all known liabilities and depreciation on property, plant and equipment.

Expenditure incurred for the purpose of acquiring, expanding or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

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

4.4.2 Financing Costs

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

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance

income or finance cost depending on whether foreign currency movement are in a net gain or net loss position.

4.5 Income tax

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

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes and therefore accounted for them under LKAS 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 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 temporarily differences to the extent that it is probable that the future taxable profits will be available against which they can be utilised. 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 repayable 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

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recognized because it is not probable that an outflow of resources will be required to settle the obligation.

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

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

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

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

A number of new standards are effective for annual periods beginning on or after 1st January 2024 and earlier application is permitted. However, the Company has not early adopted the new or amended standards in preparing these financial statements.

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

The amendments, as issued in 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 1st 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 1st 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.

B. Supplier Finance Arrangements (Amendments to LKAS 7 and SLFRS 7)

The amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk. The amendments apply for annual periods beginning on or after 1 January 2024.

c. Other accounting standards

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

- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Lack of Exchangeability (Amendments to IAS 21)

For the Year Ended 31st December		2023 Rs.	2022 Rs.
5.	REVENUE		
	Revenue from Contracts with Customers		
	Revenue from portals	187,723,665	141,292,652
	Revenue from no-show refund	32,096,043	35,323,387
	Revenue from Other Sources		
	Call charges income	1,568,390	1,469,345
	Revenue from membership cards	1,414,938	1,449,265
	Network commission income	6,184,600	6,198,124
	Other revenue	42,206,270	35,809,567
	Total Revenue	271,193,906	221,542,340
	Other revenue mainly consists with revenue from foreign ministry bookings amounting to Rs. 24,173,317/- (2022 - Rs. 6,828,282) and revenue from NTMI bookings amounting to Rs. 14,614,699/- (2022- Rs. 20,804,890).		
5.1	Timing of Revenue Recognition		
	Products & services transferred at a point in time	271,193,906	221,542,340
	Total Revenue	271,193,906	221,542,340
5.2	Primary geographical markets		
	Sri Lanka	271,193,906	221,542,340
	Total Revenue	271,193,906	221,542,340
6.	OTHER INCOME		
	Gain from derecognition of ROU assets	-	2,097,659
	Sundry income	502,875	265,638
		502,875	2,363,297

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For the Year Ended 31st December		2023	2022
		Rs.	Rs.
7.	PROFIT BEFORE TAX		
	The Profit before taxation is stated after charging all the expenses including the following:		
	Directors' remuneration	2,800,000	2,580,000
	Auditors' remuneration - Audit services	725,000	725,000
	Depreciation of Property Plant and Equipment	3,751,714	3,977,646
	Amortization of intangible assets	2,368,928	2,359,695
	Amortization of ROU assets	5,214,876	5,214,875
	Staff cost (Note 7.1)	53,615,035	47,152,464
7.1	Staff cost		
	Salary related expenses	44,065,565	38,332,910
	Defined contribution plan - EPF	5,971,033	5,412,251
	Defined contribution plan - ETF	1,194,208	1,082,450
	Defined benefit plans	2,384,229	2,324,833
		53,615,035	47,152,464
8.	NET FINANCE INCOME		
8.1	Finance Income		
	Interest income from short term investments	41,484,818	33,976,031
	Interest income from saving accounts	2,656,245	2,090,750
		44,141,063	36,066,781
8.2	Finance Expense		
	ROU assets lease interest expense	(384,233)	(1,027,868)
		(384,233)	(1,027,868)
	Net Finance Income	43,756,830	35,038,913

For the Year Ended 31st December		2023	2022
		Rs.	Rs.
9.	INCOME TAX EXPENSE		
9.1	Income tax expense recognised in the Income Statement		
	Current income tax expense (Note 9.3)	17,063,328	18,576,214
	(Over) provision in respect of previous years	(2,721,513)	(1,977,953)
	Total Current income tax expense	14,341,815	16,598,261
	Origination/(Reversal) of deferred tax (Note 14.1)	1,373,306	(929,524)
	Effect of change in tax rate (Note 14)	-	(1,668,650)
	Tax expense on Profit or Loss	15,715,121	14,000,087
	Deferred tax on Other Comprehensive Income (Note 14.1)	(830,299)	637,203
	Tax expense on Total Comprehensive Income	14,884,822	14,637,290

9.2 Income tax provisions applicable

In accordance with the provisions of the Inland Revenue (Amendment) Act No 45 of 2022, the Company is liable for Income Tax at the rate of 30% on its taxable income.

For the Year Ended 31st December		2023	2022
		Rs.	Rs.
9.3	Reconciliation Between Accounting Profit to Income Tax Expense		
	Accounting profit before tax	59,541,732	79,519,678
	Aggregate disallowed expenses	17,677,564	15,812,120
	Aggregate allowable expenses	(20,341,535)	(23,459,938)
	Total taxable income	56,877,761	71,871,860
	Income tax for the year @ 24%	-	11,941,348
	Income tax for the year @ 30%	17,063,328	6,634,866
	Total Income Tax Expense for the year	17,063,328	18,576,214

NOTES TO THE FINANCIAL STATEMENTS

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	2023 Rs.	2022 Rs.
Profit attributable to equity holders of the Company (Rs.)	43,826,611	65,519,591
Weighted average number of ordinary shares	122,131,415	122,131,415
Earnings per share (Rs.)	0.36	0.54

10.1 Diluted Earning per Share

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

11. PROPERTY, PLANT & EQUIPMENT

	Computer Equipment Rs.	Computer Servers Rs.	Furniture & Fittings Rs.	Office Equipment Rs.	Total Rs.
COST					
Balance as at 1st January 2022	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
Balance as at 1st January 2023	37,555,749	41,426,759	6,315,137	2,185,366	87,483,011
Additions during the year	1,034,500	-	-	76,900	1,111,400
Balance as at 31st December 2023	38,590,249	41,426,759	6,315,137	2,262,266	88,594,411
ACCUMULATED DEPRECIATION					
Balance as at 1st January 2022	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
Balance as at 1st January 2023	32,455,260	41,426,759	6,282,342	2,185,366	82,349,727
Charge for the year	3,717,339	-	32,795	1,580	3,751,714
Balance as at 31st December 2023	36,172,599	41,426,759	6,315,137	2,186,946	86,101,441
CARRYING AMOUNT					
Balance as at 31st December 2023	2,417,650	-	-	75,320	2,492,970
Balance as at 31st December 2022	5,100,489	-	32,795	-	5,133,284

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 2023 (2022 – 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	2023 Rs.	2022 Rs.
Computer Equipment	30,945,999	30,415,499
Computer Servers	41,426,759	41,426,759
Furniture & Fittings	6,315,137	6,140,383
Office Equipment	2,185,366	2,185,366
	80,873,261	80,168,007

(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. 1,111,400/- (2022- Rs.6,609,750/-) by means of cash.

12. RIGHT-OF-USE ASSET

As at 31st December	2023 Rs.	2022 Rs.
Cost		
Balance at the beginning of the year	10,429,750	13,256,747
Added during the year	-	10,429,750
Derecognition of Leasehold assets	-	(13,256,747)
Balance at the end of the year	10,429,750	10,429,750
Accumulated Amortization		
Balance at the beginning of the year	5,214,875	8,119,800
Amortization charge for the year	5,214,875	5,214,875
Write off of accumulated amortization of leasehold assets	-	(8,119,800)
Balance at the end of the year	10,429,750	5,214,875
Carrying Amount	-	5,214,875

The Company has entered into a lease for the land and building which is located in, W.A.D.Ramanayake Mawatha,Colombo 02, with Mobitel (Pvt) Ltd for 02 years period from 01st January 2022 to 31st December 2023. The aforementioned lease agreement reached its termination after the agreed tenure.

NOTES TO THE FINANCIAL STATEMENTS

13. INTANGIBLE ASSETS

As at 31st December	2023 Rs.	2022 Rs.
Cost		
Balance at the beginning of the year	31,001,374	27,511,481
Additions during the year	1,553,000	3,489,893
Balance at the end of the year	32,554,374	31,001,374
Accumulated Amortization		
Balance at the beginning of the year	26,650,920	24,291,225
Charge for the year	2,368,928	2,359,695
Balance at the end of the year	29,019,848	26,650,920
Carrying Amount	3,534,526	4,350,454

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

(a) Fully amortized intangible assets 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	2023 Rs.	2022 Rs.
Software License	14,309,720	12,369,720
Hospital-net Software	10,804,944	10,804,944
	25,114,664	23,174,664

(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.

14. DEFERRED TAX ASSET

As at 31st December		2023	2022
		Rs.	Rs.
	Balance at the beginning of the year	8,635,571	6,674,600
	(Provision)/Reversal during the year (Note 14.1)	(543,007)	292,321
	Effect of change in tax rates	-	1,668,650
	Balance at the end of the year	8,092,564	8,635,571
14.1	(Provision)/Reversal for the year		
	(Provision)/Reversal during the year recognized in Profit or Loss	(1,373,306)	929,524
	(Provision)/Reversal during the year recognized in Other Comprehensive Income	830,299	(637,203)
		(543,007)	292,321

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	2023		2022	
	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	7,476,866	2,243,060	8,752,004	2,625,601
Impairment on Trade Receivables	3,480,880	1,044,264	2,874,318	862,295
Retirement Benefits Obligation	11,218,981	3,365,694	7,606,003	2,281,801
Impairment on Advances	3,310,167	993,050	3,310,167	993,050
Rou Assets	-	-	(5,214,875)	(1,564,463)
Lease liability	1,488,321	446,496	11,457,618	3,437,287
Net Deferred Tax Asset	26,975,215	8,092,564	28,785,233	8,635,571

"Deferred tax is provided using the liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes based on the provision of the Inland Revenue Amendment act no 45 of 2022. The deferred tax asset is calculated at the rate of 30% (2022- 30%) for the Company as at 31st December 2023.

15. TRADE & OTHER RECEIVABLES

As at 31st December	2023 Rs.	2022 Rs.
Trade receivable	159,851,475	141,251,580
Provision for impairment of trade receivable (Note 15.1)	(3,480,887)	(2,874,318)
	156,370,588	138,377,262
Advance, prepayments and other receivables (Note 15.2)	23,431,092	17,988,649
	179,801,680	156,365,911

As at 31st December		2023	2022
		Rs.	Rs.
15.1	Movement in provision for impairment of trade receivable		
	Balance at the beginning of the year	2,874,318	2,494,355
	Provision/(Reversals) during the year	606,569	379,963
	Balance at the end of the year	3,480,887	2,874,318
15.2	Advance, prepayments and other receivables		
	Advance, prepayments and other receivables	26,741,259	21,298,816
	Provision for impairment	(3,310,167)	(3,310,167)
	Balance at the end of the year	23,431,092	17,988,649
16.	SHORT TERM INVESTMENTS		
	Balance as at 1st January	263,028,442	241,138,022
	Net Additions During the year	15,344,142	-
	Interest Capitalized during the year	23,101,965	21,890,420
	Balance as at 31st December	301,474,549	263,028,442
	Interest Receivable as at 31st December	3,980,931	15,602,740
	Total Investment in Fixed Deposits as at 31st December	305,455,480	278,631,182

NOTES TO THE FINANCIAL STATEMENTS

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 2023			31st December 2022		
	No of shares	Cost (Rs)	Market Value (Rs)	No of shares	Cost (Rs)	Market Value (Rs)
Citrus Leisure PLC	31,200	944,741	174,720	31,200	944,741	187,200
Taj Lanka Hotels PLC	10,000	606,702	190,000	10,000	606,702	164,000
Blue Diamonds Jewellery Worldwide PLC	700	2,372	210	700	2,372	630
Serendib Hotels PLC (Voting)	7	162	88	7	162	57
Serendib Hotels PLC (Non Voting)	93	1,628	865	93	1,628	465
York Arcade Holdings PLC	10	3,847	1,510	10	3,847	1,260
Lanka Century Investment PLC (Ambeon Holding)	100	7,100	3,450	100	7,100	3,530
Nations Trust Bank PLC	116	8,100	12,470	110	8,100	5,082
Seylan Bank PLC (Non Voting)	124	7,500	5,444	119	7,500	3,760
Renuka Capital PLC	1,149	11,396	9,307	1,128	11,396	8,009
Lankem Developments PLC	100	59	1,800	100	59	3,150
Hikkaduwa Beach Resorts PLC	20	20	104	20	20	100
Lake House Printers and Publishers PLC	10,697	1,093,983	1,775,702	10,697	1,093,983	1,968,248
	54,316	2,687,610	2,175,670	54,284	2,687,610	2,345,491

No strategic investments were disposed of during the year 2023 and there were no transfers to any cumulative gain or loss within the equity relating to these investments.

The Company has received a scrip dividend of shares amounting to Rs.732/- for the year ended 31st December 2023.

18. CASH & CASH EQUIVALENTS

	2023	2022
	Rs.	Rs.
Cash at bank	22,435,313	12,394,648
Cash in hand	99,285	56,078
	22,534,598	12,450,726
Bank Overdraft	(2,967,274)	(1,450,777)
Cash and cash equivalents for the purpose of statement of cashflows	19,567,324	10,999,949

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.

	2023	2022
	Rs.	Rs.
Balance as at 1st January	776,681	537,209
Changes in fair value during the year	(170,553)	239,472
Balance as at 31st December	606,128	776,681

NOTES TO THE FINANCIAL STATEMENTS

	2023 Rs.	2022 Rs.
21. RETIREMENT BENEFIT OBLIGATIONS		
21.1 Movement in the present value of the defined benefit obligation		
Balance as at 1st January	7,606,004	8,599,471
Actuarial loss/(gain) during the year	2,767,665	(2,124,009)
Current service costs	1,452,071	962,853
Interest cost	932,158	1,361,980
Payments during the year	(1,538,917)	(1,194,291)
Balance as at 31st December	11,218,981	7,606,004
21.2 Recognized in the Statement of Profit or Loss		
Current service cost	1,452,071	962,853
Interest cost	932,158	1,361,980
	2,384,229	2,324,833
21.3 Recognized in Other Comprehensive Income		
Actuarial loss/(gain) during the year	2,767,665	(2,124,009)
	2,767,665	(2,124,009)

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 2023 in respect of following companies are stated below.

	2023	2022
Discount Rate	14%	18.2%
Rate of Salary Increment	10%	15.0%
Staff Turnover Factor	18%	25.00%
Retirement age	60 years	60 years
Weighted Average Duration Retirement benefit obligation	4.64 years	5.5 years

21. RETIREMENT BENEFIT OBLIGATIONS (CONTD.)

A long term treasury bond rate 14% p.a (2022-18%) was used to discount future liabilities taking into consideration remaining working life of employees.

21.4 Sensitivity of assumptions used

The Sensitivity analysis shown below are the reasonable 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.

	2023 Rs.	2022 Rs.
Increase /(decrease) in discount rate		
+1%	(513,443)	(394,910)
-1%	542,957	420,217
Increase /(decrease) in salary increment rate		
+1%	558,059	448,391
-1%	(536,319)	(427,140)

NOTES TO THE FINANCIAL STATEMENTS

	2023 Rs.	2022 Rs.
22. LEASE LIABILITY		
Balance as at 1st January	11,457,618	10,298,350
Derecognition of Leasehold liability	-	(7,234,606)
Lease payments	(10,353,530)	(3,063,744)
Remeasured Liability during the year	-	10,429,750
Interest cost during the year	384,233	1,027,868
Balance as at 31st December	1,488,321	11,457,618
Balance due within one year	1,488,321	11,457,618
	1,488,321	11,457,618
(a) Amount recognized in profit or loss		
Depreciation on right-of-use asset	5,214,875	5,214,875
Interest on lease liabilities	384,233	1,027,868
	5,599,108	6,242,743
(b) Amount recognized in statement of cashflows		
Cash outflow for lease	(10,353,530)	(3,063,744)
Total cash outflow for lease	(10,353,530)	(3,063,744)
The following table sets out a maturity analysis lease payments showing the undiscount lease payment after the reporting date.		
Less Than One Year	1,488,321	11,841,850
	1,488,321	11,841,850

	2023	2022
	Rs.	Rs.
23. TRADE & OTHER PAYABLES		
Trade payables	54,833,488	79,089,017
Deferred revenue	709,562	4,066,127
Accrued expenses	33,557,163	24,700,339
	89,100,213	107,855,483
24. CURRENT TAX PAYABLES		
Balance as at 1st January	10,335,569	8,119,615
Income Tax Provision for the year	17,063,328	18,576,214
Over provision in previous years	(2,721,513)	(1,977,953)
Payments made during the year	(20,087,454)	(14,382,307)
Balance as at 31st December	4,589,930	10,335,569

NOTES TO THE FINANCIAL STATEMENTS

25. RELATED PARTY DISCLOSURE

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

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

25.1 Parent and Ultimate Controlling Party

Mobitel Private Limited is the parent Company of eChannelling PLC. Sri Lanka Telecom PLC is the ultimate Parent of the Company. The amounts receivable from or payable to related parties as at 31st December 2023, are disclosed below,

	2023 Rs.	2022 Rs.
25.2 Amounts due from related parties		
Mobitel Private Limited	49,528,512	64,833,841
Sri Lanka Telecom PLC	14,596,652	16,657,623
	64,125,164	81,491,464
25.3 Amounts due to related parties		
Sri Lanka Telecom PLC	1,135,732	246,505
Mobitel Private Limited	34,905,510	14,579,003
	36,041,242	14,825,508

25.4 Transactions with related entities

Name of the Related Party	Relationship	Nature of Transaction	2023 Rs.	2022 Rs.
Mobitel Private Limited	Immediate parent	Mobile charges	396,887	684,001
		Call Charges Income	1,156,724	1,542,760
		Office maintenance	674,705	674,705
		Building Rent	5,953,281	5,953,281
		Database & System support	34,208,166	-
Sri Lanka Telecom PLC	Ultimate parent	IDC Payments	2,224,971	2,260,619
		Telephone charges	103,065	129,244

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.

NOTES TO THE FINANCIAL STATEMENTS

25.7 Recurrent Related Party Transactions

There was a recurrent related party transaction of database & system support with Mobitel Private Limited, which in aggregate value exceeded 10% of the gross revenue of the Company as per 31st December 2023 audited financial statements, which required additional disclosures in the 2023 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.

Name of the Related Party	Relationship	Nature of Transaction	Aggregate Value of Related Party Transactions as % of Revenue	Aggregate Value of Related Party Transactions entered into during the financial year	Terms & conditions of the Related Party Transaction
Mobitel (Pvt) Ltd	Immediate parent	Database & System support	12.61%	Rs. 34,208,166	Ordinary course of business

Transactions with related parties are carried out in the ordinary course of business. Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivable or payables for the year ended 31st December 2023.

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 2023 audited financial statements, which required additional disclosures in the 2023 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 Services (Pvt) Ltd	Related	X	X	X
SLT Visioncom (Pvt) Ltd	Related	X	X	X
Sky Network (Pvt) Ltd	Related	-	-	X
SLT Human Capital Solutions (Pvt) Ltd	Related	X	-	-
SLT Property Management (Pvt) Ltd	Related	X	-	X
Mobit Technologies (Pvt) Ltd	Related	X	X	X
Galle Submarine Cable Deport (Pvt) Ltd	Related	X	-	X
Sri Lanka Telecom (Services) Limited	Related	X	X	X

26. FINANCIAL INSTRUMENTS	Note	2023 Rs.	2022 Rs.
26.1 Financial Instruments - Statement of Financial Position			
Financial Assets			
Fair value through other comprehensive income			
Equity Investments at FVOCI	17.	2,175,670	2,345,491
		2,175,670	2,345,491
Amortized Cost			
Trade and other receivables	15.	159,851,475	141,251,580
Amounts due from related parties	25.2	64,125,164	81,491,464
Short term investments	16.	305,455,480	278,631,182
Cash & cash equivalents	18.	22,534,598	12,450,726
		551,966,717	513,824,952
Total Financial Assets		554,142,387	516,170,443

NOTES TO THE FINANCIAL STATEMENTS

	Note	2023 Rs.	2022 Rs.
Financial Liabilities			
Other Financial Liabilities			
Bank overdraft	18.	2,967,274	1,450,777
Trade payables	23.	54,833,488	79,089,017
Lease liabilities	22.	1,488,321	11,457,618
Amounts due to related parties	25.3	36,041,242	14,825,508
		95,330,326	106,822,920

26.2 Accounting classification and fair value of financial instruments

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

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

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

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

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

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

As at 31st December 2023	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets				
Financial assets measured at FVOCI				
Equity Investments in Quoted Shares	2,175,670	2,175,670	-	-
Assets carried at amortized cost				
Trade and other receivables	156,370,588	-	-	-
Amounts due from related parties	64,125,164	-	-	-
Short term investments	305,455,480	-	-	-
Cash & cash equivalents	22,534,598	-	-	-
Total financial assets	548,485,830	2,175,670	-	-
Financial liabilities				
Other Financial Liabilities				
Bank overdraft	2,967,274	-	-	-
Trade payables	54,833,488	-	-	-
Lease liabilities	1,488,321	-	-	-
Amounts due to related parties	36,041,242	-	-	-
Total financial liabilities	95,330,325	-	-	-
As at 31st December 2022				
As at 31st 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				
Bank overdraft	1,450,777	-	-	-
Trade payables	79,089,017	-	-	-
Lease liabilities	11,457,618	-	-	-
Amounts due to related parties	14,825,508	-	-	-
Total financial liabilities	106,822,920	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

27. FINANCIAL RISK MANAGEMENT

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

- Credit risk
- Liquidity risk
- Market risk
 - (i) Currency risk
 - (ii) Interest rate risk

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

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring risk management policies of the Company. The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

27.1 Credit Risk

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

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

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

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

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		2023	2022
		Rs.	Rs.
Trade And Other Receivables	15.	163,046,155	141,251,580
Amounts Due From Related Parties	25.2	64,125,164	81,491,464
Short Term Investments	16.	305,455,480	278,631,182
Balances with Banks	18.	19,240,633	12,394,648
		551,867,432	513,768,874

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.

NOTES TO THE FINANCIAL STATEMENTS

27. FINANCIAL RISK MANAGEMENT (CONTD.)

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:

	2023		2022	
	Gross	Impairment	Gross	Impairment
	Rs.	Rs.	Rs.	Rs.
Not due:	154,010,859	-	98,384,089	-
Past due:				
Past due 31-60 days	1,318,105	-	38,327,846	-
Past due 61-90 days	712,489	-	349,680	-
Past due 91-360 days	334,289	5,154	1,695,610	379,963
More than one year	3,475,733	3,475,733	2,494,355	2,494,355
	159,851,475	3,480,887	141,251,580	2,874,318

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.

As at 31st December	2023 Rs.	2022 Rs.
Cash at Bank having credit ratings		
A (Ika)	14,776,917	170,429
AAA (Ika)	386,337	9,177,415
A- (Ika)	4,077,379	3,046,804
	19,240,633	12,394,648
Short Term Investments having credit ratings		
A (Ika)	218,839,056	4,016,358
A- (Ika)	86,616,424	274,614,824
	305,455,480	278,631,182

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 2023	Carrying Amount Rs.	Contractual Cash Flows Rs.	Less than One Year Rs.	More than One year Rs.
Other Financial Liabilities				
Lease liabilities	1,488,321	1,488,321	1,488,321	-
Amounts due to Related Companies	36,041,242	36,041,242	36,041,242	-
Trade Payables	54,833,488	54,833,488	54,833,488	-
Bank Overdraft	2,967,274	2,967,274	2,967,274	-
	95,330,325	95,330,325	95,330,325	-

NOTES TO THE FINANCIAL STATEMENTS

27. FINANCIAL RISK MANAGEMENT (CONTD.)

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	-
Bank Overdraft	1,450,777	1,450,777	1,450,777	-
	106,822,920	107,207,152	107,207,152	-

27.3 Market Risk

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

27.3.1 Currency risk

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

Exposure to currency risk

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

27.3.2 Interest rate risk

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

Profile

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

As at 31st December	Carrying Amount	
	2023 Rs.	2022 Rs.
Fixed rate instruments		
Financial assets	305,455,480	278,631,182
Financial liabilities	1,488,321	11,457,618

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.

NOTES TO THE FINANCIAL STATEMENTS

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. NET ASSETS PER SHARE

As at 31st December	2023 Rs.	2022 Rs.
Net assets attributable to ordinary shareholders	443,095,156	401,376,464
Weighted average number of ordinary shares in issue	122,131,415	122,131,415
Net assets per share (Rs.)	3.63	3.29

FIVE YEAR PERFORMANCE SUMMARY

For the year ended 31 December	2019 Rs.	2020 Rs.	2021 Rs.	2022 Rs.	2023 Rs.
Revenue	130,197,702	130,061,513	193,249,235	221,542,340	271,193,906
Net Operating Expenses	(128,566,791)	(107,049,500)	(137,385,228)	(177,061,575)	(255,409,004)
Profit from operating activities	1,630,911	23,012,013	55,864,007	44,480,765	15,784,902
Profit before taxation	22,440,862	40,142,538	68,691,890	79,519,678	59,541,732
Profit for the year	15,012,834	30,002,621	53,372,312	65,519,591	43,826,611
Total Assets	349,287,510	392,240,694	464,057,524	554,907,422	588,501,117
Equity	260,256,545	291,259,261	344,954,055	401,376,464	443,095,156
Total Liabilities	89,030,965	100,981,433	119,103,469	153,530,959	145,405,961
	349,287,510	392,240,694	464,057,524	554,907,423	588,501,117
Other Information					
Net Profit Ratio (%)	11.53	23.07	27.62	29.57	16.16
Earnings Per Share (Rs.)	0.12	0.25	0.44	0.54	0.36
Market Price Per Share (Rs.)	5.50	7.10	26.20	13.00	14.00
Price Earning Ratio (Time)	44.74	28.90	59.95	24.23	38.88
Net Assets Per Share (Rs.)	2.13	2.38	2.82	3.29	3.63
Current Ratio (Times)	4.56	4.33	4.20	3.63	4.26
Earning Yeild (Rs)	0.02	0.03	0.02	0.04	0.03
Return On Assets (Rs.)	0.05	0.08	0.12	0.13	0.08

SHAREHOLDER INFORMATION

ANALYSIS OF SHAREHOLDERS AS AT 31.12.2023

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	1,408	367,188	0.31	4	521	-	1,412	367,709	0.31
1,001 -	10,000 Shares	555	2,142,694	1.75	3	15,532	0.01	558	2,158,226	1.76
10,001 -	100,000 Shares	182	5,397,462	4.42	1	50,000	0.04	183	5,447,462	4.46
100,001 -	1,000,000 Shares	20	4,398,747	3.6	0	-	-	20	4,398,747	3.60
Over	1,000,000 Shares	3	109,759,721	89.87	0	-	-	3	109,759,721	89.87
		2,168	122,065,812	99.95	8	66,053	0.05	2,176	122,131,865	100.00

Categories of Shareholders	Number of Shareholders	Number of Shares
Individual	2,101	11,650,923
Institutional	75	110,480,492
	2,176	122,131,415

SHARE TRADING

	2023	2022
Highest Price	20.00	28.80
Lowest Price	11.20	5.10
Closing Price	14.00	13.00

COMPUTATION OF PUBLIC SHAREHOLDING

Issued share capital as at 31st December 2023	122,131,415
Less	
Parent Company	106,974,618
Subsidiaries or Associate Companies of Parent	-
Subsidiaries or Associate Companies	-

COMPUTATION OF PUBLIC SHAREHOLDING

Less	
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%

LIST OF 20 MAJOR SHAREHOLDERS BASED ON THEIR SHAREHOLDING

31 st December 2023

No	Name of shareholder	No of Shares	% Holding
1	Mobitel (Pvt) Ltd	106,974,618	87.59
2	People's Leasing & Finance PLC / Mr. R..R.S Ananda	1,622,653	1.33
3	Mr. G.C. Goonetilleke	1,162,000	0.95
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. H.M.C De Alwis	269,373	0.22
8	Merchant Bank of Sri Lanka & Finance PLC / Y.R.P.De Silva	265,695	0.22
9	Mr. M.A. Kumarasingha	232,433	0.19
10	Mr. Z.G Carimjee	231,933	0.19
11	MBSL / A.G.C Sugath	209,165	0.17
12	Mrs. T.R. Selvanayagam	201,000	0.16
13	Mr. A.H Munasinghe and A.R.R Munasinghe	190,000	0.16
14	Seylan Bank PLC / Anuja Chamila Jayasinghe	173,210	0.14
15	Mr. M.S.F Haqqe	138,000	0.11
16	Assetline Finance Limited / P.D.G.C Rajapaksha	125,000	0.10
17	Mr. B.A.S.I Perera	120,400	0.10
18	Mr. D.M.A Mudunkotuwa	119,992	0.10
19	Hatton National Bank PLC / Ravindra Erle Rambukwelle	119,000	0.10
20	Mrs. Z.M Adamally	115,967	0.09
	Sub Total	113,833,180	93.20
	Others	8,298,235	6.80
	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	44
	102-3	Location of headquarters	IBC
	102-4	Location of operations	IBC
	102-5	Ownership and legal form	IBC
	102-6	Markets served	43
	102-7	Scale of the organisation	33/97-98
	102-8	Information on employees and other workers	32-38
	102-9	Supply chain	45
	102-10	Significant changes to the organisation and its supply chain	N/A
	102-11	Precautionary Principle or approach	60-69
	102-12	External initiatives	70
	102-13	Membership of associations	N/A
	102-14	Statement from senior decision-maker	4-8
	102-16	Values, principles, standards and norms of behavior	70-76
	102-18	Governance structure	70-78
	102-40	List of stakeholder groups	16-17
	102-41	Collective bargaining agreements	N/A
	102-42	Identifying and selecting stakeholders	16
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	102-44	Key topics and concerns raised	16-19
	102-45	Entities included in the consolidated financial statements	N/A
	102-46	Defining report content and topic Boundaries	18
	102-47	List of material topics	18-19
	102-48	Restatements of information	24
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	102-50	Reporting period	24
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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	18-19
	103-2	The management approach and its components	18-17
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GRI 201 : Economic Performance 2016	201-3	Defined benefit plan obligations and other retirement plans	132-133
GRI 202 : Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	32-38

GRI Standard		Disclosure	Page No.(s)
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GRI 203 : Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	49
GRI 204 : Procurement Practices 2016	204-1	Proportion of spending on local suppliers	45-46
GRI 205 : Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	47
GRI 301 : Materials	301-2	Recycled input materials used	52
GRI 302 : Energy	302-4	Reduction of energy consumption	53
GRI 305 : Emissions	305-5	Reduction of GHG emissions	54
GRI 306 : Effluents & Wastage	306-2	Waste by type and disposal method	53
GRI 401 : Employment 2016	401-1	New employee hires and employee turnover	34
GRI 403 : Occupational Health and Safety 2016	403-1	Occupational health and safety management system	37
GRI 404 : Training and Education 2016	404-1	Average hours of training per year per employee	35
	404-2	Programs for upgrading employee skills and transition assistance programs	35
	404-3	Percentage of employees receiving regular performance and career development reviews	35
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	47
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	33
GRI 412 : Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	33
GRI 413 : Local Communities 2016	413-1	Operations with local community engagement, impact assessments and development programs	26
GRI 415 : Public Policy	415-1	Political contributions	47
GRI 416 : Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	44
GRI 417 : Marketing and Labeling 2016	417-2	Incidents of non-compliance concerning product and service information and labeling	29
GRI 418 : Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	43
GRI 419 : Socio Economic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	47

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Fourth Annual General Meeting of e-Channelling PLC will be held at 12.30 pm on Tuesday, 14th May 2024 at the " Ruby", 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 2023, together with the Reports of the Directors and the Auditors thereon.
2. To elect as a Director Mr. A K D D D, Arandara who retires in terms of Article 94 of the Articles of Association of the Company.
3. To elect as a Director Dr. D M I S Dasanayake, who retires in terms of Article 94 of the Articles of Association of the Company.
4. To elect as a Director Mr. Denesh Vidanapathirana who retires in terms of Article 94 fo the Articles of Association of the Company.
5. To re-elect as a Director, Mr. Dallas Stephen who retires by rotation in terms of Article 86 and 87 of the Articles of Association of the Company.
6. To re-appoint as a Director, Mr. Lawrence Michael Paratz who is over the age of 70 years and who vacates his office in terms of Section 210 of the Companies Act No. 7 of 2007 ("the Act")

Notice is hereby given to propose the undernoted Ordinary Resolution in compliane with Section 211 of the Act, in relation to his re-appointment.

"RESOLVED THAT Mr. Lawrence Michael Paratz who has reached the age of 70 years be and is hereby re-appointed a Director of the Company and is it is hereby declared that as provided in section 211(1) of the Company Act No.7 of 2007, the age limt of 70 years referred to in Section 210 of the said Companies Act shall not apply to him".
7. To re-appoint Messrs KPMG, Chartered Accountants as Auditors of the Company and to authorize the Directors to determine their remuneration
8. To authorize the Directors to determine and make donations to charities.
9. Special Business

To consider and if thought fit, to pass the following Special Resolutions to

amend the Articles of Association of the Company, inoder to comply with the Listing Rules of The Colombo Stock Exchange that are currently in force.

SPECIAL RESOLUTION 1 :

IT IS HEREBY RESOLVED THAT the following article be included as article 54 (2) and the existing article 54 to be renumbered as article 54 (1)

54(2). A meeting of shareholders (including a meeting where it is intended to propose a resolution as a special resolution) may be held either:

- a) by a number of shareholders who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; and/or
- b) by means of audio or audio and visual communication by which all shareholders participating and constituting a quorum, can simultaneously hear each other throughout the meeting."

SPECIAL RESOLUTION 2 :

IT IS HEREBY RESOLVED THAT article 75(1) be deleted in its entirety and substituted with the following Article 75(1):

75(1) "The Directors shall not be less than five nor more than seven."

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL RESOLUTIONS :

IT IS HEREBY RESOLVED THAT the following articles be included as article 106 (ii) (iii) and (iv) and the existing Article 106 (ii) to (v) be renumbered as (v) to (viii)

106 (ii) Alternate directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment.

(iii) If an Alternate Director is appointed for a Non-Executive Director such alternate should not be an executive of the Company.

(iv) If an Alternate Director is appointed by an Independent Director, the person so appointed should meet the criteria of independence specified in the Listing Rules and the Company shall satisfy the requirements relating to the minimum number of Independent Directors specified in the Listing Rules. The Nominations and Governance Committee shall review

and determine that the person nominated as the alternate would qualify as an Independent Director before such appointment is made,

BY ORDER OF THE BOARD OF
eCHANNELLING PLC



GEREDENE SUARES
COMPANY SECRETARY

08 April 2024

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.....(NICNo.....)

ofbeing a

member/s of the above Company, hereby appoint.....

(NIC No.....) ofor failing him/her.

- | | |
|--|--------------|
| Mr. Arandara Kankanamlage Don Dimal Dasanga Arandara | whom failing |
| Mr. Dallas Joshua Stephen | whom failing |
| Mr. Sampath Arunapriya Hettiarachchi | whom failing |
| Mr. Lawrence Michael Paratz | whom failing |
| Dr. Dasanayake Mudiyanseelage Isuru Sammana Dasanayake | whom failing |
| Mr. Dinesh Vidanapathirana | |

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 Fourth Annual General Meeting of the Company, to be held on 14th May 2024 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 2023 with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2.	To elect as a Director Mr. A K D D D, Arandara who retires in terms of Article 94 of the Articles of Association of the Company	<input type="checkbox"/>	<input type="checkbox"/>
3.	To elect as a Director Dr. D M I S Dasanayake, who retires in terms of Article 94 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
4.	To elect as a Director Mr. Dinesh Vidanapathirana who retires in terms of Article 94 fo the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
5.	To re-elect as a Director, Mr. Dallas Stephen, who retires by rotation in terms of Article 86 and 87 of the Articles of Association of the Company	<input type="checkbox"/>	<input type="checkbox"/>

	FOR	AGAINST
6. To re-appoint as a Director, Mr. Lawrence Michael Paratz who is over the age of 70 years and who vacates his office in terms of Section 210 of the Companies Act No. 7 of 2007 ("the Act")	<input type="checkbox"/>	<input type="checkbox"/>
7. To re-appoint Messrs KPMG, Chartered Accountants as Auditors of the Company and to authorize the Directors to determine their remuneration	<input type="checkbox"/>	<input type="checkbox"/>
9. To authorize the Directors to determine and make donations to charities.	<input type="checkbox"/>	<input type="checkbox"/>
9. To pass the following Special Resolutions to amend the Articles of Association of the Company		
Special Resolution No. 1	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution No. 2	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution No. 3	<input type="checkbox"/>	<input type="checkbox"/>

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

.....

Signature

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

INSTRUCTIONS TO COMPLETION OF FORM OF PROXY

1. Kindly perfect the Form of Proxy by filling in legibly your full name and address, your instructions as to voting, by signing in the space provided and filling in the date of signature.
2. Please indicate with a 'X' in the cages provided how your proxy is to vote on the Resolutions. If no indication is given the Proxy in his/her discretion may vote as he/she thinks fit.
3. The completed Form of Proxy should be deposited at the Registered Office of the Company at No 108, W A D Ramanayake Mawatha, Colombo 02 or sent via e-mail to agm@echannelling.com., atleast 48 hours before the time appointed for holding of the Meeting.
4. If the form of proxy is signed by an attorney, the relevant power of attorney should accompany the completed form of proxy for registration, if such power of attorney has not already been registered with the Company.

Note:

If the shareholder is a Company or body corporate, Section 138 of the Companies Act No. 07 of 2007 applies to Corporate Shareholders of eChannelling PLC. Section 138 provides for representation of Companies at meetings of other Companies. A Corporation, whether a Company 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. A K D D D Arandara -Chairman

Dr. Isuru Dasanayake

Mr. Lawrence Paratz

Mr. Sampath Hettiarachchi

Mr. Dallas Stephen

Mr. Dinesh Vidanapathirana

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

Manager Finance

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