



ASIRI SURGICAL HOSPITAL PLC

Annual Report 2020/21

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About Us

Asiri Surgical Hospital leads the field in specialised surgical care, a vital component of Asiri Health's proposition in Sri Lanka.

Fully geared to handle an array of surgeries, we provide a complete range of services under one roof. Driven by the latest technology and renowned for our dedicated nursing team, Asiri Surgical Hospital couples high-tech treatment with exemplary patient-care. We meet the highest standards for pre-surgical evaluation and diagnostics, employ a diverse and extremely qualified panel of surgeons, and ensure high-tech post-operation management.

At Asiri Surgical Hospital, we are continually improving processes, customising our care to meet changing needs, and optimising our patient experience; for truly world-class surgical care.

150

Beds

480

Consultants

24-hour

Emergency Treatment Unit (ETU) and Ambulance Service

World-class

Heart Centre and Comprehensive Cancer Care Centre

Centres of Excellence

Cardiology, Oncology, Orthopedics, Urology and Gastroply



Vision

To be a leading healthcare provider in South Asia with highest quality of clinical standards.



Mission

To care for and improve the quality of human life, through the provision of ethical healthcare solutions together with cutting-edge technology.



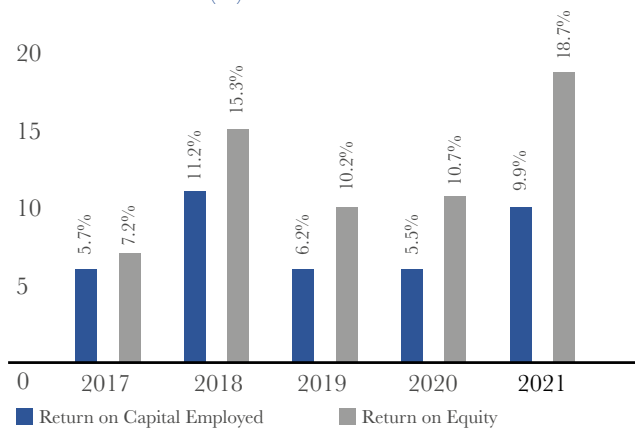
Values

Care/Innovation/Respect
 Caring with a human touch
 Caring for society
 Caring for our employees
 Innovation and forward-focus
 Respect for all stakeholders

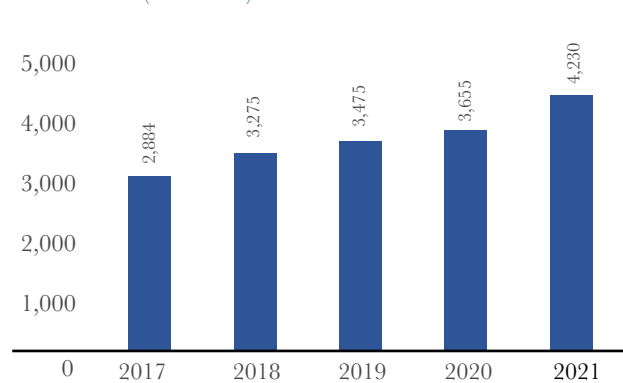
Highlights of the Year

Year ended 31 March		Group	Company
		2021	2020
Operating Results			
Revenue	Rs. 000	4,229,712	3,654,663
Profit before Interest and Tax	Rs. 000	962,278	759,601
Profit after Tax	Rs. 000	859,667	433,111
Return on Equity	%	18.71	10.68
Balance Sheet Highlights			
Total Assets	Rs. 000	8,643,691	7,867,976
Total Equity	Rs. 000	4,667,076	4,056,605
Shareholder Information			
Earnings per Share	Rs.	1.63	0.82
Net Assets per Share	Rs.	8.69	7.68
Dividend per Share	Rs.	0.85	0.00
Share Price (31st March)	Rs.	13.80	9.00

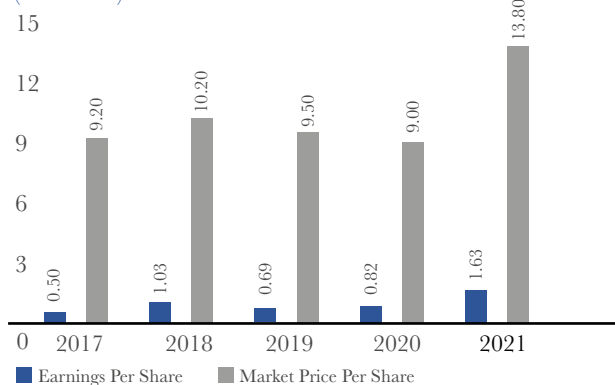
PROFITABILITY (%)



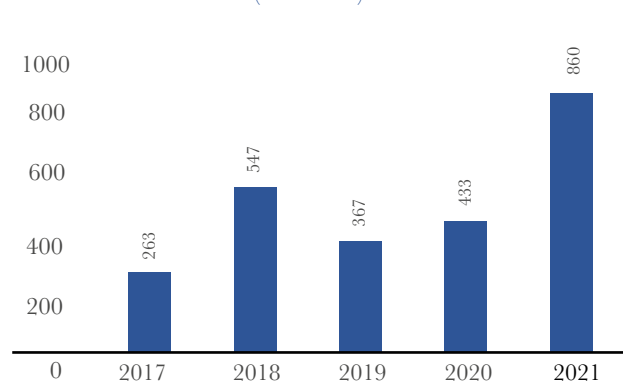
REVENUE (LKR Mn.)



EARNINGS AND MARKET VALUE (LKR Mn.)



PROFIT AFTER TAX (LKR Mn.)



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Chairman's Review



I am confident that the lessons learned in this past year will serve us well in the future by helping us to adapt more quickly and keep moving forward to deliver on our mandate to offer a world-class healthcare experience right here in Sri Lanka.

Although it has been an unusually challenging year, I am pleased to report that Asiri Surgical Hospital PLC (ASH) remained steadfast in honouring its commitment to deliver excellence in patient care. Even before the COVID-19 pandemic began to escalate, we moved quickly and decisively to improve our readiness to protect our patients and safeguard our own teams, against what at the time was a largely unknown virus. Internal systems were revamped and a new infection control protocol rolled out to minimise contact between COVID and non-COVID patients.

OPERATIONAL HIGHLIGHTS

Operationally, we made good progress on several fronts. Being one of the first hospitals to be granted approval to perform PCR tests, we quickly initiated a capacity expansion programme at ASH's Genetic laboratory to enable the facility to run 24 hours and handle an average of 1,500 PCR tests per day. The mobile laboratory service was launched soon thereafter to manage large scale PCR testing during outbreaks at identified clusters and for corporates. Expanding our PCR testing capacity allowed ASH to benefit from some other notable opportunities as well. We were able to secure exclusive contracts to conduct mandatory corporate and industrial PCR testing and undertake patient care for seafarers who were part of the crew exchange programme at the Colombo and Galle ports.

Finding that staterun quarantine centers were overburdened by the rising number of infections, the Asiri Group did not hesitate to lend its support with four hospitals taking on the responsibility to set up Intermediary Care Centers under their supervision. A total of four Intermediary Care Centers were set up under the Asiri banner in partnership with leading hotels outfitted to offer the same high standards of patient care synonymous with the Asiri brand.

In addition, a purpose built 8 bed COVID ICU was commissioned at Asiri Surgical. This became necessary to care for patients who deteriorated either from the ICC Centers or from isolation units as state facilities started to get overrun.

As I am sure you are aware, ASH has time and again proven itself to be Sri Lanka's most trusted private sector surgical hospital. However, this past year provided the opportunity to demonstrate that we are without a doubt the most reliable hospital in times of crisis. Even though in the state sector hospitals' surgical services were disrupted badly during the 2-month island wide lockdown, ASH continued offering surgical facilities, oncology and cardiac care services through the entirety of the lockdown. ASH was also the only hospital in the Country offering PET scan facilities during the lockdown period. At the same time our mobile services, including the mobile pharmacy, where we undertook to deliver medications free of charge, during the lockdown were highly appreciated by our patients. Similarly, the tele-consultant facility to enable patients to seek advise of their respective specialist consultants via video technology also became hugely popular during the lockdown.

Might I add that after lockdown restrictions were lifted in May 2020, ASH was one of the first hospitals to begin allowing patients to proceed with scheduled elective surgeries.

Meanwhile, recognising the pandemics' far reaching consequences on mental wellbeing of people, ASH's Wellness center started offering a series of new mindfulness programmes to address the specific needs of groups and individuals.

TACKLING THE FUTURE

Although it seems that the return to normalcy is still some way off, I remain optimistic for the future. Seeing as how ASH was able to manage the COVID-19 crisis admirably well, I believe we are now stronger and better equipped to tackle the challenges that lie ahead. I am confident that the lessons learned in this past year will serve us well in the future by helping us to adapt more quickly and keep moving forward to deliver on our mandate to offer a world-class healthcare experience right here in Sri Lanka.

ACKNOWLEDGEMENTS

Before I conclude, there are a few very important people whose support I would like to acknowledge.

Firstly, my heartfelt gratitude to our consultants, nurses and all other medical and non-medical professionals for the passion and dedication you have shown in carrying out your daily roles and responsibilities amidst very challenging times. Your resilience and hard work are the reasons why ASH has been able to go above and beyond in caring for its patients, in these challenging times. I also wish to thank my colleagues on the Board for their unwavering support at all times.

To our patients - thank you for continuing to place your trust in ASH. Let me reassure you that our goal is to serve you even better in the years ahead.

I am very grateful for the support and guidance received from the Ministry of Health and other health regulators, which was instrumental in helping us to understand and respond to the crisis.

Finally, the Board joins me in conveying its appreciation to ASH's valued shareholders for their confidence and trust. We remain committed to meet your expectations at all times.

Sgd.

Ashok Pathirage

Chairman/Managing Director

30 June 2021

Operations Review

The main priority for Asiri Surgical Hospital PLC, in the current financial year was to reorient internal systems and processes to ensure patient care activities could be carried out without interruption despite COVID related restrictions.

The following operational initiatives were implemented at the onset of the pandemic itself;

- Infection control guidelines were issued detailing processes, procedures and precautionary measures to promote systematic management and handling of all patients and prevent contact between COVID and non-COVID patients within the hospital.
- A new online patient triage system was rolled out in order to identify patients at risk of covid and their close contacts, thereby minimising bottlenecks at the hospital entrances and to reduce unnecessary waiting times.
- Dedicated isolation facilities were established for the purpose of segregating infectious patients as well as for quarantining staff members, when required.

Meanwhile several new value added services were launched to support patients' needs during frequent lockdowns and travel restrictions. These included;

- The home delivery of routine medicines through pharmacy was embraced by many as a timely service and the hospital offered free doorstep delivery of medicines to all patients within a 10 km radius of ASH.
- The tele consultation facility where the patients were offered the opportunity of interacting with specialist doctors at the comfort and safety of their own homes as video or audio calls was helpful for many to ensure proper follow up of their ailments as well as for certain emergency needs. The service was offered free of charge for a period of 03 months from April 2020 to June 2020.

ASH continued to offer all critical services throughout the lockdown period, including cancer care, cardiac care and most of the elective procedures with stringent infection control measures and screening of staff as well as patients and visitors. chemotherapy and radiotherapy for cancer patients were provided uninterrupted throughout the year bringing relief to many families amidst the pressure of COVID. ASH was the only hospital in the Country with a functioning PET scan facilities during the lockdown period, and also one of the few hospitals to resume offering elective surgeries during and after lockdown restrictions were lifted.

Anticipating a surge in cases after Sri Lanka's second wave, ASH took preemptive measures to expand its inhouse PCR testing capacity with additional resources being mobilized to enable shift operations and to facilitate 24-hour PCR testing for COVID 19. Many teams were deployed as field staff to enable sample collection for PCR at factories, corporates and large communities as part of the disease control programme. The ASH PCR lab was connected with the Superiksha health database of the Ministry of Health to enable the national epidemiology unit to have prompt access to the Group's PCR reports. These COVID 19 statistics and related demographic data enabled prompt contact tracing and isolation of patients, as required, island wide.

With the Country's caseload on the rise, the Asiri Group tied up with several hotels to establish COVID Intermediate Care Centres (ICCs) around the country. In parallel, several dedicated COVID ICUs were set up within the group, the largest of which was the 8 bedded ICU at ASH. This was deemed necessary especially to cater to patients who deteriorated while in our ICC facilities.

With the ground floor of the hospital being dedicated for the development of the COVID isolation unit, the planned ETU renovation project was deferred. The new ETU which has a larger capacity, including additional short stay beds, would be re organized at a more accessible location, closer to the main road access of the hospital.

The services offered at the wellness center were also further expanded with several new initiatives being launched, among them a mindfulness programme focusing on mental wellbeing for individuals and groups. These mental health programmes were offered using online meeting platforms throughout the lock down periods. A new cardiac rehabilitation programme was launched to enable cardiac patients to optimise their post-surgery physical performance.

Several free clinics were conducted during the year, interrupted only during the lock down months. The breast clinic conducted by the multidisciplinary team lead by a lady surgeon was quite successful, with regular attendance of patients with various issues related breast ailments.

The hernia and urology clinics too attracted patients who found the detail consultation with doctors quite useful and less hurried. The free cancer clinic conducted by the resident Oncologist continues to attract patients seeking information, a second opinion and treatment options at Asiri AOI Cancer Centre.

LEADERSHIP & GOVERNANCE

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Board of Directors



1 MR. ASHOK PATHIRAGE

Chairman/Managing Director

Mr. Ashok Pathirage, recognised as a visionary leader of Sri Lanka's corporate world, is the founding member of Softlogic Group, one of Sri Lanka's leading conglomerates. He manages over 50 Companies with a pragmatic vision providing employment to more than 11,000 employees. Mr. Pathirage gives strategic direction to the Group which has a leading market presence in three core verticals – Retail, Healthcare and Financial Services and three non-core verticals - IT, Leisure and Automotive. The Asiri Hospital chain is the country's leading private healthcare provider which has achieved technological milestones in medical innovation in Sri Lanka's private healthcare. He is the Chairman/Managing Director of Softlogic Holdings PLC , Asiri Hospital Holdings PLC, and Odel PLC. He also serves as the Chairman of Softlogic Capital PLC and Softlogic Life Insurance PLC in addition to the other companies of the Group. He is also the Chairman of NDB Capital Holdings Limited, Sri Lankan Airlines Limited and Sri Lankan Catering Limited.

2 DR. SIVAKUMAR SELLIAH

MBBS, M Phil

Deputy Chairman

Dr. Selliah holds an MBBS Degree and a Master's Degree (M Phill), and has over two decades of experience in diverse fields including Manufacturing, Healthcare, Insurance, Logistics and Packaging, Renewable Power, Plantation, Retail etc.

Dr. Selliah is currently the Deputy Chairman of Asiri Hospital Holdings PLC, Asiri Surgical Hospital PLC and Central Hospital Ltd.

Dr. Selliah is the Chairman of JAT Holdings Ltd., Vydexa (Lanka) Power Corporation (Pvt) Ltd. and Cleanco Lanka (Pvt) Ltd. Dr. Selliah is also the Deputy Chairman of Evoke International Ltd.

He is a Director of Lanka Tiles PLC, HNB Assurance PLC, Softlogic Holdings PLC, Odel PLC, Lanka Walltiles PLC, Lanka Ceramic PLC, ACL Cables PLC, Swisstek (Ceylon) PLC and Swisstek Aluminium (Pvt) Ltd.

He has also served as a Senior Lecturer in the Medical Faculty for many years in the past. Currently he serves as a Council Member of the University of Colombo.

Dr.Selliah also serves on the following Board sub committees of some of the companies listed above as a member or Chairman: Human Resource and Remuneration committee, Related Party Transactions Review Committee, Audit committee, Investment committee and Strategic Planning committee.

3 DR. MANJULA KARUNARATNE

MBBS, MSc (Trinity, Dublin), Dip. MS Med (Eng)
MSOrth Med. (UK)

Group Chief Executive Officer

Dr. Karunaratne was appointed to the Board of Asiri Hospital Holdings PLC and Asiri Surgical Hospital PLC in 2006, and currently serves as the Chief Executive Officer of the Asiri Group. He also serves on the Boards of Central Hospital Ltd., Asiri Central Hospitals Ltd., Asiri Hospital Matara (Pvt) Ltd., Asiri Hospital Galle (Pvt) Ltd., Asiri Diagnostic Services (Pvt) Ltd, Asiri A O I Cancer Centre (Pvt) Ltd, Jendo Innovations (Pvt) Ltd, Softlogic Pharmaceuticals (Pvt) Ltd, Softlogic Healthcare Holdings (Pvt) Ltd. He previously held the positions of Medical Director, Asiri Hospital Holdings PLC (1996-2000) and was Chief Operating Officer, Asiri Hospitals Group during the period 2006-2014. He possesses over 30 years of experience in the field of healthcare, and is responsible for the overall medical policy of the Group. Under his guidance the Group has introduced over twenty new medical procedures and technologies to Sri Lanka amongst which are the country's first Bone Marrow Transplant Unit, first Stem Cell Laboratory, first Minimally Invasive Cardiac Surgery service, first fully fledged Stroke Unit with facilities for "clot retrieval" and a high end Interventional Radiology service. In addition, a 'live donor' Liver Transplant service is currently being set up.

4 MR. HARRIS PREMARATNE

Non-Executive Independent Director

Mr. Premaratne was appointed to the Board in March 2008 after 40 years of banking experience with Commercial Bank of Ceylon PLC. He is specialised in Corporate Banking, and is an Associate of the Chartered Institute of Bankers of London. He served as the Managing Director of Sampath Bank PLC from 2009 to December 2011. He

was the Managing Director of Cargills Bank Limited from 2012 to 2014. He held the position of Chairman of Sri Lanka Banks' Association. He was the Deputy Chairman of Pan Asia Banking Corporation PLC in the year 2017, and Deputy Chairman of Softlogic Finance PLC during 2015-2017. He was a Director of Softlogic Holdings PLC during 2008 - 2020 and Softlogic Capital PLC during 2014-2020. He serves on the Board of Asiri Surgical Hospital PLC and Central Hospital Limited, Asiri Central Hospitals Limited. He functions as the Chairman of the Remuneration Committee and also a member of the Audit Committee and Related Party Transactions Review Committee of the above hospitals.

5 MR. SAMANTHA RAJAPAKSA

Non-Executive Independent Director

Mr. Rajapaksa is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, Chartered Institute of Management Accountants of UK, Institute of Certified Management Accountants of Sri Lanka and Chartered Institute of Marketing of UK. He also holds an MBA from the Postgraduate Institute of Management of University of Sri Jayewardenepura.

He began his career at Messrs. Ernst & Young and went on to serve as Director/General Manager at Informatics International. Thereafter, he took on the appointment of Director/Chief Executive Officer of CF Venture Fund Ltd. He was also appointed as a Group Director of Central Finance Co. PLC during the same period. He thereon took a posting overseas as Senior Project Manager at AT&T Inc. USA. He returned to Sri Lanka in 2008 to take up the appointment as Group Director of Kshatriya Holdings PLC and thereafter joined as a Group Director of the Softlogic Group responsible for Group Business Development and as Director/Chief Executive Officer of Softlogic Communications (Pvt) Ltd. Mr. Rajapaksa thereafter held the position of Group Managing Director of Associated Motorways (Pvt) Ltd. and also served as a Director of Bank of Ceylon.

Mr. Rajapaksa currently serves as the Chairman of Kitra Holdings (Pvt) Ltd. and the Rakuen Group of Hotels. He also currently serves as a Director of Asiri Hospital Holdings PLC & Asiri Surgical Hospital PLC. Mr. Rajapaksa is the recipient of the Platinum Honours Award in recognition of Professional Excellence in the Field of Management from the Postgraduate Institute of Management of University of Sri Jayewardenepura.

He functions as the Chairman of the Related Party Transactions Review Committee.

Senior Management



1 DR MANJULA KARUNARATNE
Group Chief Executive Officer

2 DR SAMANTHI DE SILVA
Director Operations

3 DR CHAMPIKA BOGAHAWATTE
Medical Director

4 MRS THELANI WEERASINGHE
Director Nursing

5 MS MIHIRI CABANDUGAMA
Director Strategic Planning and Laboratory Development

6 MR AJITH KARUNARATHNE
Chief Financial Officer



7 MRS HASANTHI DE SARAM KARANDAGASPI TIYA
Director Human Resources

8 MR N P JOHN
Director Laboratory Services

9 MRS ROCHELLE RODÉ DE SILVA
Director Marketing

10 MS INDRESH PUVIMANASINGHE FERNANDO
Chief Process Officer

11 MR SUDATH HEWAGE
Director Pharmacy Operations

12 MS NANDIKA SENANI DEEGALA
Chief Nursing Officer

Consultant Medical Team



Prof. L R Amarasekara
Consultant Histopathologist



Dr. Menik Goonewardhene
Consultant Neonatologist



Dr. Chrisantha Mendis
Consultant / Head Dept. of
Anaesthesiology - Asiri Central
Hospital



Dr. Darshani Amarasinghe
Consultant Anaesthesiologist



Dr. Gayani Senanayake
Consultant Anaesthesiologist



Dr. Anil Perera
Consultant / Head Dept. of
Anaesthesiology - Asiri Medical &
Asiri Surgical Hospital



Dr. Stella Fernando
Consultant Anaesthesiologist



Dr. Dinesh De Silva
Consultant Eye Surgeon



Dr. Rangika Goonaratne
Consultant Eye Surgeon



Dr. Lakmali Paranehewa
Consultant / Head Dept. of
Radiology - Asiri Central Hospital



Dr. Gulpa Subasinghe
Consultant Radiologist



Dr. Saman Perera
Consultant Radiologist



Dr. Gamini Jayaweera
Consultant / Head Dept. of
Transfusion Medicine - Asiri Group



Dr. Natasha Peiris
Consultant Resident Physician



Dr. Vivek Gupta
Senior Consultant Cardiothoracic
Surgeon



Dr. Thurul Attygalle
Resident Physician Stroke Unit



Dr. Thushara Fernando
Consultant Anaesthesiologist



Prof. Vajira Dissanayake
Consultant Medical Geneticist



Dr. Ajith Karunaratne
Consultant Cardiothoracic Surgeon



Dr. Rajeeva Pieris
Consultant Cardiothoracic Surgeon



Dr. Philomena Chandrasiri
Consultant Microbiologist/Head of
infection Control



**Prof. Lallindra Virajan
Gooneratne**
Director- Bone Marrow Transplant
& Clinical Haematology Unit Asiri
Central Hospital



Dr. Rohini Ranwala
Clinical Director - Dept. of Neuro
Science , Asiri Central Hospital



Dr. Sunil Perera
Consultant/Head - Dept. of Neuro
Science, Asiri Central Hospital



Dr. Dishna De Silva
Consultant Pediatrician



Dr. Sumedha Amarasekara
Consultant Orthopaedic Surgeon



Mrs. Gitanjali Jayathilaka
Consultant Anaesthesiologist



Dr. Hiranthi Abeysinghe
Consultant Anaesthesiologist



Dr. Y K M Lahie
Consultant Cardiothoracic Surgeon



Dr. Kalyani Miranda
Consultant Radiologist

Consultant Medical Team



Dr Vernon Manil Fernando
Consultant Orthopaedic Surgeon



Dr Romanie Nishanthi Fernando
Consultant Obstetrician and Gynaecologist



Dr Shama Goonathilake
Consultant Clinical Oncologist -
Asiri AOI Cancer Centre (PVT) Ltd.



Dr Himaru Wirithamulla
Consultants General Surgeon



Dr Udeni Dissanayake
Consultant Eye Surgeon



Dr Sujatha Pathirage
Consultant Microbiologist



Dr Champika Abeysinghe
Consultant Anaesthesiologist



Dr Nimali Puwakwaththa
Consultant Anaesthesiologist



Dr Nirodhika Dayaratne
Consultant Paediatrician



Dr. Duminda Kaluthanthri
Consultant Physician



Dr. Gowrie Galappaththy
Consultant Community Physician



Dr. Chamara Ratnayake
Consultant Cardiologist



Dr. Iranga Perera
Resident Consultant Radiologist



Dr. Asitha Dassanayake
Consultant Anaesthetist



Dr. Niroshini Ganegoda
Head of Transplant - Asiri Central
Hospital



Dr. Nilwala Jayasinghe
Resident Consultant Physician



Dr. Manoj Christopher Medagama
Consultant Resident Anaesthetist



Dr. Suvini Wijesinghe
Consultant Radiologist



Dr. Saman Hewamana
Consultant Haematologist &
Haemato - Oncologist

Corporate Governance

Corporate Governance is the system by which companies are directed, managed, and controlled. The primary responsibility of the Board of Directors is to foster the Company's longterm success, consistent with the Board's fiduciary duty to shareholders. In keeping with current concepts of Corporate Governance, the Board believes that the Company has designed effective Corporate Governance Principles and practices to provide a strong framework to assist its stakeholders and on creating long-term shareholder value. This statement sets out the Corporate Governance policies and practices adopted by the Board.

BOARD OF DIRECTORS

The Board comprises of two Executive Directors and three Non-Executive Directors. Their profiles appear on page 8-9 of the Annual Report. The Board of Executive Directors generally has a responsibility for making and implementing operational decisions and running the Company's business. The Non-Executive Directors support the skills and experience of the Executive Directors, contributing to the formulation of policy and decision-making through their knowledge and experience of other business sectors.

BOARD MEETINGS AND ATTENDANCE

The Board generally meets once a quarter. Special Board meetings are also held as and when needed. Scheduled Board meetings are arranged well in advance to ensure, as far as possible, that Directors can manage their time commitments. All Directors are provided with supporting documents and relevant information for each meeting and are expected to prepare themselves for and to attend all Board meetings, shareholders' meetings and all meetings of the committees on which they serve, unless there are exceptional circumstances that prevent them from doing so.

THE CHAIRMAN AND MANAGING DIRECTOR

The Chairman's main responsibility is to lead and manage the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Chairman also serves as the Managing Director, who is responsible for the recommending of strategy to the Board, leading the Executive Directors and for making and implementing operational decisions.

APPRAISAL OF THE MANAGING DIRECTOR

The performance of the Managing Director is reviewed every year by the Board. The Managing Director is accountable to the Board and is responsible for the day-to-day operations of the Company while ensuring that corporate goals are achieved making the optimum use of resources available.

TIME COMMITMENT

The Board dedicates adequate time to discharge their duties effectively. In addition to Board meetings, they attend subcommittee meetings and make decisions via circular resolutions.

APPOINTMENT TO THE BOARD

New appointments to the Board are based on collective decisions of the Board. In making new appointments, the Board considers the composition of the Board in order to assess whether they have the right mix of skills and experience to be better prepared for the managing of the Company.

RE-ELECTION OF DIRECTORS

As per the Articles of Association of the Company one-third of the Directors shall retire from office at each Annual General Meeting (AGM) and offer themselves for re-election. Any Directors appointed during the year seek election at the next AGM. The Managing Director is not subject to retirement by rotation.

Name of Director	Board meetings	Audit Committee meetings	Related Party Transactions Review Committee	Remuneration Committee
Mr. A K Pathirage	3/3	-	-	-
Dr. S Selliah	3/3	-	-	1/1
Dr. K M P Karunaratne	3/3	-	-	-
Mr. G H L Premaratne	3/3	4/5	4/4	1/1
Mr. S A B Rajapakse	3/3	5/5	4/4	-
Mr. S Ahangama (Appointed w.e.f. 27th August 2020)	N/A	3/3	2/2	-
Mr. R Ebell (Resigned w.e.f. 30th June 2020)	N/A	1/1	1/1	-

INDEPENDENCE OF THE DIRECTORS

Dr. S Selliah, Mr. G L H Premaratne and Mr. S A B Rajapaksa function as Independent Directors of the Company. As per the rules issued by the Colombo Stock Exchange, Mr. S A B Rajapaksa and Mr. G L H Premaratne meets all the criteria of Independence except one. Dr. S Selliah meet all the criteria of independence except two. Mr. S A B Rajapaksa, Dr. S. Selliah and Mr. G L H Premaratne had served on the Board of the Company continuously for a period exceeding nine (9) years from the date of their first appointment. Dr. S Selliah is also a Director of Soflogic Holdings PLC which has a significant shareholding in the immediate parent Company.

The Board having evaluated all the factors concluded that their independence has not been impaired due to them serving on the Board of another Company which has a significant shareholding in the Company and having served on the Board of the Company continuously for a period exceeding nine (9) years from the date of the first appointment.

ACCESS TO INDEPENDENT PROFESSIONAL ADVICE

All Directors have access to the advice of the Company Secretary and independent professional advice is available to Directors in appropriate circumstances at the Company's expense.

AUDIT COMMITTEE

Duties and responsibilities	Composition
Review the Group's Annual and Interim Financial Statements and Compliance Reports.	<p>Chairman Mr S Ahangama Independent Non-Executive Director (Asiri Hospital Holdings PLC) (Appointed w.e.f 22nd September 2020)</p>
Review the performance of the internal audit function.	
Review the effectiveness of the Group's internal controls.	<p>Committee members Mr G L H Premaratne Independent Non-Executive Director</p>
Periodically approve and review the appointment and retirement of External Auditors and their relationship with the Group.	<p>Mr S A B Rajapaksa Independent Non-Executive Director</p> <p>The Group Manager - Audit and the Chief Financial Officer attends all meetings of the Committee.</p>
	<p>Frequency of meetings Committee meets quarterly</p>

REMUNERATION OF THE DIRECTORS

The remuneration of the Directors is determined by the Board and disclosed on page 58 of the Annual Report.

COMPANY SECRETARIES

Messrs. Soflogic Corporate Services (Pvt) Ltd. function as Company Secretaries to the Group. The Company Secretaries provides guidance to the Board as a whole and to individual Directors with regard to discharging of their responsibilities. The Company Secretaries are responsible to ensure that the Board complies with the applicable rules, regulations and procedures and that all activities relating to the Board.

BOARD COMMITTEES

The Board may establish committees from time to time to discharge their duties effectively. There are currently three Board committees. The Audit Committee, Remuneration Committee and Related Party Transactions Review Committee. Asiri Hospital Holdings PLC, parent company, act as the Audit, the Remuneration and the Related Party Transactions Review Committee of the Company.

Corporate Governance

REMUNERATION COMMITTEE

Duties and responsibilities	Composition
<p>Provide recommendations to the Board on the following;</p> <ul style="list-style-type: none"> • Remuneration policy for Executive Directors • Remuneration policy and specific incentives for certain senior executives • Employee benefits and long-term incentive schemes <p>Principles governing the Group's remuneration policy;</p> <ul style="list-style-type: none"> • To deliver improved shareholder value by ensuring that individual performance and reward reflect and reinforce the business objectives of the Group. • To support the recruitment, motivation and retention of high quality senior executives • To ensure that performance is the key factor in determining individual reward • To communicate the reward structure clearly and effectively to executives and shareholders 	<p>Chairman Mr. G L H Premaratne Independent Non-Executive Director</p> <p>Committee members Dr. S Selliah Independent Non-Executive Director</p> <p>Frequency of meetings Committee meets annually</p>

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Duties and responsibilities	Composition
<ul style="list-style-type: none"> • Review in advance all the related party transactions carried out by the Company and its listed companies in the Group except related party transactions set out in Rule 9.5 of the Listing Rules of the Colombo Stock Exchange • Formulating policies and procedure to review related party transactions of the Company and of the Group and overseeing existing policies and procedures • Determining whether the relevant related party transactions are fair to, and in the best interest of the Company and/or Companies in the Group and its stakeholders • Determining whether the related party transactions that are to be entered into by the Company or Companies of the Group require the approval of the shareholders • Where necessary, the Committee may request the Board to approve related party transactions, which are under review by the Committee • Ensure that immediate market disclosures and disclosures in the Annual Report as required by the applicable rules and regulations are made appropriately 	<p>Chairman Mr. S A B Rajapaksa Independent Non-Executive Director</p> <p>Committee members Mr. G L H Premaratne Independent Non-Executive Director</p> <p>Mr S Ahangama Independent Non-Executive Director (Asiri Hospital Holdings PLC) (Appointed w.e.f 22nd September 2020)</p> <p>Frequency of meetings Committee meets quarterly</p>

RESPONSIBILITIES

The Board and its Committees are supplied with full and timely information to enable them to discharge their responsibilities. It is the responsibility of the Board of Directors to ensure Good Corporate Governance. Good Corporate Governance requires that the Board must govern the Company with integrity. This includes the following:

- Exercise leadership, enterprise, integrity and judgement in directing the Company so as to achieve continuing prosperity in a manner based on transparency, accountability and responsibility
- Ensure a managed and effective process of Board appointments
- Determine the Company's purpose, values and strategy and ensure that procedures and practices are in place
- Monitor and evaluate the implementation of strategies and policies for better Management performance
- Ensure compliance with the relevant Laws, Regulations and Code of Best Practice on Corporate Governance
- Communicate with shareholders effectively and serve the legitimate interest of the shareholders
- Periodic and timely reporting to shareholders of the progress and performance of the Company
- Review processes and procedures regularly and ensure that internal control is effective
- Identify key risk areas and ensuring that these risks are addressed and managed effectively
- Appoint and evaluate the performance of the Managing Director
- Approve the Annual Budget
- Authorisation of Directors' conflicts or possible conflicts of interest
- Determination of independence of Non-Executive Directors
- Ensure the continuation of the Company as a going concern

INVESTOR RELATIONS

The Annual General Meeting, Annual Report of the Company and Quarterly Reports are the principal means of communication with the shareholders.

Compliance with the Corporate Governance Rules of the Colombo Stock Exchange.

The following disclosures are made in conformity with Section 7 of the Rules of the Colombo Stock Exchange:

Section	Criteria	Composition
7.10.1	Non-Executive Directors	Complied with. Out of five Directors three are Non-Executive Directors.
7.10.2	Independent Directors	Complied with. All three Non-Executive Directors are independent. Please refer page 17. All Non-Executive Directors have submitted the declaration with regard to their independence/non-independence.
7.10.3	Disclosures relating to Directors	Mr. S A B Rajapaksa and Mr. G L H Premaratne meet all the criteria except one and Dr. S Selliah meets all the criteria except two. Please refer page 17

Corporate Governance

Section	Criteria	Composition
7.10.5	Remuneration Committee	<p>Complied with.</p> <p>Comprises two Independent Non-Executive Directors. The Remuneration Committee of Asiri Hospital Holdings PLC (parent company) acts as the Remuneration Committee of Asiri Surgical Hospital PLC</p> <p>The names of the members of the Committee are given on page 18 of the Annual Report.</p>
7.10.6	Audit Committee	<p>Complied with.</p> <p>Comprises three Non-Executive Directors all of whom are Independent Directors.</p> <p>The Audit Committee of Asiri Hospital Holdings PLC (parent company) acts as the Audit Committee of Asiri Surgical Hospital PLC.</p> <p>The Chief Financial Officer attends all the meetings.</p> <p>The report of the Committee is given on page 25</p>

Risk Management Report

Risk management is a fundamental responsibility of the Board of Directors. The Asiri Group Board of Directors has established a robust Risk management framework which empowers all employees of the group to effectively manage risk in their day to day business activities. Being the key player in the private Healthcare industry in Sri Lanka, our main focus is on Health & safety of patients and the wellbeing of our employees, where we strive to improve the quality of human life, through the provision of ethical healthcare solutions together with cutting-edge technology. Driving towards a culture of safety, the Board is regularly reviews the adequacy of risk management controls in line with the defined risk appetite and to determine the Group's ability to fulfill operational and clinical compliance requirements. These risk assessments provide greater insights on the areas of improvements while the Risk scoring matrix helps top priorities the Group's key risks.

The Asiri Group keeps a keen eye on emerging Risks and has adopted number of Risk mitigation strategies to strengthen the Group's resilience. This includes ensuring the highest

level of industry standards and best practices are followed to eliminate expensive lawsuits and undue damages to the Group's reputation.

The Asiri Group has adopted an integrated Risk Management framework to identify, assess, prioritize the significant risks and manage those with appropriate risk mitigation actions. In this regard, the Risk Management Committee is assisted by special sub-committees that focus on Quality & Patient safety, Facility management, Incidents review, patient feedback & complaints review and Mortality & Morbidity review. Heads of the business unit act as the first line of defense, while financial controls, Information Security practices and Compliance functions serve as the second line of defense. The third line of defense comprises of Assurance services and internal controls as well as the Internal & External Auditors. Adequacy and effectiveness of the Risk management framework is periodically reviewed by the Board Audit Committee and required changes are recommended to Board of Directors.

PERCEIVED RISKS

Below table presents the key risks identified by Asiri Group of Hospitals together with potential impact and measures taken to mitigate those risks.

Risk	Potential Impact	Mitigation Strategy
<p>ADVERSE CLINICAL OUTCOMES RATED AS ISR 1 OR 2</p> <p>Any event or incident that leads to an adverse outcome for a patient rated as Incident severity rating 1 or 2 would be detrimental to the reputation of the organization. Examples- death of a patient due to negligence of the clinical team, surgical complications, hospital acquired infections of an immunocompromised patient, patient fall leading to head injury or fracture.</p>	<p>As a hospital, Risks associated with patient care are extremely imperative. Clinical risks can lead to other risks including reputation and legal risk in addition to causing financial losses.</p> <p>The likelihood and consequences of Clinical Risks may vary time to time. However it is the most significant and vulnerable area to Asiri Group of Hospitals in terms of Risk.</p>	<p>Regular supervision of all clinical work at unit level to ensure competent staff are deployed and instructions followed at all times.</p> <p>Abide by the clinical guidelines, SOP's and unit protocols to ensure consistency of services, Regular training and evaluation of clinical staff to ensure competency and update of knowledge</p> <p>Strict credentialing and evaluation process of all clinical staff at point of recruitment to ensure appropriate skill and competency, while practicing privileges granted accordingly to all clinicians, nurses and para medical staff.</p> <p>Timely preventive repair, replacement of medical equipment, instruments through comprehensive service contracts for critical equipment.</p> <p>Strict infection control program Monthly patient feedback, complaint review and Incident review as a continuous improvement process</p> <p>Subcommittee on Clinical Risk Management fully operates within its sphere to ensure that all clinical Risks that are reported, are addressed adequately and appropriate controls are in place to prevent additional Clinical Risk events. Frequent monitoring and review of Clinical Risks to ensure the Group's Clinical Risk Management plan is adequate and effective.</p>

Risk Management Report

Risk	Potential Impact	Mitigation Strategy
STRATEGIC RISK		
<p>Strategic Risk is the risk that arises due to the timeliness and accuracy of the Group's strategy, and objectives, as well as the effectiveness of the strategy execution process. It is a possible source of loss that might arise from pursuing of an unsuccessful business plan.</p> <p>Strategic Risk might also arise from inadequate resource allocation or from a failure to respond well to changes in the business environment.</p>	<p>Strategic risk is often a major factor in determining a Group's worth and may lead to a complete failure if not addressed accordingly.</p> <p>Incompetent strategic decisions will adversely affect shareholder objectives while failure to execute innovative decisions will hinder the expansion and opportunities in the emerging markets.</p>	<p>Annual business planning sessions which involve brain storming with cross functional teams from senior management and heads of departments to staff members.</p> <p>Monthly reviews with sales and marketing teams to understand and take appropriate action based on market behaviour and competitor activity.</p> <p>Regular follow up/ review on all new projects with the Group CEO and MD.</p> <p>All strategic decisions are scrutinized by the Board of Directors who have expertise knowledge and vast experience in the industry.</p>
OPERATIONAL RISK		
<p>These are the Risk of losses resulting from inadequate or failed internal processes, people and systems or from external events.</p>	<p>Operational risk exists in the natural course of business activity. Failure to manage operational risks can expose the Group to significant losses.</p>	<p>The Group is committed to enhance the effectiveness of Operational Risk Management process through identification, assessment, treatment, monitoring and control of all operational aspects of the business.</p> <p>Regular review of processes and redesign to ensure smooth operation from customer's point of view.</p> <p>Our Risk management framework has been designed to promptly detect deficiencies in the policies, procedures and processes. However, some Risks may be latent and we have crisis management processes designed to improve our resilience to unforeseen events.</p> <p>Business continuity arrangements are in place to address supply chain disruption, employee repatriation, natural disasters, cyber-attacks, technical mishaps and can minimize their impact on our stakeholders as well as the Group's reputation and performance.</p> <p>Robust policies for IT Security have been implemented and frequent IT audits and reviews are conducted to ensure the adequacy of controls and areas of improvements.</p>

Risk	Potential Impact	Mitigation Strategy
HUMAN RESOURCES (PEOPLE)		
<p>Service industry, in which the Group operates, is heavily dependent on human resources.</p> <p>Risks may arise from employee negligence, conflict of interest, fraud or misappropriation and due to poorly trained employees.</p> <p>Human capital may affect by failure to attract, develop and retain skilled workforce.</p>	<p>Human resource issues could affect the continuity of business operations. The consequences could be serious, when loss of key executives without suitable replacement.</p> <p>Thus the ability to recruit and retain qualified and skilled healthcare professionals are crucial for the Group's success.</p>	<p>The Group has introduced a comprehensive recruitment and retention process. Clinical staff are recruited following a thorough evaluation of their credentials and regulatory requirements. While ensuring the safety and welfare of the employees, our risk management approach is directed towards minimizing the Human related concerns. A succession planning program is in place which includes; regular trainings, developments, promotions, KPI and supervision.</p> <p>Recognition and reward schemes to encourage and promote desirable behaviour is in place.</p> <p>Retaining key talent with appropriate incentive schemes and periodic review of performance if in place.</p>
TECHNOLOGICAL & INFORMATION SECURITY		
<p>The healthcare industry is exposed to frequent technological change and failure to adopt these latest technologies will drive the Group towards technological obsolescence.</p> <p>Increasing use of technology has hosted new levels of complexity and threats such as: security breaches, system failures, malicious attacks, IT fraud and many other issues.</p>	<p>If systems are disrupted over the internet, by an adversary or an accident, that can have a profound impact on patient care.</p> <p>Inability to adopt the latest pioneering technology could result in loss of customers, leading to fall in revenue and loss of market leadership.</p>	<p>Research and innovations in the healthcare industry are regularly perused as the Group is intent on adopting most innovative & advance technologies for diagnostics and treatments.</p> <p>Preventive maintenance of IT infrastructure, scheduled data backups, offsite storage and round-the-clock IT support by the parent Group are some of the strategies adopted to ensure zero losses of data during a system failure.</p> <p>The Asiri Group makes regular investments in pioneering technology and training of staff for optional application of existing technology.</p>

Risk Management Report

Risk	Potential Impact	Mitigation Strategy
<p>LEGAL AND COMPLIANCE RISK</p> <p>In a highly regulated, high Risk industry such as healthcare, compliance is especially important.</p> <p>Compliance risk arises when the Group fails to act in accordance with industry laws and regulations, internal policies or prescribed best practices.</p>	<p>The Group will be exposed to legal penalties, financial forfeiture and material losses and the consequences of litigation are difficult to predict or quantify.</p> <p>In addition to complying with the Colombo Stock Exchange, Securities and Exchange Commission and Companies Act disclosure requirements, the Group also complies with Sri Lanka Accounting Standards. Non-compliance would cause severe reputation damages as well.</p>	<p>Regulatory compliance is ensured with check lists, timely renewal of licenses, regular inspection and review of practices and training of staff in HR, Finance, waste management, pharmacy and laboratory services etc.</p> <p>The Group’s corporate governance framework ensures the transparency, compliance with laws & regulation and ethical business in all affairs with stakeholders. The Related Party Transaction Review committee has been established to assure the highest level of integrity and transparency.</p>

Audit Committee Report

SCOPE OF THE COMMITTEE

The Audit Committee supports the Board of Directors in fulfilling its oversight responsibility for the Group's financial reporting system, system of internal controls, risk management process, internal audit function, compliance with legal and regulatory requirements and review of the external auditors' performance and independence.

The Audit Committee of the company's parent, Asiri Hospital Holdings PLC, functions as Audit Committee of the company, as permitted by the Listing Rules of the Colombo Stock Exchange.

COMPOSITION OF THE COMMITTEE AND MEETINGS

The Audit Committee is appointed by the Board of Directors and comprises three independent Non-Executive Directors. Their names are stated in the Corporate Governance Report on Page 17.

Mr. R A Ebell ceased to be a Director of Asiri Hospital Holdings PLC on 30th June 2020 and Mr. S Ahangama was appointed as a Director on 27th August 2020. Mr. Ahangama was appointed as the Chairman of the committee on 22nd September 2020, the position previously held by Mr. R A Ebell.

The Audit Committee met on five occasions during the year under review. The activities of the Audit Committee are reported periodically to the Group Chairman and the Board of Directors.

The committee discharges the following responsibilities:

Financial Statements, Financial Reporting Process and Accounting Policies

The Audit Committee reviews:

- The quarterly and annual Financial Statements prior to publication.
- The appropriateness of Accounting Policies applied.
- Significant estimates and judgements by management.
- Compliance with Accounting Standards and regulatory requirements.
- Issues arising from the Internal Audit and Independent External Audit.
- The Company's ability to continue as a going concern.

The attendance at Audit Committee meetings was as follows:

Name of Director	Attendance
Mr. S Ahangama (Member/Chairman) (Appointed w.e.f. 22nd September 2020, Asiri Hospital Holdings PLC)	3/3
Mr. R A Ebell (Member/Chairman) (Resigned w.e.f. 30th June 2020, Asiri Hospital Holdings PLC)	1/1
Mr. S A B Rajapaksa	5/5
Mr. G L H Premaratne	4/5

The Chief Financial Officer and the Group Manager - Audit of Asiri Group were permanent attendees at these meetings, as were the Group Head of Risk & Audit and the Group Finance Director of Softlogic Group. The External Auditors attended meetings by invitation when required and the Company Secretary, Softlogic Corporate Services (Pvt) Ltd served as secretary to the committee.

DUTIES AND RESPONSIBILITIES

The duties of the Audit Committee include:

- Oversight of preparation, presentation and adequacy of disclosure in the financial statements, in accordance with applicable laws, regulations and accounting standards.
- Oversight of processes directed towards ensuring internal controls and risk management procedures are adequate and effective.
- Monitoring and reviewing the effectiveness of the internal audit function.
- Assessing the Company's ability to continue as a going concern in the foreseeable future
- Assessing the independence and performance of the Company's external auditor
- The committee discharges the following responsibilities:

Audit Committee Report

Internal Controls and Risk Management	<p>The Audit Committee reviews and assesses:</p> <ul style="list-style-type: none"> • The internal control environment and areas of significant risk. • The effectiveness of internal control systems. • Policies and practices directed towards ensuring a sound system of internal control is in place. • Internal and external auditors' reviews of internal control over financial reporting and their reports on significant findings and recommendations, alongside management's responses.
Internal Auditing	<p>The Audit Committee reviews and approves:</p> <ul style="list-style-type: none"> • The internal audit charter. • The internal audit budget and resource plan including staffing and organizational structure of the function. • The annual audit plan, major changes to the plan and the internal audit activity's performance against the plan, ensuring there are no unjustified restrictions or limitations on their activity.
External Audit	<p>The Audit Committee:</p> <ul style="list-style-type: none"> • Reviews the external auditors' audit scope and approach, including coordination of audit effort with internal audit. • Reviews the performance, independence & objectivity of the external auditors. • Makes recommendations to the Board pertaining to the appointment, re- appointment and removal of external auditors and their remuneration and terms of engagement. Recommendations for re- appointment of external auditors consider their independence and performance & objectivity, which are assessed by reference to declarations made by them, to management views and to the Audit Committee's observations in their interactions with the external auditors. • Seeks to resolve disagreement between management and the external auditor regarding financial reporting.
Compliance	<p>The Audit Committee reviews:</p> <ul style="list-style-type: none"> • The effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigations. • The findings of examinations by regulatory agencies, and auditors' observations. • Updates from management and company legal counsel regarding compliance.

The Audit Committee recommends to the Board of Directors that M/s Ernst & Young be re-appointed as auditors of the Company for the financial year ending 31st March 2022, subject to the approval of the shareholders at the Annual General Meeting.

In making this recommendation, the Audit Committee believes M/s Ernst & Young have no other relationship with, or interest in, the Company or any company within the Asiri Hospital Holdings Group, and thus are independent in their role as auditors.

Sgd.

S. Ahangama

Chairman – Board Audit Committee

30 June 2021

Colombo

Remuneration Committee Report

The Remuneration Committee is a subcommittee of the Board constituted under the Company's Corporate Governance policies for the purpose of recommending and endorsing the remuneration of Senior Management. The members of the Committee comprise two Independent Non-Executive Directors. The names of the Committee members are stated in the Corporate Governance Report on page 18.

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

All Non-Executive Directors receive a fee for serving on the Board and serving on subcommittees. They do not receive any performance related incentive payments.

The Directors' emoluments are disclosed on page 58.

The Committee meets annually. The Committee has acted within the parameters set by its terms of reference

Sgd.

G L H Premaratne

Chairman – Remuneration Committee

30 June 2021

Colombo

Related Party Transactions Review Committee Report

PURPOSE

The Related Party Transactions Review Committee was established by the Board, in order to comply with the Listing Rules of the Colombo Stock Exchange, governing related party transactions in respect of listed companies as per the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka (SEC) (the “Code”), and Section 9 of the Listing Rules of the Colombo Stock Exchange (the “Rules”).

The Board Related Party Transactions Review Committee (the “Committee”), assists the Board in reviewing all Related Party Transactions carried out by the Company, and its listed companies in the Group by early adopting of the Code of Best Practices on Related Party Transactions as issued by the Securities and Exchange Commission of Sri Lanka.

COMPOSITION

The Related Party Transactions Review Committee is appointed by the Board of Directors of the Company and the following Directors were served on the Committee as at 31 March 2021:

- Mr S A B Rajapaksa (Chairman) – Independent Non-Executive Director
- Mr G L H Premaratne (Member) – Independent Non-Executive Director
- Mr S Ahangama (Member) – Independent Non-Executive Director (Appointed w.e.f 22nd September 2020, Asiri Hospital Holdings PLC)
- Mr R A Ebell (Member) - Independent Non-Executive Director (Resigned w.e.f 30th June 2020, Asiri Hospital Holdings PLC)

The Chief Financial Officer attends all meetings by invitation.

Sofilogic Corporate Services (Pvt) Ltd., Secretaries of the Company function as the Secretary to the Related Party Transactions Review Committee.

ATTENDANCE AT MEETINGS

Name	Attended/Eligible to attend
Mr S A B Rajapaksa	4/4
Mr G L H Premaratne	4/4
Mr S Ahangama	2/2
Mr R A Ebell (Resigned w.e.f 30th June 2020)	1/1

ROLES AND RESPONSIBILITIES

1. Reviewing in advance all proposed Related Party Transactions of the Company and its listed companies in the Group in compliance with the Code.

2. Adopting policies and procedures to review Related Party Transactions of the Company and its subsidiaries and reviewing and overseeing existing policies and procedures.
3. Determining whether Related Party Transactions that are to be entered into by the Company and/or its subsidiaries require the approval of the Board or shareholders of the respective companies.
4. If Related Party Transactions are ongoing (recurrent related party transactions) the Committee establishes guidelines for Senior Management to follow in its ongoing dealings with the relevant related party.
5. Ensuring that no Director of the Company shall participate in any discussion of a proposed Related Party Transactions for which he or she is a related party, unless such Director is requested to do so by the Committee for the express purpose of providing information concerning the related party transactions to the Committee.
6. If there is any potential conflict in any Related Party Transactions, the Committee may recommend the creation of a special committee to review and approve the proposed Related Party Transactions.
7. Ensuring that immediate market disclosures and disclosures in the Annual Report as required by the applicable rules/regulations are made in a timely and detailed manner.

REVIEW OF THE RELATED PARTY TRANSACTIONS DURING THE YEAR

The Committee reviewed all proposed Related Party Transactions of Asiri Surgical Hospital PLC and scrutinised such transactions to ensure that they are no less favourable to the Group than those generally available to an unaffiliated third party in a similar circumstance. The activities and observations of the Committee have been communicated to the Board quarterly through tabling minutes of the meeting of the Committee at Board meetings. Details of Related Party Transactions entered by the Company during the above period are disclosed in Note 29 to the Financial Statements.

The Committee on behalf of the Board of Directors has given the following statement in respect of the Related Party Transactions.

The Related Party Transactions of the Company during the financial year have been reviewed by the Committee and are in compliance with Section 9 of the Rules.

Sgd.

S A B Rajapaksa

Chairman – Related Party Transactions Review Committee

30 June 2021
Colombo

Statement of Directors' Responsibilities

The responsibilities of the Directors, in relation to the Financial Statements of the Company differ from the responsibilities of the Auditors, which are set out in the Report of the Auditors on pages 34 to 36.

The Companies Act No. 07 of 2007 stipulates that the Directors are responsible for preparing the Annual Report and the Financial Statements. Company law requires the Directors to prepare Financial Statements for each financial year, giving a true and fair view of the state of affairs of the Company at the end of the financial year, and of the Statement of Comprehensive Income of the Company for the financial year, which comply with the requirements of the Companies Act.

The Directors consider that, in preparing Financial Statements set out on pages 37 to 88 of the Annual Report, appropriate accounting policies have been selected and applied in a consistent manner and supported by reasonable and prudent judgements and estimates, and that all applicable accounting standards have been followed. The Directors confirm that they have justified in adopting the going concern basis in preparing the Financial Statements since adequate resources are available to continue operations in the foreseeable future. The Directors are responsible for keeping proper accounting records, which disclose reasonable accuracy, at any time, the financial position of the Company and to enable them to ensure the Financial Statements comply with the Companies Act No. 07 of 2007 and are prepared in accordance with Sri Lanka Accounting Standard (SLFRS/LKAS).

They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities. In this regard the Directors have instituted an effective and comprehensive system of internal control.

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

The Directors are of the view that they have discharged their responsibilities as set out in this Statement.

COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and other known statutory dues as were due and payable by the Company as at the date of the Statement of Financial Position have been paid or, where relevant provided for, in arriving at the financial results for the year under review except as specified in Note 27 to the Financial Statements covering contingent liabilities.

COMPLIANCE WITH RELATED PARTY TRANSACTIONS RULES

Transactions of related parties (as defined in LKAS 24 – Related Party Disclosures) with the Company are set out in Note 29 to the Financial Statements.

For and on behalf of the Board of
Asiri Surgical Hospital PLC

Sgd.
Secretaries
Softlogic Corporate Services (Pvt) Ltd.

30 June 2021
Colombo

Annual Report of the Board of Directors

The Directors of Asiri Surgical Hospital PLC have pleasure in presenting to the members their report together with the Audited Financial Statements of the Company for the year ended 31st March 2021.

PRINCIPAL ACTIVITIES AND NATURE

The principal activity of the Company continues to be carrying out healthcare and hospital services.

There has been no significant change in the nature of the Company's principal activities during the year.

REVIEW OF OPERATIONS

A review of the operations of the Company and its performance during the year is contained in the Operations Review on page 6 of the Annual Report. This review together with the Financial Statements reflects the state of affairs of the Company. These reports form an integral part of the Directors' Report.

FINANCIAL STATEMENTS

The Financial Statements of the Company which include the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements are given on pages 37 to 88.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statements of the Company to reflect a true and fair view of the state of affairs. The Directors are of the view that these Financial Statements have been prepared in conformity with the requirements of the Companies Act No. 07 of 2007 and the Sri Lanka Financial Reporting Standards. A statement in this regard is given on page 29.

AUDITOR'S REPORT

The Auditor's Report on the Financial Statements is given on pages 34 to 36.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the Financial Statements are given on pages 43 to 55. There was no change in the accounting policies adopted other than those disclosed in Note 2.4 to the Financial Statements.

PROPERTY, PLANT AND EQUIPMENT

The movement in property, plant and equipment during the year under review is set out in Note 9 to the Financial Statements.

CAPITAL EXPENDITURE

The capital expenditure of the Group and the Company during the year amounted to LKR 206,502,369 and LKR 196,453,120 respectively (2019/20 – Company LKR 235,980,283/-) details of which are given in Note 9 to the Financial Statements.

RESERVES

The total reserves of the Group and the Company as at 31st March 2021 amounted to LKR 3,201,013,503/- and LKR 3,162,069,996/- respectively. The composition of reserves is shown in the Statement of Changes in Equity in the Financial Statements.

DONATIONS

The donations made by the Company during the year amounted to LKR 1,985,000/- 2020/2021 (NIL - 2019/2020).

DIVIDENDS

The Directors recommended that to the shareholders that the first interim dividend of LKR 0.25 per share paid on 12th October, 2020

The Directors recommended that to the shareholders that the second interim dividend of LKR 0.60 per share paid on 16th April, 2021

STATED CAPITAL

The stated capital of the Company as at 31st March 2021 was LKR 1,393,327,565/-. There was no change in the stated capital of the Company during the year under review.

STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief are satisfied that 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 date of the Statement of Financial Position have been paid or, where relevant provided for, except as specified in Note 27 to the Financial Statements, covering contingent liabilities.

MATERIAL ISSUES PERTAINING TO THE EMPLOYEES AND INDUSTRIAL RELATIONS

There have been no material issues pertaining to the employees and industrial relations of the Company.

EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

No circumstances have arisen and no material events have occurred after the date of Statement of Financial Position, which would require adjustments to, or disclosure in the accounts other than those disclosed in Note 28 to the Financial Statements.

INTERNAL CONTROL

The Board has overall responsibility for the Company's system of internal control and review its effectiveness. The internal control system has been designed to meet the particular needs of the organisation concerned and the risk to which it is exposed, and by their nature can provide reasonable but not absolute assurance against material misstatement or loss. The Board is satisfied with the effectiveness of the internal control system for the period up to the date of signature of the accounts.

DIRECTORATE

The following Directors held office during the year under review:

Mr A K Pathirage (Chairman/Managing Director)
 Dr S Selliah (Deputy Chairman)
 Dr K M P Karunaratne (Group Chief Executive Officer)
 Mr G L H Premaratne
 Mr S A B Rajapaksa

In terms of Article 24 (6) of the Articles of Association of the Company, Mr. S A B Rajapaksa retires by rotation and being eligible offer himself for re-election with the unanimous support of the Board.

The Directors have recommended the reappointment of Mr G L H Premaratne who is 73 years of age, as a Director of the Company; and accordingly a resolution will be placed before the shareholders in terms of Section 211 of the Companies Act in regard to the reappointment of Mr G L H Premaratne.

DIRECTORS' SHAREHOLDING

Name of Director	Number of shares as at 31 March 2021	Number of shares as at 31 March 2020
Mr A K Pathirage		
Dr S Selliah	17,000	17,000
Dr K M P Karunaratne	133	133
Mr G L H Premaratne		
Mr S A B Rajapaksa		

DIRECTORS' REMUNERATION

Directors' remuneration in respect of the Company for the financial year 2020/21 are given in Note 5 to the Financial Statements on Page 58.

INTERESTS REGISTER

The Interests Register is maintained by the Company as per the Companies Act No. 07 of 2007. All Directors have disclosed their interests pursuant to Section 192 (2) of the said Act.

DIRECTORS' INTERESTS IN CONTRACTS AND PROPOSED CONTRACTS WITH THE COMPANY

Directors' interests in contracts with the Company, both direct and indirect are given in Note 29 to the Financial Statements. These interests have been declared at the Board meetings. The Directors have no direct or indirect interest in any other contracts or proposed contracts with the Company.

AUDITORS

Company's Auditors during the period under review were Messrs Ernst & Young, Chartered Accountants.

The following payments were made to them during the year:

- Audit fees - 935,316/-
- Fees for other services - Nil

As far as the Directors are aware the Auditors do not have any relationship with the Company or any of its subsidiaries other than those disclosed above. Auditors also do not have any interest in the Company or any of the Group companies.

SHAREHOLDERS' INFORMATION

The twenty largest shareholders of the Company as at 31st March 2021 are given on Page 90 together with an analysis of the shareholding. There were 3,257 registered shareholders as at 31st March 2021.

SHARE INFORMATION

Information on share trading is given on page 91 of the Annual Report.

GOING CONCERN

The Board is satisfied that the Company has adequate resources to continue its operations in the foreseeable future and the Directors have adopted the going concern basis in preparing the accounts.

Annual Report of the Board of Directors

ANNUAL GENERAL MEETING

The Twenty First Annual General Meeting of the Company will be held by electronic means on Monday the 23rd of August 2021 at 10.00 am. The Notice of the 21st Annual General Meeting is on Page 95 of the Annual Report.

For and on behalf of the Board,

Sgd.

Ashok Pathirage

Chairman/Managing Director

Sgd.

Dr Manjula Karunaratne

Group Chief Executive Officer

Sgd.

Secretaries

Softlogic Corporate Services (Pvt) Ltd.

30 June 2021

Colombo

FINANCIAL REPORTS

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Independent Auditors' Report



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TO THE SHAREHOLDERS OF ASIRI SURGICAL HOSPITAL PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Asiri Surgical Hospital PLC (“the Company”) and the consolidated financial statements of the Company and its subsidiary (“the Group”), which comprise the statement of financial position as at 31 March 2021, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2021, and of their financial performance and 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

Key audit matters

audit of the financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
<p>Revaluation of freehold buildings</p> <p>Property, Plant and Equipment include buildings carried at fair value. The fair values of buildings were determined by an external valuer engaged by the Group. Valuation of buildings was a key audit matter due to;</p> <ul style="list-style-type: none"> Materiality of the reported value of buildings which amounted to Rs. 2.6 Bn and which represented 30% of Total Assets as at 31 March 2021. The degree of assumptions, judgements and estimation uncertainties associated with valuation of buildings. The valuation contained higher estimation uncertainties as comparable market transactions, which are generally considered to be a strong source of evidence regarding fair value, were fewer, due to the COVID-19 pandemic. <p>Key area of significant judgments, estimates and assumptions included the following:</p> <ul style="list-style-type: none"> Estimate of the per square foot value of the building. 	<p>Our audit procedures included the following;</p> <ul style="list-style-type: none"> We evaluated the competence, capability and objectivity of the external valuer engaged by the Group. We read the reports of the external valuer and understood the key estimates made and the approach taken by the valuer in determining the valuation of buildings. We engaged our internal resources to assist us in assessing the appropriateness of the valuation techniques used and the reasonableness of the significant judgements and assumptions such as value per square foot used by the valuer. We also assessed the adequacy of the disclosures made in Note 2.3.3 and 9 to the financial statements.

Key audit matter	How our audit addressed the key audit matter
<p>Revenue</p> <ul style="list-style-type: none"> The Group's revenue generated from its healthcare services is disclosed in Note 3.1. We considered revenue as a focus area due to the significance of the balance to the financial statements, its high volume of transactions, Management's use of judgements in the determination of appropriateness of gross or net basis of revenue recognition in certain service arrangements and reliance on Information Technology (IT). 	<p>Our audit procedures included among others the following;</p> <ul style="list-style-type: none"> We obtained an understanding and selected key controls over revenue recognition in respect of initiation of transactions, the basis of calculation and timing of the recognition. We also tested the integrity of the general IT control environment relating to the most significant IT systems relevant to revenue recognition and tested relevant IT application controls. We discussed with Management regarding the service arrangements particularly relating to involvement of consultant medical personnel and reviewed appropriateness of Management's determination of recognition of underlying revenue on a gross or net basis. We assessed the adequacy of the disclosures made in Note 2.3.15 and 3.1 in the financial statements.

Other information included in the Group's 2021 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

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

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

Responsibilities of management and those charged with governance

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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group'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 judgement and maintain professional skepticism throughout the audit. We also:

Independent Auditors' Report



- 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 internal controls of the Company and the Group.
- 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 Group'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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2471.

30 June 2021

Colombo

Partners: W R H Fernando FCA FCMA R N de Saram ACA FCMA Ms. N A De Silva FCA Ms. Y A De Silva FCA W R H De Silva ACA ACMA W K B S P Fernando FCA FCMA
Ms. K R M Fernando FCA ACMA Ms. L K H L Fonseka FCA A P A Gunasekera FCA FCMA A Herath FCA D K Hulangamuwa FCA FCMA LLB (Lond) H M A Jayasinghe FCA FCMA
Ms. A A Ludowyke FCA FCMA Ms. G G S Manatunga FCA A A J R Perera ACA ACMA Ms. P V K N Sajeewani FCA N M Sulaiman ACA ACMA B E Wijesuriya FCA FCMA

Principals: G B Goudian ACMA T P M Ruberu FCMA FCCA

A member firm of Ernst & Young Global Limited

Statement of Profit or Loss

Year ended 31 March	Note	GROUP	COMPANY	
		2021 Rs.	2021 Rs.	2020 Rs.
Revenue	3.1	4,229,712,085	3,898,338,863	3,654,663,091
Cost of Services		(2,661,453,819)	(2,507,690,676)	(2,265,592,297)
Gross Profit		1,568,258,266	1,390,648,187	1,389,070,794
Other Income	3.4	34,612,085	72,505,135	63,881,207
Administrative Expenses		(780,949,064)	(746,366,587)	(817,357,539)
Selling and Distribution Costs		(112,192,576)	(103,703,174)	(112,500,210)
Finance Cost	4.1	(253,512,516)	(230,861,069)	(151,700,378)
Finance Income	4.2	252,549,112	251,013,609	216,398,311
Change in Fair Value of Investment Property	11	-	(734,555)	19,211,705
Share of Profit of Joint Venture (net of tax)		-	-	896,803
Profit Before Tax	5	708,765,307	632,501,546	607,900,693
Tax Reversal/(Expense)	6	150,901,543	152,145,673	(174,789,921)
Profit For the Year		859,666,850	784,647,219	433,110,772
Attributable to:				
Equity Holders of the Parent		822,157,035		
Non-Controlling Interest		37,509,815		
		859,666,850		
Earnings Per Share - Basic	7	1.63	1.48	0.82
Dividend Per Share - Ordinary Shares	8.1	0.85	0.85	0.00

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 43 to 88 form an integral part of these Financial Statements.

Statement of Comprehensive Income

Year ended 31 March	Note	GROUP		COMPANY	
		2021 Rs.	2021 Rs.	2020 Rs.	
Profit for the Year		859,666,850	784,647,219	433,110,772	
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods (net of tax):					
Revaluation Surplus on Building		37,532,186	34,188,118	82,234,813	
Actuarial (Loss)/Gain on Employee Benefit Liability	24	(8,976,377)	(8,947,820)	9,396,262	
Share of Joint Venture Other Comprehensive Income (net of tax)		-	-	(84,001)	
Net (Loss)/Gain on Equity Instrument at Fair Value through Other Comprehensive Income	13.1	(66,631,469)	(66,631,469)	18,813,872	
		(38,075,660)	(41,391,171)	110,360,946	
Deferred Tax Charge on Other Comprehensive Income	6.2	204,261,592	204,725,764	(25,656,701)	
Net Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods (net of tax)		166,185,932	163,334,593	84,704,245	
Net Other Comprehensive Income to be reclassified to profit or loss in subsequent periods (net of tax)		-	-	-	
Other Comprehensive Income for the Year, Net of Tax		166,185,932	163,334,593	84,704,245	
Total Comprehensive Income for the Year, Net of Tax		1,025,852,782	947,981,812	517,815,017	
Total Comprehensive Income Attributable to:					
Equity Holders of the Parent Company		986,917,298			
Non-Controlling Interest		38,935,484			
		1,025,852,782			

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 43 to 88 form an integral part of these Financial Statements.

Statement of Financial Position

As at 31 March	Note	GROUP		COMPANY	
		2021 Rs.	2021 Rs.	2021 Rs.	2020 Rs.
ASSETS					
Non-current Assets					
Property, Plant and Equipment	9	4,029,526,450	3,518,805,527	3,542,698,046	
Right of Use Asset	10	22,820,900	22,820,900	23,177,155	
Investment Property	11	-	214,700,000	215,000,000	
Investment in Subsidiary	12	-	33,800,104	-	
Investment in Joint Venture	12.2	-	-	33,800,104	
Non Current Financial Assets	13	1,882,307,431	1,882,307,431	1,756,938,900	
Other Non Current Assets	14	25,982,000	25,982,000	25,982,000	
		5,960,636,781	5,698,415,962	5,597,596,206	
Current Assets					
Inventories	17	203,650,756	199,516,802	135,369,823	
Trade and Other Receivables	18	673,224,028	664,121,646	461,050,231	
Other Current Assets	19	148,550,036	144,080,478	176,574,218	
Loans Granted to Related Parties	13.3	1,382,604,006	1,382,604,006	1,336,672,230	
Cash in Hand and at Bank	26.1	275,025,608	162,346,153	160,713,046	
		2,683,054,434	2,552,669,085	2,270,379,548	
Total Assets		8,643,691,215	8,251,085,047	7,867,975,754	
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	20	1,393,327,565	1,393,327,565	1,393,327,565	
Other Components of Equity	21	1,312,686,555	1,309,993,912	1,138,964,194	
Retained Earnings		1,888,326,949	1,852,076,084	1,524,312,903	
Equity Attributable to Equity Holders of the Parent		4,594,341,069	4,555,397,561	4,056,604,662	
Non-Controlling Interests		72,735,588	-	-	
Total Equity		4,667,076,657	4,555,397,561	4,056,604,662	
Non-current Liabilities					
Lease Liability	22	9,433,234	9,433,234	12,689,886	
Interest Bearing Loans and Borrowings	23	2,063,326,909	1,948,326,909	1,311,143,333	
Employee Benefit Liability	24	148,311,926	146,758,360	131,931,111	
Deferred Tax Liability	6.2	315,654,653	310,637,515	618,568,561	
		2,536,726,722	2,415,156,018	2,074,332,891	
Current Liabilities					
Trade and Other Payables	25	704,502,723	628,755,888	450,771,635	
Dividend Payable		18,032,679	18,032,679	3,816,276	
Lease Liability	22	3,256,652	3,256,652	2,856,712	
Interest Bearing Loans and Borrowings	23	619,675,589	536,066,056	896,529,883	
Tax Payable		37,852,336	37,852,336	196,812,291	
Bank Overdraft	26.2	56,567,857	56,567,857	186,251,404	
		1,439,887,836	1,280,531,468	1,737,038,201	
Total Equity and Liabilities		8,643,691,215	8,251,085,047	7,867,975,754	

I certify that these Financial Statements are in compliance with the requirements of the Companies Act No. 7 of 2007.

Sgd.

Ajith Karunaratne
Chief Financial Officer

The Board of Directors is responsible for these Financial Statements. Signed for and on behalf of the board by:

Sgd.

Ashok Pathirage
Director

Sgd.

Dr. Manjula Karunaratne
Director

The Accounting Policies and Notes on pages 43 to 88 form an integral part of these Financial Statements.

30 June 2021

Colombo

Statement of Changes in Equity

GROUP		Stated Capital	Fair Value Reserve of Financial Assets at FVOCI	Revaluation Reserve	Retained Earnings	Total	Non- Controlling Interest	Total Equity
	Note	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 01 April 2020		1,393,327,565	(106,211,234)	1,245,175,428	1,524,312,903	4,056,612,684	-	4,056,612,684
Profit for the Year		-	-	-	822,157,035	822,157,035	37,509,815	859,666,850
Other Comprehensive Income		-	(66,631,469)	240,353,830	(8,962,096)	164,760,263	1,425,670	166,185,932
Total Comprehensive Income		-	(66,631,469)	240,353,830	813,202,959	986,917,298	38,935,484	1,025,852,782
Acquisition of Subsidiary		-	-	-	-	-	33,800,104	33,800,104
Interim Dividends 2020/21	8.1	-	-	-	(449,188,913)	(449,188,913)	-	(449,188,913)
As at 31 March 2021		1,393,327,565	(172,842,703)	1,485,529,258	1,888,326,949	4,594,341,069	72,735,588	4,667,076,657

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 43 to 88 form an integral part of these Financial Statements.

Statement of Changes in Equity

COMPANY		Stated Capital	FV Reserve of Financial Assets at FVOCI	Revaluation Reserve	Retained Earnings	Total
	Note	Rs.	Rs.	Rs.	Rs.	Rs.
As at 1 April 2019		1,393,327,565	(125,025,106)	1,185,966,362	1,142,167,890	3,596,436,711
Adjustment due to initial application of SLFRS 16		-	-	-	(57,210,804)	(57,210,804)
Adjusted balance as at 1 April 2019		1,393,327,565	(125,025,106)	1,185,966,362	1,084,957,086	3,539,225,907
Profit for the Year		-	-	-	433,110,772	433,110,772
Other Comprehensive Income		-	18,813,872	59,209,066	6,681,307	84,704,245
Total Comprehensive Income		-	18,813,872	59,209,066	439,792,079	517,815,017
Fair Value Adjustment - Guarantees		-	-	-	(436,262)	(436,262)
As at 31 March 2020		1,393,327,565	(106,211,234)	1,245,175,428	1,524,312,903	4,056,604,662
Profit for the Year		-	-	-	784,647,219	784,647,219
Other Comprehensive Income		-	(66,631,469)	237,661,187	(7,695,125)	163,334,593
Total Comprehensive Income		-	(66,631,469)	237,661,187	776,952,094	947,981,812
Interim Dividends 2020/21	8.1	-	-	-	(449,188,913)	(449,188,913)
As at 31 March 2021		1,393,327,565	(172,842,703)	1,482,836,615	1,852,076,084	4,555,397,561

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 43 to 88 form an integral part of these Financial Statements.

Statement of Cash Flows

Year ended 31 March	Note	GROUP		COMPANY	
		2021 Rs.	2021 Rs.	2020 Rs.	2020 Rs.
Cash Flows From Operating Activities					
Profit Before Tax		708,765,307	632,501,546		607,900,693
Adjustments for					
Amortisation of Right of Use Asset	10	356,255	356,255		236,502
Depreciation	9.2	312,263,503	251,854,447		244,744,220
Profit on Disposal of Property, Plant and Equipment	3.4	(860,688)	(860,688)		10,336,580
Share of Joint Venture Profit		-	-		(896,803)
Finance Income	4.2	(252,549,112)	(251,013,609)		(216,398,311)
Finance Costs	4.1	253,512,517	230,861,069		151,700,378
Unrealised Foreign Currency Exchange Gain		(236,622)	(236,622)		-
Provision for Gratuity	24	27,096,866	26,560,453		26,783,109
Provision for Bad Debt	18.3	6,589,684	6,589,684		3,273,367
Inventory Write-off	17	4,423,530	4,423,530		3,766,675
Change in Fair Value of Investment Property	11	-	734,555		(19,211,705)
Operating Profit Before Working Capital Changes		1,059,361,242	901,770,620		812,234,705
(Increase)/Decrease in Inventories		(70,694,777)	(68,570,509)		(22,804,393)
(Increase)/Decrease in Trade and Other Receivables		(211,516,920)	(209,661,099)		(144,075,732)
(Increase)/Decrease in Other Current Assets		47,252,668	47,252,668		(24,132,173)
(Decrease)/Increase in Trade and Other Payables		224,113,963	192,252,965		(50,490,245)
Cash Generated From Operations		1,048,516,176	863,044,645		570,732,162
Income Tax Paid		(124,778,490)	(124,778,490)		(132,364,426)
Finance Costs Paid		(264,922,048)	(242,674,130)		(131,787,203)
Employee Benefit Paid	24	(20,753,772)	(20,733,332)		(12,282,620)
Net Cash From Operating Activities		638,061,866	474,858,693		294,297,913
Cash Flows From/(Used in) Investing Activities					
Acquisition of Property, Plant and Equipment	9.1	(206,502,369)	(196,453,120)		(235,980,283)
Additions of Investment Property	11	-	(434,555)		(2,064,047)
Proceeds from Sale of Property, Plant and Equipment		3,540,001	3,540,001		1,862,354
Finance Income Received		155,853,954	154,318,452		12,923,035
Loans Granted to Related Parties		(141,000,000)	(141,000,000)		(1,478,800,000)
Acquisition of Subsidiary, Net of Cash Acquired	12.1	27,555,476	-		-
Net Cash Flows From/ (Used in) Investing Activities		(160,552,937)	(180,029,222)		(1,702,058,941)
Cash Flows From/(Used in) Financing Activities					
Payment of Lease Liability	22	(5,033,236)	(5,033,236)		(5,033,236)
Repayment of Interest Bearing Loans and Borrowings	23.1	(779,290,667)	(709,290,667)		(80,936,000)
Proceeds From Interest Bearing Loans and Borrowings	23.1	1,000,000,000	1,000,000,000		2,017,000,000
Dividends Paid		(449,188,913)	(449,188,913)		(264,228,773)
Net Cash Flows From/(Used in) Financing Activities		(233,512,816)	(163,512,816)		1,666,801,991
Net Increase/(Decrease) in Cash and Cash Equivalents		243,996,109	131,316,654		259,040,963
Cash and Cash Equivalents at the Beginning of the Year	26	(25,538,358)	(25,538,358)		(284,579,321)
Cash and Cash Equivalents at the End of the Year	26	218,457,751	105,778,296		(25,538,358)

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 43 to 88 form an integral part of these Financial Statements.

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1 General

Asiri Surgical Hospital PLC (“Company”) is a public limited liability Company, incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office and principal place of business is located at No. 21, Kirimandala Mawatha, Colombo 5.

1.2 Principal Activities and Nature of Operations

During the year, principal activities of the Company were to operate a two-tier hospital and provide healthcare services.

1.3 Parent Enterprise and Ultimate Parent Enterprise

The Company’s immediate parent undertaking is Asiri Hospital Holdings PLC.

In the opinion of the Directors, Softlogic Holdings PLC is the ultimate parent undertaking and controlling party of the Company.

1.4 Date of Authorization for Issue

The Financial Statements of Asiri Surgical Hospital PLC and its Subsidiaries for the year ended 31st March 2021 was authorized for issue in accordance with a resolution of the Board of Directors on 30th June 2021.

2. BASIS OF PREPARATION AND OTHER SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The Consolidated Financial Statements have been prepared on an accrual basis and under the historical cost convention except for buildings, investment properties, fair valued through other comprehensive income financial assets, which have been measured at fair value.

Materiality and Aggregation

Each material class of similar items is presented cumulatively 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 ‘Presentation of Financial Statements’.

Going Concern

Management has assessed the existing and potential impact of COVID-19 in determining the basis of preparing Financial Statements for the year ended 31st

March 2021. The Company evaluated its resilience considering factors such as expected revenue streams, cost management, profitability, ability to defer non-essential capital expenditure etc. and due to the nature of healthcare operations, the Board of Directors is satisfied and confident that the Company will be able to continue in operation for the foreseeable future. In addition, the directors are not aware of any material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern. Accordingly, these Financial Statements have been prepared on a going concern basis.

Presentation and Functional Currency

The Financial Statements are presented in Sri Lankan Rupees (Rs.) the Company’s functional and presentation currency, which is the currency of the primary economic environment in which the Company operates.

Statement of Compliance

The Financial Statements which comprise the Statement of Financial Position, Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows, together with the accounting policies and notes (the “Financial Statements”) have been prepared in accordance with Sri Lanka Accounting Standards (SLFRSs/LKASs) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirement of the Companies Act, No. 07 of 2007.

Comparative Information

The presentation and classification of the Financial Statements of the previous years have been amended, where relevant for better presentation and to be comparable with those of the current year. Certain comparative figures have been reclassified in order to conform to the presentation for the current period. Such reclassifications were made to improve the quality of presentation and do not affect previously reported profit or equity

The Company presented Consolidated Financial Statements for the year ended 31 March 2021 based on the determination of the Asiri AOI Cancer Centre (Pvt) Ltd is an investment in subsidiary from 1 April 2020.

2.1.1 Basis of Consolidation

The Consolidated Financial Statements encompass Company, its Subsidiary (together referred to as the “Group”)

Notes to the Financial Statements

Subsidiary

Subsidiaries are those entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

1. Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
2. Exposure, or rights, to variable returns from its involvement with the investee
3. The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

1. The contractual arrangement with the other vote holders of the investee
2. Rights arising from other contractual arrangements; and
3. The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction in a separate component of equity i.e. Other Reserve.

If the Group loses control over a subsidiary, it derecognises the related assets liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in statement of profit or loss. Any investment retained is recognised at fair value.

The Financial Statements for the year ended 31 March 2021 of the following subsidiary company included in the Consolidated Financial Statements.

Company	Effective Holding 2021	Effective Holding 2020	Principal Activities
1. Asiri AOI Cancer Centre (Pvt) Ltd	50.00%	Nil	The principal activities of the Company are to carry out cancer treatment services.

The Group management re-assessed the control and operating structure of AOI, following which it was determined a subsidiary of Asiri Surgical Hospital PLC group (with 50% direct shareholding) effective 01 April 2020.

Summary of Significant Accounting Policies

A summary of significant accounting policies has been disclosed along with relevant individual notes in the subsequent pages.

The accounting policies presented with each note, have been applied consistently by the Company.

Current Versus Non-Current Classification

The Group/Company presents assets and liabilities in the Statement of Financial Position based on a current/ non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months from the reporting date, or
- A cash or cash equivalent unless restricted from exchange or use to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in the normal operating cycle,
- Incurred primarily for the purpose of trading,
- Due to be settled within twelve months after the reporting date, and
- Not affected by any unconditional right to defer settlement for at least twelve months after the reporting date.

The Group/Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Foreign Currency Translation

The Financial Statements are presented in Sri Lankan Rupees, which is the Group's functional and presentation currency.

Transactions in foreign currencies are initially recorded by the Group/Company at the functional currency spot rate ruling at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

2.2 Summary of Significant Accounting Judgments, Estimates and Assumptions

In preparing these Financial Statements of the Company, the management has made judgements, estimates and assumptions that affect the application of Company's accounting policies and the reported amounts of

assets, liabilities, income, expenses and its disclosure of contingent liabilities. Judgements and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual results may differ from these judgements and estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised prospectively.

The management considered the following items, where significant judgements, estimates and assumptions have been used in preparing these Financial Statements.

Fair Value of Property, Plant and Equipment

The Group measures buildings at revalued amounts with changes in fair value being recognized in other comprehensive income. The Group/Company engaged an independent valuation specialist to assess fair value of such assets as at 31st March 2021. Refer Note 9.5 to these Financial Statements for significant unobservable valuation input.

Fair Value of Investment Property

The Company measures building which are recognised as investment property at fair value amount with change in value being the open market approach in determining the fair value of the building. Further details on fair value of investment property are disclosed in Note 11 to the Financial Statements.

Taxes

Significant judgement was required to determine the total provision for current and deferred taxes due to uncertainties that exist with respect to the interpretation of the applicability of tax law at the time of the preparation of these Financial Statements.

Further, judgement has been exercised in relation to the income tax exemption under the agreement entered into between Asiri Surgical Hospital PLC and the Board of Investment, as disclosed in Note 27.3.

Post-Employment Benefit Plan

The cost of the post-employment benefit plan of employees is determined using an actuarial valuation. The actuarial valuation is based on assumptions concerning the rate of interest, rate of salary increases, staff turnover, and retirement age and going concern of the Company. Due to the long-term nature of the plan, such estimates are subject to significant uncertainty. (Refer Note 24 to these Financial Statements)

Notes to the Financial Statements

Provision for Expected Credit Losses of Financial Assets

The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. (Refer Note 2.3.7)

2.3 Summary of Significant Accounting Policies Applied

The following are the significant accounting policies applied by the Group/Company in preparing its Financial Statements:

2.3.1 Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Transaction costs, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combinations are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss recognised in Statement of Profit or Loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SLFRS 9 Financial Instruments, is measured at fair value with

the changes in fair value recognised in the statement of profit or loss in accordance with SLFRS 9. Other contingent consideration that is not within the scope of SLFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in the Statement of Profit or Loss.

The Company has recognized the Investment in Joint venture Asiri AOI Cancer Centre (Pvt) Ltd as a subsidiary and the existing investment which is measured under equity method is recognized as the investment value of the acquire.

2.3.2 Fair Value Measurement

Fair value related disclosures for non-financial assets and financial instruments that are measured at fair value or where fair values are disclosed are summarised in Note 9.5, 11, 13 and 16 to the Financial Statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows,

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.3.3 Property, Plant and Equipment

Property, plant and equipment are initially stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.

Buildings are subsequently measured at fair value at the date of revaluation, less accumulated depreciation and accumulated impairment on buildings subsequent to the date of revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Depreciation is calculated on a straight-line basis over the useful life of assets or components. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

A revaluation surplus is recognised in other comprehensive income and credited to the revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in the statement of profit or loss, the increase is recognised in the statement of profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognized.

2.3.4 Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value

Notes to the Financial Statements

at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.3.5 Leases

Estimating the Incremental Borrowing Rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Right of Use Assets

The Company recognises right of use assets when the underlying asset is available for use. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right of use assets are subject to impairment.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced

for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-Term Leases and Leases of Low-Value Assets

The Company applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in the Statement of Profit or Loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as in the period in which they are earned.

2.3.6 Borrowing Costs

Borrowing Costs are recognised as an expense in the period in which they are incurred except borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets.

2.3.7 Financial Instruments - Initial Recognition and Subsequent Measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under SLFRS 15. Refer to the accounting policies in in section 2.3.15 Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

1. Financial assets at amortised cost (debt instruments)
2. Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
3. Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon de-recognition (equity instruments)
4. Financial assets at fair value through profit or loss

However, the classification of the financial assets of the Group are limited to Financial assets at amortised cost (debt instruments) and financial assets designated at FVOCI (equity instruments).

Financial Assets at Amortised Cost (Debt Instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the Effective Interest Rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is de-recognised, modified or impaired.

The Group's financial assets at amortised cost includes trade and other receivables, cash and bank and loans granted to related parties.

Financial Assets Designated at Fair Value through OCI (Equity Instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as Finance income in the Statement of Profit or Loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group/Company elected to classify irrevocably its listed equity investments under this category.

Notes to the Financial Statements

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e., removed from the Group's Statement of Financial Position) when:

- The rights to receive cash flows from the asset have expired,
- Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of Financial Assets

The Group recognises an allowance for Expected Credit Losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Trade receivables Note 30.1.1 to the Financial Statement

ii)

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, financial guarantees contracts, and other financial liabilities.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and Borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit or Loss.

Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

Derecognition

Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit or Loss.

2.3.8 Equity Accounted Investees

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investment in joint venture is accounted for using the equity method till 31st March 2020. The group management re-assessed the control and operating structure of AOI, following which they determined that AOI as a subsidiary of the Asiri Surgical Hospital PLC with effect from 1st April 2020 and accounted as a subsidiary of Asiri Surgical Hospital PLC Group with 50% direct shareholdings.

2.3.9 Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow-moving items. Net realisable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

The cost incurred in bringing inventories to its present location and conditions are accounted for using the first-in first-out basis.

2.3.9.1 Contract Assets

Contract assets are Group/Company's right to consideration in exchange for goods or services that the Group/Company has transferred to a customer, with rights that are conditioned on some criteria other than the passage of time. Upon satisfaction of the conditions, the amounts recognised as contract assets are reclassified to trade receivables. Contract assets of the Group/Company have been disclosed in Trade and other receivable Note 18 to the Financial Statements.

2.3.10 Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is higher of asset's fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.3.11 Cash and Cash Equivalents

Cash and Cash Equivalents are defined as cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of the Cash Flow Statement, cash and cash equivalents consist of the above net of outstanding bank overdrafts. Investments with short maturities (i.e. three months or less from the date of acquisition) are also treated as Cash and Cash Equivalents.

2.3.12 Provisions

Provisions are recognised when the Group/Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group/Company expect some or all of a provision

Notes to the Financial Statements

to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss net of any reimbursement.

2.3.13 Post-Employment Benefits

a. Defined Benefit Plan – Gratuity

The Group measures the present value of the promised retirement benefits of gratuity which is a defined benefit plan with the advice of an independent professional actuary at the end of every financial year using the Projected Unit Credit Method (PUC) as recommended by LKAS 19 – “Employee benefits”. Accordingly, the employee benefit liability is based on the actuarial valuation carried out by Messrs Actuarial and Management Consultants (Pvt) Ltd., Actuaries. The actuarial valuation involves making assumptions about discount rate, future salary increases rate and mortality rates etc. All assumptions are reviewed at each reporting date.

Provision has been made for retirement gratuities from the beginning of service for all employees, in conformity with LKAS 19 on employee benefit. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The Group’s accounting policy for defined benefit plans is to recognise actuarial gains and losses in the period in which they occur in full in Statement of Other Comprehensive Income.

The Group is liable to pay gratuity in terms of the relevant statute.

The Gratuity liability is not externally funded.

b. Defined Contribution Plans

Employees’ Provident Fund and Employee’ Trust Fund

Employees are eligible for Employees’ Provident Fund and Employee’ Trust Fund contributions, in line with respective statute and regulations. The Group contributes 12% and 3% of gross remuneration of employees towards Employees’ Provident Fund and Employee’ Trust Fund respectively.

2.3.13.1 Contract Liabilities

Contract liabilities are Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or the amount is due) from the customer. Contract liabilities include long-term advances received to deliver goods and services, short-term advances received to render certain services. Contract liabilities of the Group have been disclosed in Trade and other payable Note 25 to the Financial Statements.

2.3.14 Dividend Payable

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity.

2.3.15 Revenue

The Group/Company is in the business of providing healthcare services and sale of pharmaceuticals. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group/Company expects to be entitled in exchange for those services or goods.

The Group/Company adopt recognized the revenue based on SLFRS 15, applies to all contracts with customers to provide goods and services in the ordinary course of business. The Company adopts principle based five steps model for revenue recognition.

Accordingly, revenue is recognised only when all of the following criteria are met:

- The parties to the contract have approved the contract/s;
- The entity can identify each party’s rights regarding goods or services to be transferred;
- The entity can identify the payment term for the goods or services to be transferred;
- The contract has commercial substance;
- It is probable that the entity will collect the consideration to which it will be entitled in exchange for goods or services that will be transferred to the customer.

Under SLFRS 15, the Group/Company determines at contract inception whether it satisfies the performance obligation over time or at a point in time. For each performance obligation satisfied overtime, the Group/Company recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

Revenue from sale of pharmaceutical items are recognised at the point in time when control of the asset is transferred to the customer.

Revenue from outpatients are recognised at the point in time when services are rendered.

Revenue from inpatients are recognised over time by measuring the progress towards complete satisfaction of that performance obligation.

The Group/Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principle or agent. The Group/Company has concluded that the service revenues are presented net of doctor fees in cases where the Group/Company is not the primary obligor and does not have the pricing latitude.

2.3.16 Other Income

Other income is recognised in the Statement of Profit or Loss as it accrues.

2.3.17 Dividend Income

Dividend income is recognised when the Company's right to receive the payment is established.

2.3.18 Finance Income

Finance income comprises interest income on funds invested, dividend income and Guarantee fee income. Interest income is recorded as it accrues using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included under finance income in the income statement. Guarantee fee earned for the provision of guarantee over a period are accrued over that period.

2.3.19 Finance Expense

Finance costs comprise interest expense on borrowings and guarantee cost.

Interest expense is recorded as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial liability.

2.3.20 Expenditure

Expenses are recognised in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the income statement.

For the purpose of presentation of the income statement, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the Group performance.

2.3.21 Taxation

Current Taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group/Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and for items recognised in other comprehensive income is recognised in other comprehensive income and not in the income statement.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Taxation

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial

Notes to the Financial Statements

reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.3.22 Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

2.3.23 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Senior Management Committee to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

2.4 Standards Issued but not yet Effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

2.4.1 Amendments to SLFRS 16 – COVID – 19 Related Rent Concessions

The amendments provide relief to lessees from applying SLFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 Pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from COVID-19 related rent concession the same way it would account for the change under SLFRS16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 01 June 2020.

2.4.2 Property, Plant and Equipment: Proceeds before Intended Use – Amendments to LKAS 16

In March 2021, the ICASL adopted amendments to LKAS16-Property, Plant and Equipment - Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendment is effective for annual reporting periods beginning on or after 1st January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

2.4.3 Amendments to SLFRS 3

The amendments update SLFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to SLFRS 3 a requirement that, for obligations within the scope of LKAS 37, an acquirer applies LKAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1st January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

Notes to the Financial Statements

3. REVENUE AND OTHER INCOME

3.1 Revenue

	GROUP		COMPANY	
	2021 Rs.	2021 Rs.	2021 Rs.	2020 Rs.
Healthcare Services	4,074,578,448	3,743,205,226		3,497,050,538
Sales of Goods	155,133,637	155,133,637		157,612,553
	4,229,712,085	3,898,338,863		3,654,663,091

3.2 Segment Information

The Senior Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenue generated and is measured consistently with revenue in the Consolidated Financial Statements.

The Group has identified the following segments based on the information provided to CODM for the purpose of making decisions about resource allocation and performance assessment.

- Pre Care which include OPD revenue, channeling revenue and OPD lab investigation services
- Post Care which include all IPD revenue including inpatient drugs and lab investigation
- Pharmaceutical which includes OPD pharmacy revenue

The following table presents the revenue generated by the Group's segments for the year ended 31st March 2021 and comparative figures for the year ended 31st March 2020.

	GROUP		COMPANY	
	2021 Rs.	2021 Rs.	2021 Rs.	2020 Rs.
Pre Care	1,702,688,533	1,371,315,311		965,505,101
Post Care	2,371,889,915	2,371,889,915		2,531,545,437
Pharmaceutical	155,133,637	155,133,637		157,612,553
	4,229,712,085	3,898,338,863		3,654,663,091

3.3 Timing of Revenue Recognition

	GROUP		COMPANY	
	2021 Rs.	2021 Rs.	2021 Rs.	2020 Rs.
Services and Goods Transferred at a Point in Time	1,857,822,170	1,526,448,948		1,123,117,654
Services Transferred over Time	2,371,889,915	2,371,889,915		2,531,545,437
	4,229,712,085	3,898,338,863		3,654,663,091

3.4 Other Income

	GROUP		COMPANY	
	2021 Rs.	2021 Rs.	2021 Rs.	2020 Rs.
Rental Income	20,485,458	58,378,508		57,716,320
Sundry Income	12,321,954	12,321,954		17,107,453
Profit/(Loss) on Disposal of Property, Plant and Equipment	860,688	860,688		(10,336,580)
Exchange Gain/(Loss)	943,985	943,985		(605,986)
	34,612,085	72,505,135		63,881,207

4. FINANCE COST AND INCOME

4.1 Finance Cost

	GROUP		COMPANY	
	2021 Rs.	2021 Rs.	2021 Rs.	2020 Rs.
Interest Expense on Overdrafts	16,378,562	16,378,562		35,426,406
Interest Expense on Borrowings	212,835,249	190,302,804		107,031,677
Interest on Guarantees	14,143,907	14,143,907		4,080,901
Bank Charges on Interest Bearing Loans	7,978,274	7,859,272		5,161,394
Finance Cost on ROU Assets	2,176,524	2,176,524		-
	253,512,516	230,861,069		151,700,378

4.2 Finance Income

	GROUP		COMPANY	
	2021 Rs.	2021 Rs.	2021 Rs.	2020 Rs.
Interest Income	241,130,852	239,595,349		187,195,232
Guarantee Income	6,212,676	6,212,676		6,042,039
Dividend Income on Financial Assets	5,205,584	5,205,584		23,161,040
	252,549,112	251,013,609		216,398,311

Notes to the Financial Statements

5. PROFIT BEFORE TAX

Profit Before Tax stated after charging all Expenses including the following:

	GROUP		COMPANY	
	2021 Rs.	2021 Rs.	2021 Rs.	2020 Rs.
Included in Cost of Sales				
Depreciation	194,598,379	145,964,822		145,196,638
Staff Expenses including the following:	684,826,558	652,450,728		745,673,271
Defined Contribution Plan Costs - EPF and ETF	58,535,860	55,009,247		57,578,996
Included in Administrative Expenses				
Depreciation	117,665,124	105,889,624		99,547,582
Staff Expenses including the following:	252,355,061	244,513,419		278,642,661
Defined Benefit Plan Costs - Gratuity	27,096,866	26,560,453		26,783,109
Defined Contribution Plan Costs - EPF and ETF	19,928,712	19,671,199		21,927,900
Directors' Fees and Remuneration	8,245,200	8,245,200		9,904,120
Amortisation of Leasehold Property	356,255	356,255		236,502
Donations	1,985,000	1,985,000		-
Legal Fees	5,077,170	5,077,170		8,908,923
Audit Fees and Reimbursable Expenses	1,148,302	935,316		935,316
Included in Selling and Distribution Costs				
Advertising Costs	14,244,462	13,846,107		18,566,474
Provision for Bad Debts	6,589,684	6,589,684		3,273,367

6. TAX EXPENSE

	GROUP		COMPANY	
	2021 Rs.	2021 Rs.	2021 Rs.	2020 Rs.
Current Income Tax				
Current Income Tax Charge (Note 6.1)	127,071,099	127,071,099		231,127,774
Under/(Over) Provision and Adjustements	(179,320,327)	(176,011,491)		(68,825,821)
	(52,249,228)	(48,940,392)		162,301,953
Deferred Income Tax				
Deferred Taxation Expense (Note 6.2)	(98,652,315)	(103,205,281)		12,487,968
Income Tax Expenses Reported in the Statement of Profit or Loss	(150,901,543)	(152,145,673)		174,789,921
Deferred Income Tax				
Deferred Tax Expenses Reported in the Other Comprehensive Income (Note 6.2)	(204,261,592)	(204,725,764)		25,656,701
Income Tax Expenses Reported in the Statement of Total Comprehensive Income	(355,163,135)	(356,871,437)		200,446,622

6.1 Reconciliation between Current Tax Expense and Accounting Profit

	GROUP		COMPANY	
	2021 Rs.	2021 Rs.	2021 Rs.	2020 Rs.
Accounting Profit before Income Tax	708,765,307	632,501,546	607,900,693	
Disallowable Expenses	399,065,100	296,770,625	416,482,930	
Allowable Expenses	(346,853,934)	(228,393,668)	(161,196,218)	
Profit Exempt from Income Tax	(305,575,632)	(304,040,129)	(271,062,100)	
Unrelieved Business Losses	(57,403,399)	-	-	
Assessable Income from Business	397,997,442	396,838,374	592,125,304	
Assessable Income from Investment	297,973,857	297,973,857	244,911,552	
Taxable Income	695,971,299	694,812,231	837,036,856	
Income Tax Expenses - 14%	55,557,373	55,557,373	3,242,546	
Income Tax Expenses - 24%	71,513,726	71,513,726	-	
Income Tax Expenses - 28%	-	-	227,885,228	
	127,071,099	127,071,099	231,127,774	

6.2 Deferred Tax (Assets)/Liabilities

Group	Statement of Financial Position		Statement of Profit or Loss		Statement of Other Comprehensive Income	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Deferred Tax Liability						
Investment Property	-	1,921,171	(1,921,171)	1,921,171	-	-
Revaluation of Building	212,357,457	423,457,543	(8,095,186)	(8,751,080)	5,254,506	23,025,748
Right of Use Assets	1,418,342	2,136,556	197,428	-	-	-
Accelerated Depreciation for Tax Purposes	138,869,747	227,994,002	28,116,605	23,378,014	-	-
Deferred Tax Reversal due to Tax Rate Change	-	-	(100,090,938)	-	(208,259,406)	-
	352,645,546	655,509,272	(81,793,262)	16,548,105	(203,004,900)	23,025,748
Deferred Tax Assets						
Tax Losses	(16,227,223)	-	(16,227,223)	-	-	-
Defined Benefit Obligation	(20,763,670)	(36,940,711)	(631,830)	(4,060,137)	(1,256,692)	2,630,953
	(36,990,893)	(36,940,711)	(16,859,053)	(4,060,137)	(1,256,692)	2,630,953
Deferred Tax Expense			(98,652,315)	12,487,968	(204,261,592)	25,656,701
Directly Charged to Equity						
Net Deferred Tax Liability	315,654,653	618,568,561				

Notes to the Financial Statements

6.3 Deferred Tax (Assets) / Liabilities

Company	Statement of Financial Position		Statement of Profit or Loss		Statement of Other Comprehensive Income	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Deferred Tax Liability						
Investment Property	1,891,171	1,921,171	(30,000)	1,921,171	-	-
Revaluation of Building	211,889,287	423,457,543	(8,095,186)	(8,751,080)	4,786,337	23,025,748
Right of Use Assets	1,418,342	2,136,556	197,428	-	-	-
Accelerated Depreciation for Tax Purposes	115,984,886	227,994,002	5,231,744	23,378,014	-	-
Deferred Tax Reversal due to Tax Rate Change	-	-	(100,090,938)	-	(208,259,406)	-
	331,183,686	655,509,272	(102,786,952)	16,548,105	(203,473,069)	23,025,748
Deferred Tax Assets						
Defined Benefit Obligation	(20,546,171)	(36,940,711)	(418,329)	(4,060,137)	(1,252,695)	2,630,953
	(20,546,171)	(36,940,711)	(418,329)	(4,060,137)	(1,252,695)	2,630,953
Deferred Tax Expense			(103,205,281)	12,487,968	(204,725,764)	25,656,701
Net Deferred Tax Liability	310,637,515	618,568,561				

The enacted Act at end of the reporting period was Inland Revenue Act No 24 of 2017. As per the enacted act, the tax rate applicable to the Company on the Healthcare Services is 28%.

Subsequently, the Gazette Bill for the Inland Revenue Act No 24 of 2017 issued on 18th March 2021 the tax rate applicable to the Company on healthcare industry is 14%. The new tax rate is applicable from 1st January 2020.

CA Sri Lanka issued a guideline dated 23rd April 2021, clarifying the fact that entities can apply the proposed tax rate in the Approved Bill for both Income Tax and Deferred Tax. Accordingly, the Group/Company has used the proposed income tax rates in computing the Income Tax and Deferred Tax.

7. EARNINGS PER SHARE

Basic Earnings Per Share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year and the previous year are adjusted for events that have changed the number of ordinary shares outstanding, without a corresponding change in the resources such as a bonus issue.

The following reflects the income and share data used in the Basic Earnings Per Share computations.

	GROUP		COMPANY	
	2021 Rs.	2021 Rs.	2021 Rs.	2020 Rs.
Profit for the Year	859,666,850	784,647,219	433,110,772	
Weighted Average Number of Ordinary Shares in Issue	528,457,545	528,457,545	528,457,545	
Basic Earnings Per Share - Continuing Operations (Rs.)	1.63	1.48	0.82	

	2021 Rs.	2020 Rs.
Number of Ordinary Shares used as the Denominator		
Weighted Average Number of Ordinary Shares in Issue Applicable to Basic Earnings Per Share	528,457,545	528,457,545

8. DIVIDENDS PAID AND PROPOSED

8.1 Equity Dividends on Ordinary Shares :

Declared and Paid During the Year	GROUP		COMPANY	
	2021 Rs.	2021 Rs.	2020 Rs.	2020 Rs.
Interim Dividend	0.85	449,188,913	-	-
	0.85	449,188,913	-	-

Notes to the Financial Statements

9. PROPERTY, PLANT AND EQUIPMENT

9.1 GROUP

9.1.1 Gross Carrying Amounts

	Balance as at 01.04.2020 Rs.	Acquisition of Subsidiary Rs.	Additions Rs.	Valuation Rs.	Disposals Rs.	Transfers Rs.	Balance as at 31.03.2021 Rs.
At Valuation							
Buildings on Leasehold							
Land	2,400,197,937	215,000,000	40,614,193	37,532,186	-	(57,609,761)	2,635,734,555
	2,400,197,937	215,000,000	40,614,193	37,532,186	-	(57,609,761)	2,635,734,555
At Cost							
Medical Equipment	1,999,978,306	404,603,919	73,719,385	-	(2,895,597)	-	2,475,406,013
Furniture and Fittings	149,093,110	176,329	2,878,206	-	(6,502)	-	152,141,143
Motor Vehicles	48,653,180	-	-	-	(7,800,000)	-	40,853,180
Sundry Equipment	633,209,959	28,919,133	89,290,585	-	(3,146,419)	-	748,273,258
	2,830,934,555	433,699,381	165,888,176	-	(13,848,518)	-	3,416,673,594
Total Value of Depreciable Assets	5,231,132,492	648,699,381	206,502,369	37,532,186	(13,848,518)	(57,609,761)	6,052,408,149

9.1.2 Accumulated Depreciation

	Balance as at 01.04.2020 Rs.	Acquisition of Subsidiary Rs.	Charge for the Year Rs.	Disposals Rs.	Transfers Rs.	Balance as at 31.03.2021 Rs.
At Valuation						
Building on Leasehold Land	-	-	57,609,761	-	(57,609,761)	-
	-	-	57,609,761	-	(57,609,761)	-
At Cost						
Medical Equipment	1,133,541,012	81,774,611	194,598,379	(2,676,285)	-	1,407,237,717
Furniture and Fittings	99,282,535	31,201	8,084,138	(6,503)	-	107,391,372
Motor Vehicles	28,524,843	-	4,088,499	(5,495,665)	-	27,117,677
Sundry Equipment	427,086,057	9,156,902	47,882,726	(2,990,753)	-	481,134,932
	1,688,434,447	90,962,714	254,653,742	(11,169,206)	-	2,022,881,698
Total Accumulated Depreciation	1,688,434,447	90,962,714	312,263,503	(11,169,206)	(57,609,761)	2,022,881,698

9. PROPERTY, PLANT AND EQUIPMENT

9.2 COMPANY

9.2.1 Gross Carrying Amounts

	Balance as at 01.04.2020 Rs.	Additions Rs.	Valuation Rs.	Disposals Rs.	Transfers Rs.	Balance as at 31.03.2021 Rs.
At Valuation						
Building on Leasehold Land	2,400,197,937	40,179,638	34,188,118	-	(53,965,693)	2,420,600,000
	2,400,197,937	40,179,638	34,188,118	-	(53,965,693)	2,420,600,000
At Cost						
Medical Equipment	1,999,978,306	71,947,614	-	(2,895,597)	-	2,069,030,323
Furniture and Fittings	149,093,110	2,850,456	-	(6,502)	-	151,937,064
Motor Vehicles	48,653,180	-	-	(7,800,000)	-	40,853,180
Sundry Equipment	633,209,959	81,475,412	-	(3,146,419)	-	711,538,952
	2,830,934,555	156,273,482	-	(13,848,518)	-	2,973,359,519
Total Value of Depreciable Assets	5,231,132,492	196,453,120	34,188,118	(13,848,518)	(53,965,693)	5,393,959,519

9.2.2 Accumulated Depreciation

	Balance as at 01.04.2020 Rs.	Additions Rs.	Disposals Rs.	Transfers Rs.	Balance as at 31.03.2021 Rs.
At Valuation					
Building on Leasehold Land	-	53,965,693	-	(53,965,693)	-
	-	53,965,693	-	(53,965,693)	-
At Cost					
Medical Equipment	1,133,541,012	145,964,822	(2,676,285)	-	1,276,829,549
Furniture and Fittings	99,282,535	8,066,498	(6,503)	-	107,342,530
Motor Vehicles	28,524,843	4,088,500	(5,495,665)	-	27,117,678
Sundry Equipment	427,086,057	39,768,934	(2,990,753)	-	463,864,238
	1,688,434,447	197,888,754	(11,169,206)	-	1,875,153,995
Total Value of Depreciable Assets	1,688,434,447	251,854,447	(11,169,206)	(53,965,693)	1,875,153,995

Notes to the Financial Statements

9.3 Net Book Values

	GROUP		COMPANY	
	2021 Rs.	2021 Rs.	2021 Rs.	2020 Rs.
At Valuation				
Building on Leasehold Land	2,635,734,555	2,420,600,000		2,400,197,937
At Cost				
Medical Equipment	1,068,168,296	792,200,775		866,437,294
Furniture and Fittings	44,749,770	44,594,534		49,810,575
Motor Vehicles	13,735,503	13,735,503		20,128,337
Sundry Equipment	267,138,326	247,674,715		206,123,902
	1,393,791,895	1,098,205,527		1,142,500,108
Total Carrying Amount of Property, Plant and Equipment	4,029,526,450	3,518,805,527		3,542,698,045

9.4 During the year, the Group acquired Property, Plant and Equipment to the aggregate value of Rs. 206,502,369/-. Cash payments amounting to Rs. 206,502,369/- were made during the year for purchase of Property, Plant and Equipment. During the year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 196,453,120 (2020 -Rs. 235,980,283). Cash payments amounting to Rs 196,453,120 (2020 - Rs. 235,980,283) were made during the year for purchase of Property, Plant and Equipment.

9.5 The following properties are fair valued and recorded under buildings. Fair Value measurement disclosure for revalued building based on un-observable inputs are as follows,

Location	Extent	Independent Valuer	Effective Date of Valuation	Valuation Details	Significant Unobservable Input (Level 3)		Fair Value Rs.
					Building Value Per Square Feet		
					2021	2020	
No 21, Kirimandala Mawatha, Narahenpita	368,123 Sq. ft	G W G Abeygunawardene	31 March 2021	DCC*	Rs. 3,230/- to Rs.9,930/-	Rs. 3,250/- to Rs.10,000/-	2,420,600,000/-
No 21 and 23, Kirimandala Mawatha, Narahenpita	6,710 Sq. ft	G W G Abeygunawardene	31 March 2021	DCC*	Rs. 32,000/-	Rs. 32,042/-	214,700,000/-

*DCC - Direct Capital Comparison Method

The Investment property of the Company identified as Property Plant and Equipment in the Group Financials. Refer Note 11.1.

The surplus arising from the revaluation net of deferred tax is recognized in the Other Comprehensive Income and transferred to Revaluation Reserve in Equity.

Significant increases/(decreases) in estimated building value per square feet in isolation would result in a significantly higher (lower) fair value.

9.6 Depreciation

The provision for depreciation is calculated by using a straight line method on the cost /revalued amount of all Property, Plant and Equipment in order to write off such amounts over the following estimated useful lives by equal installments.

	2020/2021
Buildings on Leasehold Land	Over 60 Years
Medical Equipment	Over 10 Years
Furniture and Fittings	Over 10 Years
Motor Vehicles	Over 5-8 Years
Sundry Equipment	
Computer and Office Equipment	Over 4-5 Years
Short Life Assets	Over 2-3 Years
Other	Over 10 Years

9.7 Company's Property, Plant and Equipment with a cost of Rs. 1,287 Mn (2020 - Rs. 1,034 Mn) have been fully depreciated and continue to be in use by the company.

9.8 The carrying amount of revalued assets that would have been included in the Financial Statements had the assets been carried at cost less depreciation is as follows;

Class of Asset	Cost	Cumulative Depreciation If assets were carried at cost	Net Carrying Amount 2021	Net Carrying Amount 2020
	Rs.	Rs.	Rs.	Rs.
Building on Leasehold Land	1,197,824,206	288,248,983	909,575,223	895,641,190
	1,197,824,206	288,248,983	909,575,223	895,641,190

10. RIGHT-OF-USE ASSET

	GROUP		COMPANY	
	2021	2021	2021	2020
	Rs.	Rs.	Rs.	Rs.
At the Beginning of the Year	23,177,155	23,177,155		-
Effect of Initial Application of SLFRS 16	-	-		23,413,657
Amortisation for the Year	(356,255)	(356,255)		(236,502)
At the End of the Year	22,820,900	22,820,900		23,177,155

10.1 The Company obtained leasehold rights to the land situated at No.21, Kirimandala Mawatha, Narahenpita for 99 years from Board of Investment of Sri Lanka by agreement dated 29th March 2000.

10.2 Expenses relating to short term lease and lease of low value asset amounting to Rs.13.4 Mn (2020 Rs. 13.5 Mn) recognized in Profit and Loss.

Notes to the Financial Statements

11. INVESTMENT PROPERTY

	GROUP	COMPANY	
	2021 Rs.	2021 Rs.	2020 Rs.
At the Beginning of the Year	-	215,000,000	193,724,248
Additions	-	434,555	2,064,047
Change in Fair Value during the Year	-	(734,555)	19,211,705
At the End of the Year	-	214,700,000	215,000,000

The Company's investment property consists of a building situated at No 21, Kirimandala Mawatha, Narahenpita.

	GROUP	COMPANY	
	2021 Rs.	2021 Rs.	2020 Rs.
Rental Income derived from Investment Properties	-	30,000,000	28,800,000
Direct Operating Expenses	-	-	-
Profit Arising from Investment Properties Carried at Fair Value	-	30,000,000	28,800,000

Fair value hierarchy disclosures for investment properties are in Note 15.

11.1 Fair Value measurement disclosure for Investment Property

The description of valuation techniques used and key inputs to valuation of investment property:

Location	Extent	Independent Valuer	Effective Date of Valuation	Valuation Details	Significant Unobservable Input (Level 3) Building Value Per Square Feet		Fair Value Rs.
					2021	2020	
No 21 and 23, Kirimandala Mawatha, Narahenpita	6,710 Sq. ft	G W G Abeygunawardene	31 March 2021	Cost Approach	Rs. 32,000/-	Rs. 32,042/-	214,700,000/-

12. INVESTMENT IN SUBSIDIARY COMPANIES

	COMPANY	
	2021 Rs.	2020 Rs.
Asiri AOI Cancer Centre (Pvt) Ltd	33,800,104	-
	33,800,104	-

12.1 Obtaining Control of Subsidiaries

The Group's investment in joint venture is accounted for using the equity method until 31st March 2020. The Group management re-assessed the control and operating structure of AOI, following which it was determined a subsidiary of Asiri Surgical Hospital PLC group (with 50% direct shareholding) effective 01st April 2020.

Assets and Liabilities of Asiri AOI Cancer Centre (Pvt) Ltd at the Acquisition.

	Rs.
Total Assets	
Property, Plant and Equipment	342,736,666
Inventories	2,009,685
Trade and Other Receivables	11,479,127
Other Current Assets	251,046
Cash in Hand and at Bank	27,555,476
	384,032,000
Total Liabilities	
Retirement Benefit Liability	850,584
Interest Bearing Loans and Borrowings	268,055,052
Trade and Other Payable	44,356,204
Deferred Tax Liability	3,161,926
	316,423,766
Net Identifiable Assets	67,608,234
Cash Consideration	-
Cash in Hand and at Bank	27,555,476
	(27,555,476)

Notes to the Financial Statements

12.2 Investment in Joint Venture

	COMPANY	
	2021 Rs.	2020 Rs.
Asiri AOI Cancer Centre (Pvt) Ltd	-	33,800,104
	-	33,800,104

13. NON CURRENT FINANCIAL ASSETS

		GROUP	COMPANY	
		2021 Rs.	2021 Rs.	2020 Rs.
Investment in Quoted Equity Securities at Fair Value through OCI	13.1	280,407,431	280,407,431	347,038,900
Loans Granted to Related Parties	13.2	1,601,900,000	1,601,900,000	1,409,900,000
		1,882,307,431	1,882,307,431	1,756,938,900

13.1 Investment in Quoted Equity Securities at Fair Value through OCI

	Number of Shares		Fair Value	
	2021	2020	2021 Rs.	2020 Rs.
National Development Bank PLC	3,470,389	3,470,389	280,407,431	347,038,900
	3,470,389	3,470,389	280,407,431	347,038,900

Investment in Quoted Equity Securities

	GROUP	COMPANY
	2021 Rs.	2020 Rs.
Balance at the Beginning of the Year	347,038,900	311,681,428
Fair Value (Loss)/Gain	(66,631,469)	18,813,872
Share Allotment as Scrip Dividends	-	16,543,600
Balance at the End of the Year	280,407,431	347,038,900

13.2

Long Term Loan	Relationship	GROUP	COMPANY	
		2021 Rs.	2021 Rs.	2020 Rs.
Asiri Hospital Holdings PLC	Parent Company	1,601,900,000	1,601,900,000	1,409,900,000
		1,601,900,000	1,601,900,000	1,409,900,000

13.3 Loans Granted to Related Parties

Short Term Loans	Relationship	GROUP	COMPANY	
		2021 Rs.	2021 Rs.	2020 Rs.
Softlogic Holdings PLC	Ultimate Parent Company	1,118,721,700	1,118,721,700	1,115,139,816
Asiri Hospital Holdings PLC	Parent Company	255,020,744	255,020,744	161,552,068
Asiri Central Hospital Ltd	Companies under Common Control	8,771,214	8,771,214	56,832,800
Asiri Hospital Galle (Pvt) Ltd	Companies under Common Control	90,348	90,348	3,147,546
		1,382,604,006	1,382,604,006	1,336,672,230

13.4 The interest for loans granted to related parties is charged based on AWPLR. Outstanding balances as at the year end are unsecured and settlement occurs in cash.

14. OTHER NON CURRENT ASSETS

	GROUP	COMPANY	
	2021 Rs.	2021 Rs.	2020 Rs.
Security Deposits	25,982,000	25,982,000	25,982,000
	25,982,000	25,982,000	25,982,000

Notes to the Financial Statements

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial Assets and Liabilities by Categories in accordance with SLFRS 9:

15.1 Financial Assets

	GROUP	COMPANY	
	2021 Rs.	2021 Rs.	2020 Rs.
Financial Assets at Fair Value through OCI			
Non Current Financial Assets	280,407,431	280,407,431	347,038,900
Financial Assets at Amortised Cost			
Loans Granted to Related Parties	2,984,504,006	2,984,504,006	2,746,572,230
Trade and Other Receivables	673,224,028	664,121,646	461,050,231
Cash in Hand and at Bank	275,025,608	162,346,153	160,713,046
Carrying Value of Financial Assets	4,213,161,073	4,091,379,236	3,715,374,407
Fair Value of Financial Assets	4,213,161,073	4,091,379,236	3,715,374,407

15.2 Financial Liabilities

	GROUP	COMPANY	
	2021 Rs.	2021 Rs.	2020 Rs.
Financial Liabilities at Amortised Cost			
Lease Liability	12,689,886	12,689,886	15,546,598
Interest Bearing Loans and Borrowings	2,683,002,498	2,484,392,965	2,207,673,216
Trade and Other Payables	696,602,734	627,874,972	450,312,635
Dividend Payable	18,032,679	18,032,679	3,816,276
Carrying value of Financial Liabilities	3,410,327,797	3,142,990,502	2,677,807,725
Fair Value of Financial Liabilities	3,410,327,797	3,142,990,502	2,677,807,725

The management assessed that, cash in hand and at bank, loans granted to related parties, trade and other receivables and trade and other payables approximate to their fair value largely due to the short-term maturities of these instruments. The fair value of financial assets at amortised cost and financial liabilities does not significantly vary from the value based on the amortised cost methodology for the Group/Company. Lease liability and interest bearing loans and borrowings are estimated by discounting future cash flows using rates currently available for debts on similar terms, credit risk and remaining maturities.

16. FAIR VALUE HIERARCHY

The Company uses the following hierarchy for determining and disclosing the fair value of assets by valuation technique:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities

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

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

Group	Note	31 March 2021	Level 1	Level 2	Level 3
Assets Measured at Fair Value:		Rs.	Rs.	Rs.	Rs.
Non Current Financial Assets	13.1	280,407,431	280,407,431	-	-
Building on Leasehold Land	9.3	2,635,734,555	-	-	2,635,734,555

Company	Note	31 March 2021	Level 1	Level 2	Level 3
Assets Measured at Fair Value:		Rs.	Rs.	Rs.	Rs.
Non Current Financial Assets	13.1	280,407,431	280,407,431	-	-
Building on Leasehold Land	9.3	2,420,600,000	-	-	2,420,600,000
Investment Property	11	214,700,000	-	-	214,700,000

Company	Note	31 March 2020	Level 1	Level 2	Level 3
Assets Measured at Fair Value:		Rs.	Rs.	Rs.	Rs.
Non Current Financial Assets	13.1	347,038,900	-	347,038,900	-
Building on Leasehold Land	9.3	2,400,197,937	-	-	2,400,197,937
Investment Property	11	215,000,000	-	-	215,000,000

17. INVENTORIES

	GROUP		COMPANY
	2021 Rs.	2021 Rs.	2020 Rs.
Finished Goods			
Chemical and Test Materials	29,715,443	29,715,443	21,099,574
Pharmaceuticals and Surgical Inventory	161,669,078	157,650,772	100,267,143
Consumables	12,266,235	12,150,587	14,003,106
	203,650,756	199,516,802	135,369,823

During 2020/21, Rs.976,418,689 (2020: Rs.781,499,080) was recognised as an expense for inventories carried at net realisable value and included in 'cost of sales'. In addition, inventories have been reduced by Rs. 4,423,530 (2020: Rs.3,766,675) as a result of the write-down to net realisable value. The write-down was recognised as an expense and included in 'cost of sales'.

Notes to the Financial Statements

18. TRADE AND OTHER RECEIVABLES

		GROUP		COMPANY	
		2021 Rs.	2021 Rs.	2021 Rs.	2020 Rs.
Trade Debtors		211,533,918	204,938,228	193,099,827	
Less: Impairment	18.3	(9,204,113)	(9,204,113)	(3,191,892)	
		202,329,805	195,734,115	189,907,935	
Trade Debtors - Related Parties	18.2	470,894,223	468,387,531	271,142,296	
		673,224,028	664,121,646	461,050,231	

18.1 Trade receivables are non-interest bearing and are generally on terms of 30 days.

18.2 Trade Debtors - Related Parties

		GROUP		COMPANY	
		2021 Rs.	2021 Rs.	2021 Rs.	2020 Rs.
Ultimate Parent Company					
Softlogic Holdings PLC		52,000	52,000	9,092,714	
Parent Company					
Asiri Hospital Holdings PLC		349,047,457	341,812,457	184,007,783	
Subsidiary Company					
Asiri AOI Cancer Centre (Pvt) Ltd		-	5,308,308	13,824,899	
Companies under Common Control					
Central Hospital Ltd		88,284,427	87,704,427	45,770,691	
Asiri Diagnostic Services (Pvt) Ltd		619,706	619,706	498,370	
Asiri Hospital Matara (Pvt) Ltd		8,006,278	8,006,278	425,098	
Asiri Hospital Galle (Pvt) Ltd		12,042,934	12,042,934	1,748,645	
Digital Health (Pvt) Ltd		-	-	3,484,960	
Softlogic Life Insurance PLC		9,388,661	9,388,661	12,121,480	
Softlogic Retail (Pvt) Ltd		52,000	52,000	826	
Jendo Innovations (Pvt) Ltd		3,034,760	3,034,760	166,830	
Softlogic Communication Services (Pvt) Ltd		52,000	52,000	-	
Softlogic Computers (Pvt) Ltd		19,500	19,500	-	
Softlogic Corporate Services (Pvt) Ltd		13,000	13,000	-	
Softlogic Finance PLC		13,000	13,000	-	
Softlogic Information Technologies (Pvt) Ltd		234,000	234,000	-	
Softlogic International (Pvt) Ltd		34,500	34,500	-	
		470,894,223	468,387,531	271,142,296	

Outstanding balances as at the year end are unsecured and settlement occurs in cash.

18.3 Impairment Loss on Trade Receivables

	GROUP		COMPANY	
	2021 Rs.	2021 Rs.	2021 Rs.	2020 Rs.
Balance at the Beginning of the Year	3,191,892	3,191,892		6,726,774
Impairment Loss Allowance recognized in Profit or Loss During the Year	6,589,684	6,589,684		2,755,006
Receivable Written down During the Year	(577,463)	(577,463)		(6,289,888)
Balance at the End of the Year	9,204,113	9,204,113		3,191,892

19. OTHER CURRENT ASSETS

	GROUP		COMPANY	
	2021 Rs.	2021 Rs.	2021 Rs.	2020 Rs.
Advances and Prepayments	106,688,242	102,469,729		158,955,951
Other Tax Receivables	41,861,794	41,610,749		17,618,267
	148,550,036	144,080,478		176,574,218

20. STATED CAPITAL

	GROUP/COMPANY			
	2021		2020	
	Number	Rs.	Number	Rs.
Fully Paid Ordinary Shares				
At the Beginning of the Year	528,457,545	1,393,327,565	528,457,545	1,393,327,565
At the End of the Year	528,457,545	1,393,327,565	528,457,545	1,393,327,565

Notes to the Financial Statements

21. OTHER COMPONENTS OF EQUITY

	GROUP		COMPANY	
	2021 Rs.	2021 Rs.	2021 Rs.	2020 Rs.
Revaluation Reserve	1,485,529,258	1,482,836,615		1,245,175,428
Fair Value Reserve of Financial Assets at FVOCI	(172,842,703)	(172,842,703)		(106,211,234)
	1,312,686,555	1,309,993,912		1,138,964,194

21.1 Revaluation Reserve consists of the net surplus on the revaluation of Property, Plant and Equipment.

21.2 Fair value reserve of financial assets at FVOCI includes changes in fair value of NDB shares which designated as financial assets at FVOCI.

22. LEASE LIABILITY

	GROUP		COMPANY	
	2021 Rs.	2021 Rs.	2021 Rs.	2020 Rs.
At the Beginning of the Year	15,546,598	15,546,598		22,056,667
Effect of initial application of SLFRS 16	-	-		(4,004,180)
Interest Charged	2,176,524	2,176,524		2,527,347
Repayments	(5,033,236)	(5,033,236)		(5,033,236)
At the End of the Year	12,689,886	12,689,886		15,546,598
Repayable within 1 Year	3,256,652	3,256,652		2,856,712
Repayable after 1 Year	9,433,234	9,433,234		12,689,886
	12,689,886	12,689,886		15,546,598

22.1 Leasehold Property - Board of Investment of Sri Lanka (BOI)

22.1.1 The Company obtained leasehold rights to the land situated at No.21, Kirimandala Mawatha, Colombo 05 for 99 years from Board of Investment of Sri Lanka by agreement dated 29th March 2000.

22.1.2 An annual sum equivalent to 4% of the total market value of leasehold land (Rs.101,800,000/-) as at the date of the lease agreement is payable, over a period of 25 years commencing from the financial year 2000/2001.

22.1.3 BOI reserves the right to revise the annual lease rent every 05 years on the basis of an annual increase not greater than the Average Weighted Deposit Rate prevailing at the end of each year as determined by the Central Bank of Sri Lanka or 10%, per annum which ever is lower.

23. INTEREST BEARING LOANS AND BORROWINGS

23.1 GROUP	2021 Amount Repayable within 1 Year Rs.	2021 Amount Repayable after 1 Year Rs.	2021 Total Rs.
Short Term Loans (Note 23.1.1)	150,822,459	-	150,822,459
Long Term Loans (Note 23.1.1)	468,853,130	2,063,326,909	2,532,180,039
	619,675,589	2,063,326,909	2,683,002,498

23.1.1 A Reconciliation of Liabilities arising from Financing Activities is as Follows:

	As at 01.04.2020 Rs.	Acquisition of Subsidiary Rs.	Loans Obtained Rs.	Repayment of Borrowings Rs.	Other Changes Rs.	As at 31.03.2021 Rs.
Short Term Loans	803,481,967	-	-	(650,000,000)	(2,659,508)	150,822,459
Long Term Loans	1,404,191,249	268,055,051	1,000,000,000	(129,290,667)	(10,775,594)	2,532,180,039
	2,207,673,216	268,055,051	1,000,000,000	(779,290,667)	(13,435,102)	2,683,002,498

23.2 COMPANY	2021 Amount Repayable within 1 Year Rs.	2021 Amount Repayable after 1 Year Rs.	2021 Total Rs.	2020 Amount Repayable within 1 Year Rs.	2020 Amount Repayable after 1 Year Rs.	2020 Total Rs.
Short Term Loans (Note 23.2.1)	150,822,459	-	150,822,459	803,481,967	-	-
Long Term Loans (Note 23.2.1)	385,243,597	1,948,326,909	2,333,570,506	93,047,916	1,311,143,333	1,404,191,249
	536,066,056	1,948,326,909	2,484,392,965	896,529,883	1,311,143,333	1,404,191,249

23.2.1 A Reconciliation of Liabilities arising from Financing Activities is as Follows:

	As at 01.04.2020 Rs.	Loans Obtained Rs.	Repayment of Borrowings Rs.	Other Changes Rs.	As at 31.03.2021 Rs.
Short Term Loans	803,481,967	-	(650,000,000)	(2,659,508)	150,822,459
Short Term Loans	1,404,191,249	1,000,000,000	(59,290,667)	(11,330,077)	2,333,570,506
	2,207,673,216	1,000,000,000	(709,290,667)	(13,989,585)	2,484,392,965

Notes to the Financial Statements

23.3 Security and Repayment Terms;

Lending Institution	Nature of Facility	Interest rate	Repayment Terms	Security	Security Amount Rs.	Outstanding Balance	
						2021 Rs.	2020 Rs.
23.3.1 Asiri Surgical Hospital PLC							
Commercial Bank of Ceylon PLC	Term Loan	AWPLR plus margin	95 equal monthly installments of Rs 5,328,000/- each and a final installment of Rs 5,266,000/-.	Concurrent Mortgage Bond No 3329/4687 with Hatton National Bank PLC over hospital property at No181, Kirula Road, Narahenpitiya, owned by Asiri Hospital Holdings PLC.	125 Mn	149,122,000	191,746,000
				Corporate Guarantee of Asiri Hospital Holdings PLC	148.4 Mn		
Hatton National Bank PLC	Term Loan	AWPLR	12 equal monthly installments.	-	-	150,000,000	800,000,000
DFCC Bank PLC	Term Loan	AWPLR plus margin	72 equal monthly installments after a grace period of 12 months from the date of first disbursement.	Corporate guarantee of Asiri Hospital Holdings PLC	1,200 Mn	1,183,333,333	1,200,000,000
Sampath Bank PLC	Term Loan	AWPLR	59 equal monthly installments of Rs 13,300,000/- each and a final installment of Rs 15,300,000/- after a grace period of 6 months from the date of first disbursement.	-	-	800,000,000	-
	Term Loan	AWPLR	59 equal monthly installments of Rs 3,300,000/- each and a final installment of Rs 5,300,000/- after a grace period of 6 months from the date of first disbursement.	-	-	200,000,000	-
					1,473.40 Mn	2,482,455,333	2,191,746,000
23.3.2 Asiri AOI Cancer Centre (Pvt) Ltd							
Hatton National Bank PLC	Term Loan	AWPLR plus margin	48 equal monthly installments of Rs. 5 Mn commencing after an initial grace period of one year.	Corporate Guarantee of Asiri Surgical Hospital PLC	300 Mn	197,500,000	268,055,051
					1,773.40 Mn	2,679,955,333	2,459,801,051

24. EMPLOYEE BENEFIT LIABILITY

	GROUP		COMPANY
	2021 Rs.	2021 Rs.	2020 Rs.
At the Beginning of the Year	131,931,111	131,931,111	126,826,884
Acquisition of Subsidiary	850,584	-	-
Transfers	210,760	52,309	-
Interest Cost	12,091,036	12,000,223	13,989,005
Current Service Cost	15,005,830	14,560,229	12,794,104
Actuarial Loss/(Gain)	8,976,377	8,947,820	(9,396,262)
Benefit Paid	(20,753,772)	(20,733,332)	(12,282,620)
At the End of the Year	148,311,926	146,758,360	131,931,111

- 24.1** Messrs. Actuarial and Management Consultants (Private) Limited Actuaries, carried out an actuarial valuation of the defined benefit plan gratuity on 31st March of every year. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used are as follows:

Principal Actuarial Assumptions

The principal financial assumptions underlying the valuation are as follows:

	GROUP	COMPANY
	2021	2020
Discount Rate	6.5% p.a	9% p.a
Salary Increase Rate	7% p.a	7% p.a

The demographic assumptions underlying the valuation are retirement age of 55 years.

24.2 Sensitivity to Assumptions used

A percentage change in the principle assumptions would have the following effect on employee benefit liability.

	GROUP		COMPANY
	2021 Rs.	2021 Rs.	2020 Rs.
Discount Rate			
Increase by one percentage point	(5,590,399)	(5,535,724)	(2,892,934)
Decrease by one percentage point	6,066,682	6,007,245	3,048,035

	GROUP		COMPANY
	2021 Rs.	2021 Rs.	2020 Rs.
Salary Increase Rate			
Increase by one percentage point	6,664,229	6,598,332	3,693,839
Decrease by one percentage point	(6,252,599)	(6,190,785)	(3,565,686)

Notes to the Financial Statements

24.3 The following payments are expected on account of employees benefit liability in future years.

	GROUP	COMPANY	
	2021 Rs.	2021 Rs.	2020 Rs.
Within the next 12 Months	32,835,801	32,176,424	44,550,447
Between 1 to 2 Years	42,276,972	42,153,557	50,434,919
Between 3 to 5 Years	36,602,226	36,399,550	24,189,772
Between 6 to 10 Years	27,718,983	27,240,767	11,892,054
Beyond 10 Years	8,877,944	8,788,062	863,919
	148,311,926	146,758,360	131,931,111

The Group/Company average duration of the defined benefit plan obligation at the end of the reporting period is 4.15 years (2020 - 2.41 years).

25. TRADE AND OTHER PAYABLES

	GROUP	COMPANY	
	2021 Rs.	2021 Rs.	2020 Rs.
Trade Payables	228,588,795	213,311,015	216,406,653
Trade Payable - Related Party (Note 25.1)	171,369,378	174,854,686	70,003,897
Sundry Creditors Including Accrued Expenses	296,644,561	239,709,270	163,902,085
Contract Liability	7,899,989	880,917	459,000
	704,502,723	628,755,888	450,771,635

25.1 Trade Payable - Related Party

	GROUP	COMPANY	
	2021 Rs.	2021 Rs.	2020 Rs.
Ultimate Parent Company			
Softlogic Holdings PLC	-	-	1,802,304
Parent Company			
Asiri Hospital Holdings PLC	129,029,306	128,922,056	731,027
Subsidiary Company			
Asiri AOI Cancer Centre (Pvt) Ltd	-	3,613,671	5,845,120
Companies under Common Control			
Central Hospital Ltd	34,775,037	34,757,657	55,928,379
Asiri Hospital Matara (Pvt) Ltd	251,343	251,343	2,925,081
Asiri Hospital Galle (Pvt) Ltd	77,830	77,830	70,580
Softlogic Automobile (Pvt) Ltd	-	-	109,288
Softlogic BPO Services (Pvt) Ltd	2,371,584	2,371,584	124,761
Softlogic Finance PLC	109,237	109,237	-
Softlogic Computers (Pvt) Ltd	117,771	117,771	40,000
Softlogic Corporate Services (Pvt) Ltd	223,540	223,540	1,870
Softlogic Information Technologies (Pvt) Ltd	1,134,000	1,134,000	448,320
Softlogic Mobile Distribution (Pvt) Ltd	-	-	89,766
Softlogic Retail (Pvt) Ltd	3,247,041	3,243,308	1,530,908
Softlogic Supermarkets (Pvt) Ltd	32,690	32,690	355,875
Nextage (Pvt) Ltd	-	-	618
	171,369,378	174,854,686	70,003,897

Outstanding balances as at the year end are unsecured and settlement occurs in cash.

Notes to the Financial Statements

26. CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT

Components of Cash and Cash Equivalents

	GROUP	COMPANY	
	2021 Rs.	2021 Rs.	2020 Rs.
26.1 Favourable Cash and Cash Equivalents Balance			
Cash and Bank Balances	275,025,608	162,346,153	160,713,046
	275,025,608	162,346,153	160,713,046
26.2 Unfavourable Cash and Cash Equivalents Balance			
Bank Overdraft	(56,567,857)	(56,567,857)	(186,251,404)
Total Cash and Cash Equivalents for the Purposes of the Cash Flow Statement	218,457,751	105,778,296	(25,538,358)

27. COMMITMENTS AND CONTINGENCIES

27.1 Capital Expenditure and Other Commitments

The Company does not have significant capital and other commitments as at 31st March 2021 (2020 - Nil)

27.2 Contingent Liabilities

a. Legal Claims

Pending litigations against the Company with a Maximum liability of Rs. 13.2 Mn exist as at the reporting date. (2020 - Rs. 13.2 Mn)

Based on the information currently available the management is in the view that the ultimate resolution of such legal procedures would not likely to have a material adverse effect on the result of the operations, financial position or liquidity of the company. Accordingly, no provision for any liability has been made in these Financial Statements.

b. Guarantees

The Directors of the Company have signed Corporate Guarantee Bonds with the following banks securing the following banking facilities obtained by Asiri Hospitals Holdings PLC and Asiri AOI Cancer Centre (Pvt) Ltd.

	COMPANY	
	2021 Rs. Mn	2020 Rs. Mn
Sampath Bank PLC	463	463
Hatton National Bank PLC	980	180
Commercial Bank of Ceylon PLC	550	550
	1,993	1,193

Loan outstanding balances relating to above corporate guarantees are Sampath Bank PLC 100 Mn, Hatton National Bank PLC 379 Mn and Commercial Bank of Ceylon PLC 167.5 Mn as at 31st March 2021.

27.3 Contingent Income Taxes

A dispute has arisen with the Department of Inland Revenue with regard to the applicability of the income tax exemption in terms of the agreement entered between Asiri Surgical Hospital PLC and the Board of Investment of Sri Lanka (BOI) in 2000. Since there is litigation in the Court of Appeal in CA (Writ) 386/ 2016 with regard to this matter, in accordance with Paragraph 92 of LKAS 37, we are unable to provide further information on this and associated risks, in order not to impair the outcome and/or prejudice the Company's position in this matter. The aforesaid matter is coming up for argument on September 2021 at the Court of Appeal.

28. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There were no material events that occurred after the reporting date that require adjustments or disclosure to the Financial Statements.

29. RELATED PARTY DISCLOSURES

29.1 Transactions with Related Parties

The Group/Company carried out transactions in the ordinary course of its business with the following related parties.

	GROUP		COMPANY	
	2021 Rs.	2021 Rs.	2021 Rs.	2020 Rs.
Ultimate Parent Company - Softlogic Holdings PLC				
Loans Granted	234,000,000	234,000,000		1,070,000,000
Interest Income	112,745,466	112,745,466		14,139,816
Sale/(Purchase) of Goods/Services including Staff Related Items	32,364,604	32,364,604		(21,073,198)
Repayment of Loans Granted and Fund Transfers	(382,766,596)	(382,766,596)		(158,829,105)
Immediate Parent Company - Asiri Hospital Holdings PLC				
Loans Granted	212,000,000	212,000,000		536,900,000
Interest Income	133,689,308	133,689,308		161,552,069
Purchase of Goods/Services including Staff Related Items	(60,160,959)	(59,145,368)		(258,705,260)
Repayment of Loans Granted and Fund Transfers	20,759,249	21,585,683		368,790,753
Channeling Fee Collected by Related Party/(Company on behalf of the Related Party)	34,965,917	34,965,917		30,420,084
Expenses incurred by the Group/Company on behalf of Related Party/(Related Party on behalf of the Group/Company)	(59,300,532)	(68,655,532)		2,047,483
Subsidiary - Asiri AOI Cancer Centre (Pvt) Ltd				
Sale of Goods/ Services including Staff Related Items	-	38,720,949		16,906,132
Repayment of Temporary Finance Obtained and Fund Transfers	-	(47,949,789)		(88,575,245)
Expenses incurred by the Company on behalf of Related Party/(Related Party on behalf of the Company)	-	2,943,698		48,704,921
Companies under Common Control				
Loans Granted	-	-		139,900,000
Interest Income	1,938,414	1,938,414		11,493,939
Sale of Goods/Services including Staff Related Items	151,113,527	157,821,199		33,136,309
Repayment of Loans Granted and Fund Transfers	(63,508,744)	(71,701,605)		(77,695,638)
Channeling Fee Collected by Related Party/(Company on behalf of the Related Party)	914,032	914,032		(299,562)
Expenses incurred by the Company on behalf of Related Party/(Related Party on behalf of the Company)	(18,059,150)	(18,059,150)		(31,526,888)
Transaction with Key Management Personnel	-	-		-
Transaction with Close Family Members of KMP	-	-		-

Notes to the Financial Statements

29.1.1 Non-Recurrent Related Party Transactions

There were no any non-recurrent related party transactions which aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Company as per 31st March 2021 audited financial statements, which required additional disclosures in the 2020/21 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Security Exchange Commission Directive issued under Section 13 (c) of the Securities and Exchange Commission of Sri Lanka Act.

29.1.2 Recurrent Related Party Transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the revenue of the Company as per 31st March 2021 audited financial Statements, which required additional disclosures in the 2020/21 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 of Sri Lanka Act.

29.2 Off Balance Sheet Items

- a. Guarantees made on behalf of Asiri Hospital Holdings PLC, has been given in Note 27.2.(b) to these Financial Statements.
- b. Asiri Hospital Holdings PLC has granted Corporate Guarantees to DFCC Bank PLC, Commercial Bank of Ceylon PLC, Sampath Bank PLC and Hatton National Bank PLC to secure the banking facilities obtained by the Company, for the value of Rs. 1.2 Bn, Rs. 148Mn, Rs. 100Mn and Rs. 100Mn respectively.

29.3 Transactions with Key Management Personnel of the Company

The key management personnel include members of the Board of Directors of the Company, Subsidiary, immediate parent Company and ultimate parent Company.

29.3.1 Key Management Personnel Compensation

	GROUP	COMPANY	
	2021 Rs.	2021 Rs.	2020 Rs.
Short Term Employment Benefits	8,245,200	8,245,200	9,904,120
Total Compensation paid to Key Management Personnel	8,245,200	8,245,200	9,904,120

29.4 Other Transactions

The shareholders of the Company are eligible for a 50% discount on the hospital bills excluding the charges for drugs, medical consumables, professional fees and blood charges up to a limit of 12.5% per annum of the nominal value of the shares held for a minimum period of three months. Discounts are also given on investigations on out patients such as Laboratory, MRI, X-Ray, ECG, Ultrasound Scanning and others provided by the Company.

This facility is extended to the shareholder and three nominees, subject to the above limit.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk is associated with any business. The type of risk and the degree to which it affects a particular business varies. Uncertainties provide both risk and opportunity with a potential to erode or enhance the enterprise value. The Board of Directors is mindful of these uncertainties and through the Management at various levels have put in place adequate systems to identify the probable occurrence of such risks in advance and to exercise mitigating measures to minimize the impact.

The key financial risks include operational risk, credit risk, interest rate risk, legal risk, foreign exchange risk, investment risk, liquidity risk and equity price risk. Managing these risks is part of the Group's/Company's risk management process.

Mechanisms adopted by the Group/Company in managing eventual impact of such risk are given below:

30.1 Credit Risk

The Group/Company admits patients on placement of a deposit or in an emergency, even without a deposit. Further, the hospital admits patients who are corporate clients. There is a risk of a patient not having adequate funds to settle his / her bill at the time of discharge. In order to mitigate such risk, the Company issues interim bills to the patients requesting periodic bill settlement. Further there is a risk of corporate clients' payments being delayed or not being paid. The Company evaluates credit worthiness of companies before granting credit facilities to corporate clients in order to minimize the non-collection of bills.

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts.

The following table shows the maximum risk positions;

	GROUP	COMPANY	
	2021 Rs.	2021 Rs.	2020 Rs.
Loans Granted to Related Parties	2,984,504,006	2,984,504,006	2,746,572,230
Trade and Other Receivables (Note 30.1.1)	673,224,028	664,121,646	457,858,339
Other Debtors - Related Parties	-	-	3,191,892
Cash in Hand and at Bank (Note 30.1.2)	275,025,608	162,346,153	160,713,046
	3,932,753,642	3,810,971,805	3,368,335,507

Loans Granted to Related Parties

Loans to related parties is made up of working capital loans which are given to Softlogic Holdings PLC and Asiri Hospital Holdings PLC as per the agreements made. Those agreements state the necessary provisions on the repayment and recovery of those loans.

Notes to the Financial Statements

30.1.1 Trade and Other Receivables

GROUP	Total	Neither past due nor Impaired	Past due but not Impaired					Past due Impaired
			31-60 Days	61-90 Days	91-180 Days	181-365 Days	Over 365 Days	Over 365 Days
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.

2021

Gross Trade Receivables	682,428,140	235,302,277	112,241,197	35,540,969	97,779,571	108,753,416	83,606,597	9,204,113
Less: Impairment	(9,204,113)	-	-	-	-	-	-	(9,204,113)
	673,224,027	235,302,277	112,241,197	35,540,969	97,779,571	108,753,416	83,606,597	-

COMPANY	Total	Neither past due nor Impaired	Past due but not Impaired					Past due Impaired
			31-60 Days	61-90 Days	91-180 Days	181-365 Days	Over 365 Days	Over 365 Days
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.

2021

Gross Trade Receivables	673,325,759	236,809,683	110,855,360	35,370,969	97,779,571	100,788,543	82,517,520	9,204,113
Less: Impairment	(9,204,113)	-	-	-	-	-	-	(9,204,113)
	664,121,646	236,809,683	110,855,360	35,370,969	97,779,571	100,788,543	82,517,520	-

2020

Gross Trade Receivables	464,242,123	139,139,163	51,508,229	39,132,137	65,905,636	84,007,896	81,357,169	3,191,892
Less: Impairment	(3,191,892)	-	-	-	-	-	-	(3,191,892)
	461,050,231	139,139,163	51,508,229	39,132,137	65,905,636	84,007,896	81,357,169	-

Existing practice on the provisioning of trade receivables were re-visited and adjusted to reflect the different ways in which the COVID-19 outbreak affects different types of customers. The Company assessed how the timing and amount of cash flows generated by outstanding trade receivables might be affected.

30.1.2 Cash in Hand and at Bank

The Group/Company consciously manages the exposure to a single counterparty taking into consideration, where relevant, the rating or financial standing of the counterparty, where the position is reviewed as and when required, the duration of the exposure in managing such exposures and the nature of the transaction and agreement governing the exposure.

30.2 Market Risk

30.2.1 Interest Rate Risk

Interest rate risk is the Group's/Company's exposure to adverse movement in interest rates. The Group/Company has obtained multiple facilities from various banks for working capital, capital expenditure and investment at varying terms and conditions. The finance function negotiates with banks and finance institutions to get the best interest rates and favorable terms for both long and short term borrowing facilities. Most lenders of the Group/Company have granted loans under floating interest rates. Further, the Company has granted loans to related parties under floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's/Company's profit before tax.

Interest Rate	GROUP		COMPANY	
	2021 Rs.	2021 Rs.	2021 Rs.	2020 Rs.
Interest Rate				
Increase by 400 basis points	13,517,507	19,767,507	-	-
Decrease by 400 basis points	(13,517,507)	(19,767,507)	-	-
Increase by 200 basis points	-	-	7,383,080	-
Decrease by 200 basis points	-	-	(7,383,080)	-

The spread of basis points used for the interest rate sensitivity analysis is based on the currently observable market environment.

30.2.2 Foreign Exchange Risk

Foreign Exchange Risk is the Group's/Company's exposure to adverse movement in foreign currency against the Sri Lankan Rupee. The Group/Company do not have any significant direct impact from the foreign exchange risk.

30.2.3 Equity Price Risk

The Company holds listed and unlisted equity securities which are susceptible to market-price risk arising from uncertainties about future values of these securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Periodic reports on equity investment portfolio is submitted to the senior management on a regular basis. The respective Boards of Directors review and approve all equity investment decisions.

Other Non Current Financial Assets	Note	COMPANY	
		2021	2020
Financial Assets at Fair value through OCI	13.1	280,407,431	347,038,900
		280,407,431	347,038,900

Sensitivity Analysis

The following table demonstrates the sensitivity of aggregate fair value to reasonably possible changes in equity prices provided all other variables are held constant:

Notes to the Financial Statements

	Change in Equity Price	COMPANY	
		Effect on Fair Value Reserve of Financial Assets at FVOCI	Effect on Equity
	%	Rs.	Rs.
2021			
Quoted Equity Investments Listed on the Colombo Stock Exchange	+10	28,040,743	28,040,743
Trade and Other Payables	-10	(28,040,743)	(28,040,743)
2020			
Quoted Equity Investments Listed on the Colombo Stock Exchange	+10	34,703,890	34,703,890
	-10	(34,703,890)	(34,703,890)

30.3 Liquidity Risk

Cash flow forecasting is performed by the finance division. The finance division monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Company's covenant compliance and compliance with internal balance sheet ratio targets.

The table below summarises the maturity profile of the Group's financial liabilities at 31st March 2021 based on contractual undiscounted payments.

	0-6 Months	6-12 Months	2-5 years	>5 years	Total
	Rs.	Rs.	Rs.	Rs.	
2021					
Interest Bearing Loans and Borrowings	285,215,604	488,156,375	2,121,559,000	258,086,813	3,153,017,792
Trade and Other Payables	624,379,373	80,270,260	-	-	704,649,633
Lease Liability	-	5,033,236	11,763,140	-	16,796,376
Corporate Guarantees Granted on Loans Obtained by Parent Company	-	280,000,000	167,456,000	-	447,456,000

The table below summarises the maturity profile of the Company's financial liabilities at 31st March 2021 based on contractual undiscounted payments.

	0-6 Months Rs.	6-12 Months Rs.	2-5 years Rs.	>5 years Rs.	Total
2021					
Interest Bearing Loans and Borrowings	248,509,354	452,537,625	1,972,217,333	258,086,813	2,931,351,125
Trade and Other Payables	547,890,930	80,864,961	-	-	628,755,891
Lease Liability	-	5,033,236	11,763,140	-	16,796,376
Corporate Guarantees Granted on Loans Obtained by Parent Company	-	280,000,000	167,456,000	-	447,456,000

The table below summarises the maturity profile of the Company's financial liabilities at 31st March 2020 based on contractual undiscounted payments.

2020					
Interest Bearing Loans and Borrowings	144,440,743	965,830,796	1,325,803,084	426,514,840	2,862,589,463
Trade and Other Payables	265,004,902	185,766,733	-	-	450,771,635
Lease Liability	-	5,033,236	16,796,376	-	21,829,612
Corporate Guarantees Granted on Loans Obtained by Parent Company	-	45,138,000	167,456,000	-	212,594,000

Notes to the Financial Statements

30.4 Capital Management

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

The Group its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March 2021.

The Group monitors capital using a gearing ratio for the Group, net debt divided by total capital plus net debt, which is monitored closely by senior management. Net debt of the Group includes, interest bearing loans and borrowings, lease liability and bank overdraft less cash and cash equivalents.

As at 31 March	GROUP	COMPANY	
	2021 Rs.	2021 Rs.	2020 Rs.
Net Debt	2,477,234,632	2,391,304,554	2,248,758,172
Net Equity	4,594,341,069	4,555,397,561	4,056,604,662
Capital and Total Net Debt	7,071,575,701	6,946,702,115	6,305,362,834
Gearing Ratio (X)	0.35	0.34	0.36

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Shareholder Information

The ordinary shares of the Company are listed in the Colombo Stock Exchange of Sri Lanka.

The Audited Financial Statements of the Company for the year ended 31st March 2021 and copies of this Annual Report have been submitted to the Colombo Stock Exchange.

The float-adjusted market capitalisation as at 31st March 2021 is LKR 1,460,730,638.44 /- and the Company is in compliance with option 5 of the Listing Rules 7.13.1 (a) which requires 20% minimum public holding percentage and 500 minimum public shareholders.

DISTRIBUTION OF SHAREHOLDERS

Number of Shares held	31 March 2021			31 March 2020		
	Number of shareholders	Holding	Holding %	Number of shareholders	Holding	Holding %
1 - 1,000	1,914	454,907	0.08	1917	466,951	0.09
1,001 - 10,000	801	3,293,687	0.62	820	3,394,276	0.64
10,001 - 100,000	437	13,621,937	2.58	463	14,098,536	2.67
100,001 - 1,000,000	95	28,838,496	5.46	93	27,585,074	5.22
Over 1,000,000	10	482,248,518	91.26	12	482,912,708	91.38
Total	3,257	528,457,545	100.00	3,305	528,457,545	100.00

Category	31 March 2021			31 March 2020		
	Number of shareholders	Holding	Holding %	Number of shareholders	Holding	Holding %
Individual	3168	98,267,271	18.60	3223	108,903,867	20.61
Institutional	89	430,190,274	81.40	82	419,553,678	79.39
Total	3257	528,457,545	100.00	3305	528,457,545	100.00
Resident	3241	528,251,746	99.96	3287	527,338,860	99.79
Non-resident	16	205,799	0.04	18	1,118,685	0.21
Total	3257	528,457,545	100.00	3305	528,457,545	100.00

MAJOR SHAREHOLDINGS

	31 March 2021	
	No. of Shares	%
1. ASIRI HOSPITAL HOLDINGS PLC	422,555,413	79.96
2. MR. DON KULARATNE SUBASINGHE/MRS. S N SUBASINGHE	39,014,806	7.38
3. MR. PUJITHA PUNSIRI SUBASINGHE	7,937,269	1.50
4. MR. DIYUNUGE MAHINDA RAJAPAKSA/DR.MS. D B D RAJAPAKSA	3,084,691	0.58
5. MR. MAHAWATHAGE DON NEWTON JAYARATNE/MRS. H C D JAYARATNE	2,249,998	0.43
6. MR. MAHENDRA RAJA WEERASINGHE	2,000,000	0.38
7. EMPLOYEES TRUST FUND BOARD	1,474,873	0.28
8. MR. DIYUNUGE MAHINDA RAJAPAKSA/DR. D S D RAJAPAKSE	1,381,088	0.26
9. MRS. CHANDANI VISHAKA ARIYARATNE	1,333,333	0.25
10. MR. UDITHA HARILAL PALIHAKKARA/DR. D S PALIHAKKARA & MR. K D H PALIHAKKARA	1,217,060	0.23
11. BANK OF CEYLON-NO2 A/C (BOC PTF)	1,000,000	0.19
12. MR. SINNADURAI VAMATHEVAN	920,377	0.17
13. ROSEWOOD (PVT) LIMITED-ACCOUNT NO.1	864,154	0.16
14. DR. DAMMEARACHCHI ANUJA SOMARATNE	862,499	0.16
15. MR. CHAMINDA DILANTHA WEERASINGHE (DECEASED)	833,333	0.16
16. DR. HIMALI RANGIKA JAYASEKERA	802,322	0.15
17. MR. MOHAMED FAIZER HASHIM	752,239	0.14
18. MRS. SITHY JAZEEMA BADURDEEN	749,999	0.14
19. DR. WELAGEDARA MUDIYANSELAGE SWARNAMALI WELAGEDARA/MR. M P J SENEVIRATHNE	749,999	0.14
20. MR. NAGEN DAYARANJAN KURUKULASURIYA	730,361	0.14
SUB TOTAL	490,513,814	92.82
OTHERS	37,943,731	7.18
GRAND TOTAL	528,457,545	100.00

SHARE TRADING

	2020/2021		2019/20	
Market price (LKR)				
– Highest	19.00	(17.12.2020)	11.00	(05.08.2019)
– Lowest	8.90	(12.05.2020)	8.50	(16.05.2019)
As at year-end	13.80	(31.03.2021)	9.00	(20.03.2020)
Number of trades	5,789		1,675	
Number of shares traded	24,622,603		2,713,050	
Value of the shares traded (LKR)	365,821,301.30		26,276,771.80	
Earnings per share (LKR)	1.63		0.82	
Dividends per share (LKR)	0.85		0.00	
Net assets per ordinary share (LKR)	8.69		7.68	

STATED CAPITAL

	2021		2020	
	Number	LKR	Number	LKR
Fully Paid Ordinary Shares	528,457,545	1,393,327,565	528,457,545	1,393,327,565

STATED CAPITAL

	2021		2020	
	Number	LKR	Number	LKR
Balance at the beginning of the year	528,457,545	1,393,327,565	528,457,545	1,393,327,565
Balance at the end of the year	528,457,545	1,393,327,565	528,457,545	1,393,327,565

Five Year Summary

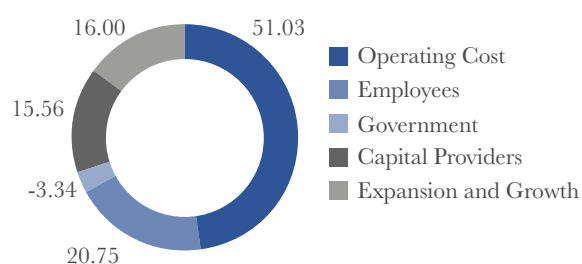
Year ended 31 March	GROUP		COMPANY		
	2021 Rs. '000	2020 Rs. '000	2019 Rs. '000	2018 Rs. '000	2017 Rs. '000
Statement of Profit or Loss					
Income Statements					
Revenue	4,229,712	3,654,663	3,475,047	3,275,349	2,884,316
Cost of Services	(2,661,454)	(2,265,592)	(2,122,762)	(2,013,869)	(1,885,576)
Gross Profit	1,568,258	1,389,071	1,352,285	1,261,479	998,740
Other Income and Gains	34,612	83,093	45,585	232,249	30,006
Administration and Distribution Expenses	(893,142)	(929,858)	(862,858)	(795,608)	(760,140)
Finance Cost	(253,513)	(151,700)	(54,952)	(45,472)	(52,337)
Finance Income	252,549	216,398	130,069	93,759	114,181
Share of Profit/(Loss) of Associate	-	897	93	5,902	-
Profit Before Tax	708,765	607,901	610,222	752,310	330,449
Income Tax (Expense)/ Reversal	150,902	(174,790)	(243,707)	(205,707)	(67,660)
Net Profit for the year	859,667	433,111	366,515	546,603	262,789
Statement of Financial Position					
Property Plant & Equipment	4,052,347	3,565,875	3,564,554	3,261,720	3,102,457
Investment Property	-	215,000	193,724	-	-
Non current Financial Assets	280,407	347,039	311,681	332,671	336,704
Investment in Joint Venture	-	33,800	32,987	32,902	-
Inventories	203,651	135,370	116,332	167,901	181,293
Receivables	3,832,260	3,410,179	1,584,920	720,168	893,234
Cash and Bank balance	275,026	160,713	60,383	383,767	135,868
Total Assets	8,643,691	7,867,976	5,864,581	4,899,129	4,649,555
Stated Capital	1,393,328	1,393,328	1,393,328	1,393,328	1,393,328
Reserve	1,312,687	1,138,964	1,060,941	1,130,225	1,301,768
Accumulated Profits	1,888,327	1,524,313	1,142,168	1,044,199	951,923
Shareholders' Funds	4,594,341	4,056,605	3,596,437	3,567,752	3,647,019
Non-Controlling Interests	72,736	-	-	-	-
Total Equity	4,667,077	-	-	-	-
Non Interest Bearing Long Term Liabilities	9,433	12,690	17,985	22,057	26,129
Interest Bearing Long Term Liabilities	2,063,327	1,311,143	191,746	255,682	319,618
Deferred Tax Liability	315,655	618,569	578,287	515,841	192,535
Deferred Retirements Obligations	148,312	131,931	126,827	116,105	100,623
Trade Creditors	704,503	450,772	496,166	261,107	282,711
Other Payables	55,885	200,629	444,163	92,106	12,912
Non Interest Bearing Loans and Borrowings	3,257	2,857	4,072	4,072	4,072
Interest Bearing Short Term Borrowings	676,243	1,082,781	408,898	64,407	63,936
Total Equity & Liabilities	8,643,691	7,867,976	5,864,581	4,899,129	4,649,555
Cash Flow					
Net Cash Flow from Operating Activities	638,062	294,298	648,272	884,132	556,415
Net Cash Flow used in Investing Activities	(160,553)	(1,702,059)	(1,248,139)	(119,506)	(104,274)
PBIT/Turnover	23%	21%	19%	24%	13%
GP Margin	37%	38%	39%	39%	35%
Debts to Equity	0.60	0.59	0.17	0.10	0.11
Quick Asset ratio	1.74	1.24	0.57	1.51	1.18

Economic Value Added Statement

As at 31 March	2020/21 Rs.'000	2019/20 Rs.'000
Direct economic value generated		
Revenue	4,229,712	3,654,663
Other Income	34,612	83,093
Finance Income	252,549	216,398
Share of profit of Joint Venture	-	897
	4,516,873	3,955,051

As at 31 March	GROUP		COMPANY	
	2020/21 Rs.'000	%	2019/20 Rs.'000	%
Economic Value Distributed				
Operating Cost	2,305,150	51.03	1,926,390	48.71
Employees				
Employee Wages & Benefits	937,182	20.75	1,024,316	25.90
Government				
All Taxes	(150,902)	(3.34)	174,790	4.42
Capital Providers				
Finance Cost	253,513	5.61	151,700	3.84
Shareholders	449,189	9.94	-	-
Expansion and Growth				
Depreciation	312,264	6.91	244,744	6.19
Retained Profit	410,478	9.09	433,111	10.95
	4,516,873	100.00	3,955,051	100.00

ECONOMIC VALUE ADDED (LKR '000)



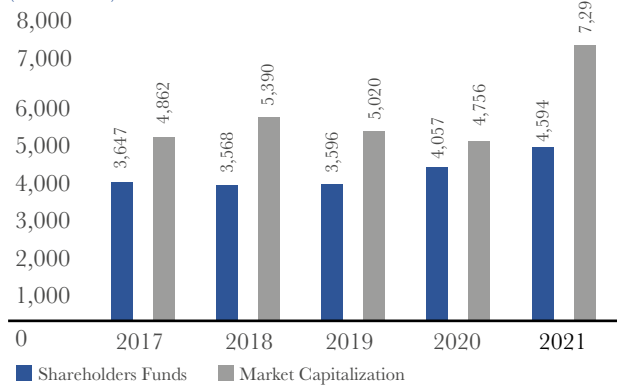
The creation of wealth is the main purpose of existence of any commercial organisation.

The value added statement highlights the wealth created by the activities of the company over the last two years and the distribution of this wealth created, among its stakeholders.

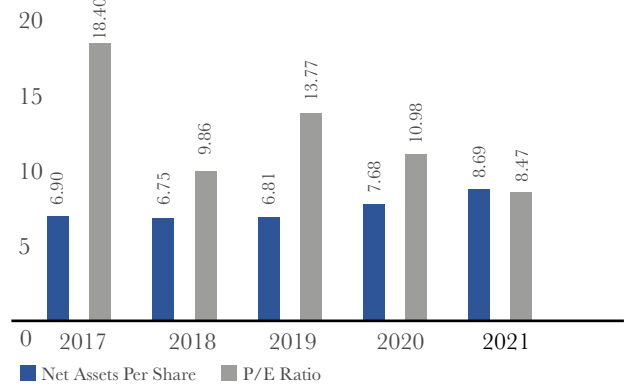
Through its operations during the financial year 2020/21, the company created a total wealth of Rs. 4.51 billions, which was a 14% growth compared to previous year.

Graphical Review

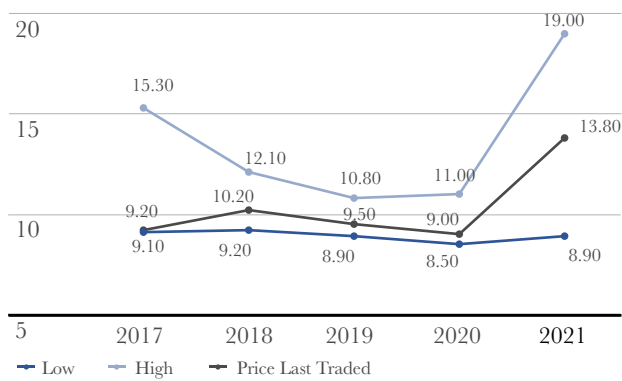
TOTAL EQUITY VS. MARKET CAPITALIZATION (LKR Mn.)



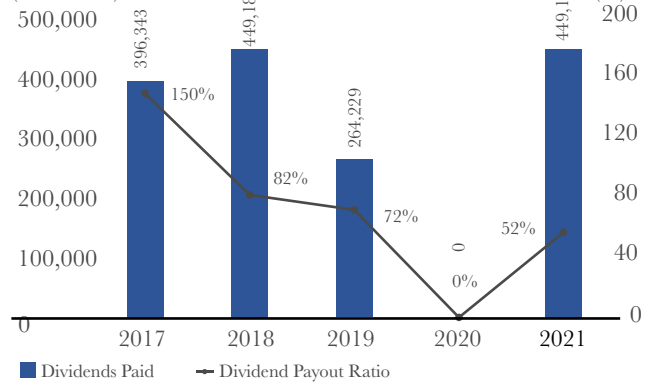
SHARE VALUE (LKR)



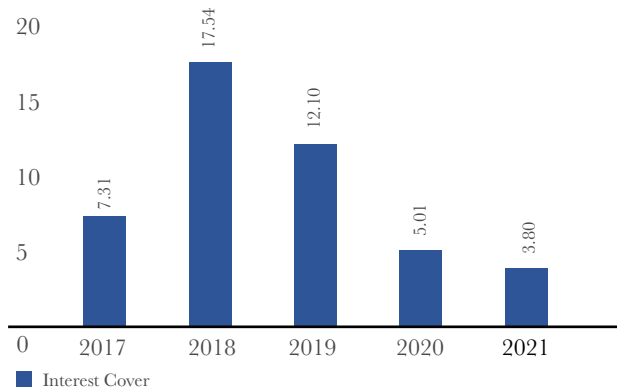
SHARE PRICE (LKR)



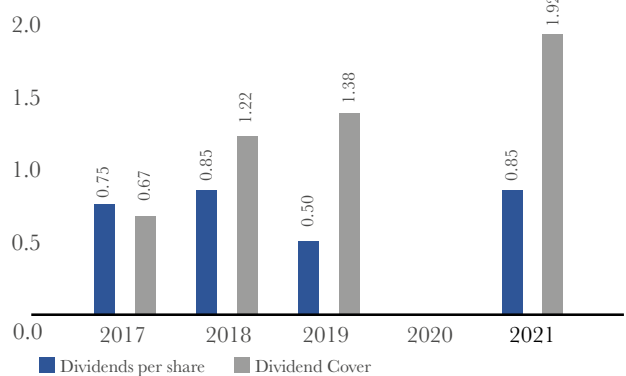
DIVIDENDS PAID & DIVIDEND PAYOUT RATIO (LKR Mn.)



INTEREST COVER (Times)



DIVIDENDS (LKR)



Notice of Meeting

NOTICE IS HEREBY GIVEN that the 21st Annual General Meeting of Asiri Surgical Hospital PLC will be held by electronic means on 23rd August, 2021 at 10.00 a.m. centered at No 114, Norris Canal Road, Colombo 10 for the following purposes:

- (1) To receive and consider the Annual Report of the Board of Directors and Financial Statements of the Company and of the Group for the year ended 31st March 2021 together with the Report of the Auditors thereon.
- (2) To ratify the First Interim Dividend of LKR.0.25 per share paid on 12th October, 2020 and Second Interim Dividend of LKR 0.60 per share paid on 16th April, 2021 as the Final Dividend for the year ended 31st March, 2021.
- (3) To re-elect Mr. S A B Rajapaksa who retires by rotation in terms of Article 24 (6) of the Articles of Association, as a Director of the Company.
- (4) To pass the ordinary resolution set out below to re-appoint Mr G L H Premaratne who is 73 years of age, as a Director of the Company.

“IT IS HEREBY RESOLVED THAT the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr G L H Premaratne who is 73 years of age and that he be and is hereby re-appointed a Director of the Company in terms of Section 211 of the Companies Act No. 07 of 2007”.

- (5) To re-appoint Messrs Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.
- (6) To authorise the Directors to determine and make donations for the year ending 31st March 2022 and up to the date of the next Annual General Meeting.

By Order of the Board,
ASIRI SURGICAL HOSPITAL PLC

Sgd.
SOFTLOGIC CORPORATE SERVICES (PVT) LTD
 Secretaries

Colombo
 30 June 2021

Note:

1. A Shareholder who is entitled to participate, speak and vote at the meeting is entitled to appoint a proxy to attend and vote on behalf of him/her by electronic means as per the attached guidelines.
2. A proxy need not be a Shareholder of the Company.
3. The Form of Proxy is enclosed for this purpose.
4. Shareholders are advised to follow the Guidelines and Attendance Registration Process for the Annual General Meeting attached hereto.

Form of Proxy

*I/We of
 being* a member/
 members of ASIRI SURGICAL HOSPITAL PLC, do hereby appoint
 of or failing *him/her

Mr. A K Pathirage of Colombo or failing him
 Dr. S Selliah of Colombo or failing him
 Dr. K M P Karunaratne of Colombo or failing him
 Mr. G L H Premaratne of Colombo or failing him
 Mr. S A B Rajapaksa of Colombo

as *my/our Proxy to represent me/us and to speak and vote for *me/us on *my/our behalf at the 21st Annual General Meeting of the Company to be held by electronic means on 23rd August, 2021 at 10.00 a.m. 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 and Financial Statements of the Company and of the Group for the year ended 31st March 2021 together with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
(2) To ratify the First Interim Dividend of LKR.0.25 per share paid on 12th October, 2020 and Second Interim Dividend of LKR 0.60 per share paid on 16th April, 2021 as the Final Dividend for the year ended 31st March, 2021.	<input type="checkbox"/>	<input type="checkbox"/>
(3) To re-elect Mr. S A B Rajapaksa who retires by rotation in terms of Article 24 (6) of the Articles of Association, as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(4) To pass the ordinary resolution set out below to re-appoint Mr G L H Premaratne who is 73 years of age, as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
“IT IS HEREBY RESOLVED THAT the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr G L H Premaratne who is 73 years of age and that he be and is hereby re-appointed a Director of the Company in terms of Section 211 of the Companies Act No. 07 of 2007”.	<input type="checkbox"/>	<input type="checkbox"/>
(5) To re-appoint retiring Auditors Messrs Ernst & Young and to authorise the Directors to fix their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
(6) To authorise the Directors to determine and make donations for the year ending 31st March 2022 and up to the date of the next Annual General Meeting.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day of Two Thousand and Twenty One.

.....
 *Signature/s

Note:

- (1) **Please delete the inappropriate words.*
- (2) *A proxy need not be a shareholder of the Company.*
- (3) *Instructions as to completion are noted on the reverse hereof*

Form of Proxy

INSTRUCTIONS AS TO COMPLETION

1. The full name, National Identity Card number and the registered address of the shareholder appointing the Proxy and the relevant details of the Proxy should be legibly entered in the Form of Proxy which should be duly signed and dated.
2. The completed Proxy should be forwarded to the Company for deposit at the Registered Office through the Company Secretaries, Sofilogic Corporate Services (Pvt) Ltd, No.14, De Fonseka Place, Colombo 05, marked **“Asiri Surgical Hospital PLC – 21st Annual General Meeting”** or email corporateservices@softlogic.lk not later than 48 hours before the time appointed for the Meeting.

In forwarding the completed and duly signed Proxy to the Company, please follow the Guidelines and Attendance Registration Process for the Annual General Meeting attached to the Notice of Annual General Meeting.

3. The Proxy shall –
 - (a) In the case of an individual be signed by the shareholder or by his attorney, and if signed by an attorney, a notarially certified copy of the Power of Attorney should be attached to the completed Proxy if it has not already been registered with the Company.
 - (b) In the case of a Company or Corporate / statutory body either be under its Common Seal or signed by its Attorney or by an Officer on behalf of the Company or Corporate / statutory body in accordance with its Articles of Association or the Constitution or the Statute. (as applicable)
4. Please indicate with a ‘X’ how the Proxy should vote on each resolution. If no indication is given, the Proxy in his discretion will vote as he thinks fit.

Corporate Information

NAME OF THE COMPANY

Asiri Surgical Hospital PLC

REGISTERED OFFICE

No. 21, Kirimandala Mawatha, Colombo 05, Sri Lanka
Telephone: 011 4524400
Email: info@asiri.lk
Web: www.asirihealth.com

LEGAL FORM

A quoted public Company incorporated in Sri Lanka, under the Companies Act No. 17 of 1982 with limited liability. The Company has re-registered under the Companies Act No. 07 of 2007. An undertaking approved by the Board of Investment of Sri Lanka (BOI) under the Board of Investment of Sri Lanka Law No. 04 of 1978.

STOCK EXCHANGE LISTING

The ordinary shares of the Company are listed with the Colombo Stock Exchange

COMPANY REGISTRATION NUMBER

PQ 208

DATE OF INCORPORATION

2 March 2000

DIRECTORS

Mr. A K Pathirige – Chairman/Managing Director
Dr. S Selliah – Deputy Chairman
Dr. K M P Karunaratne – Group Chief Executive Officer
Mr. G L H Premaratne
Mr. S A B Rajapaksa

AUDITORS

Messrs Ernst & Young (Chartered Accountants),
No. 201, De Saram Place, Colombo 10

SECRETARIES

Messrs Softlogic Corporate Services (Pvt) Ltd.,
No. 14, De Fonseka Place, Colombo 05

STOCK CODE

AMSL.N0000

BANKS

Commercial Bank of Ceylon PLC
Hatton National Bank PLC
Nations Trust Bank PLC
Sampath Bank PLC
Cargills Bank Limited
National Development Bank PLC
DFCC Bank PLC

SUBSIDIARY COMPANY

Asiri AOI Cancer Centre (Private) Limited
No. 21, Kirimandala Mawatha, Colombo 05, Sri Lanka

AUDIT COMMITTEE

Chairman
Mr S Ahangama
Independent Non-Executive Director,
(Asiri Hospital Holdings PLC)
(Appointed w.e.f. 22nd September 2020)

COMMITTEE MEMBERS

Mr. G L H Premaratne
Independent Non-Executive Director

Mr S A B Rajapaksa
Independent Non-Executive Director

FREQUENCY OF MEETINGS

Committee meets quarterly

REMUNERATION COMMITTEE

Chairman
Mr G L H Premaratne
Independent Non-Executive Director

COMMITTEE MEMBERS

Dr. S Selliah
Independent Non-Executive Director

FREQUENCY OF MEETINGS

Committee meets once a year

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Chairman
Mr S A B Rajapaksa
Independent Non-Executive Director

COMMITTEE MEMBERS

Mr G L H Premaratne
Independent Non-Executive Director

Mr S Ahangama
Independent Non-Executive Director
(Asiri Hospital Holdings PLC)
(Appointed w.e.f. 22nd September 2020)

FREQUENCY OF MEETINGS

Committee meets at least once a quarter

As permitted by the Listing Rules of the Colombo Stock Exchange, the Audit Committee and Related Party Transactions Review Committee of the Company's parent Company, Asiri Hospital Holdings PLC, serve as those committees for the Company.

Designed & produced by



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Web: www.asirihealth.com