



ASIRI HOSPITAL HOLDINGS PLC
Annual Report 2023/24

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<https://asirihealth.com/>

ABOUT US

Asiri Hospital Holdings PLC (Asiri Health) proudly stands as Sri Lanka's largest and most comprehensive private healthcare provider. Since its establishment in 1986, Asiri Health has grown into a formidable healthcare service provider with seven internationally accredited hospitals along with the Country's largest private laboratory service. The latest addition to the Asiri portfolio is the Asiri Academy of Health Sciences, specialising in providing access to world class healthcare education for the youth in Sri Lanka and the region.

Asiri Health's rapid evolution stands as a testament to the unwavering commitment to quality, safety and the best patient care and

clinical outcomes. Over the years, the Group has continued to systematically upgrade its facilities and solidify its position at the forefront of medical innovation in Sri Lanka.

This passion for excellence permeates across every aspect of Asiri Group operations with all Group hospitals meeting the stringent global accreditation standards set by the Joint Commission International (JCI) and the Australian Council on Healthcare Standards International (ACHSI), while the Asiri Laboratories holds industry-specific ISO certifications, ensuring precision and reliability in every diagnostic test performed.

Furthermore, the Group employs, consults, and partners with some of the most skilled, dedicated, and experienced healthcare professionals in Sri Lanka who embody the Group's deep-rooted commitment to patient care and clinical excellence.

By continually pushing the boundaries within the healthcare space, Asiri Health seeks not only to meet the current needs of its patients but also prepares for the future, ensuring that Asiri remains the most trusted healthcare brand by all Sri Lankans around the Country.

OUR 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

Caring with a human touch
Caring for society
Caring for our employees

Innovation

Innovation and forward-focus

Respect

Respect for all stakeholders

800+

Consultants

3,500+

Consultations per day



14,000+

Tests per day

4,250+

Tests offered



800+

Beds

HIGHLIGHTS OF THE YEAR

2,500+ Medical Professionals

Benefited from continuous medical education programme

3.5+ million

Patients served

14,000+ Diagnostic Tests

Conducted per day

130+

Free health clinics conducted

2,500+

Benefited from free health clinics

150+ Workshops

Conducted for continuous medical education

1,400+

Training programmes conducted

45,000+

Man-hours of training provided

97% of Inpatient Bill Completion

Reduced to less than one hour

All clinical waste

disposed as recommended by CEA

Re-accreditation by JCI & ACHSI

Best Management Practices Asiri Laboratories

Company Awards 2024

Best Infection Control Strategy

Asiri Surgical Hospital

National Safety & Occupational Health Safety Award 2023

Best Management Practices Company

Hospital & Healthcare 2023

Most Valuable Consumer Brand Healthcare

LMD, 2023

Most Valuable Healthcare Brand

Brand Finance 2023

Group	2023/24	2022/23	2021/22
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Financial Performance (LKR MN.)

Revenue	28,571	24,786	22,324
Operating Profit	6,138	5,750	5,634
Pre-Tax Profit	4,368	3,195	4,772
Tax Expense	(1,249)	(1,496)	(969)
Net Profit	3,119	1,699	3,803

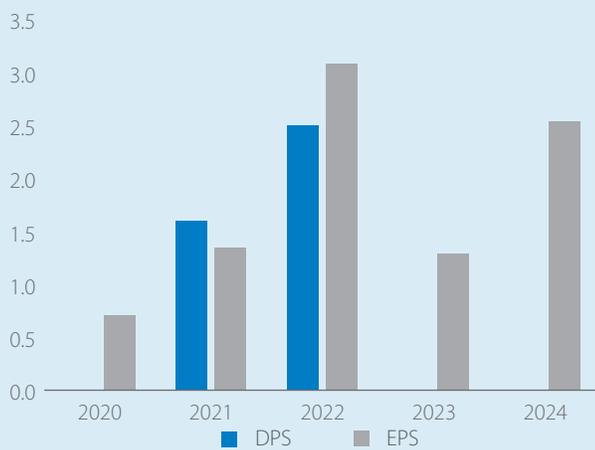
Financial Position (LKR MN.)

Total Assets	52,549	50,285	39,243
Borrowings	15,013	21,292	16,505
Shareholder's Funds	21,696	17,717	14,653

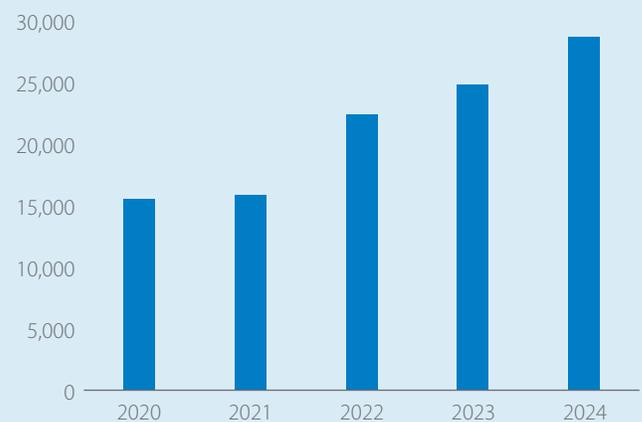
Information per Ordinary Share (LKR)

Earnings Per Share (EPS)	2.54	1.29	3.08
Dividend Per Share (DPS)	-	-	2.50
Market Price Per Share	25.00	24.90	37.50
Net Assets Value Per share	19.07	15.57	12.88

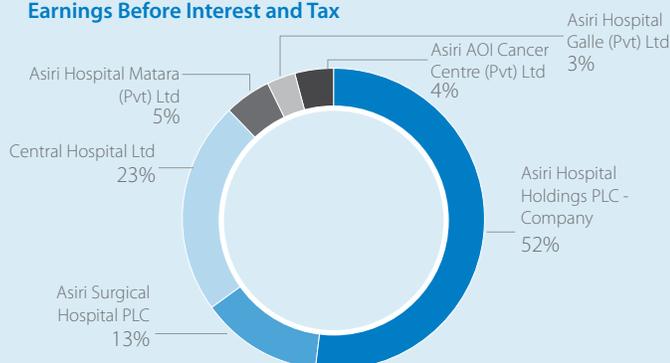
EPS /DPS (LKR)



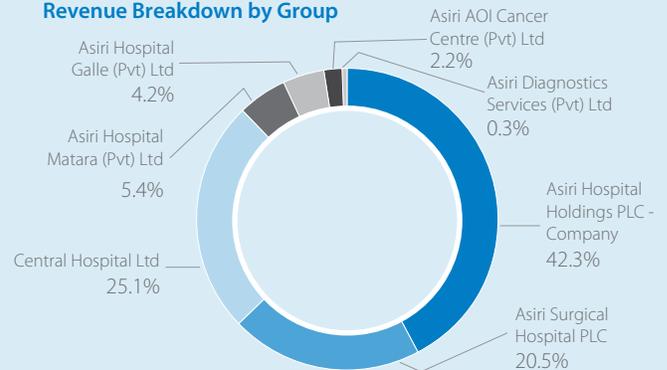
Revenue (LKR MN.)



Earnings Before Interest and Tax



Revenue Breakdown by Group



GROUP CERTIFICATIONS AND ACCREDITATIONS

HOSPITALS

Accreditation	Asiri Central Hospitals	Asiri Surgical Hospital	Asiri Medical Hospital	Asiri Hospital Kandy	Asiri Hospital Galle	Asiri Hospital Matara
 <p>Joint Commission International (JCI) Accreditation the gold standard in global healthcare, JCI is widely accepted to be the author and evaluator of the most rigorous international standards in patient safety and quality.</p>	✓					
 <p>Australian Council on Healthcare Standards International (ACHSI)</p>		✓	✓	✓	✓	✓
 <p>ISO 22000:2018 - Food Safety Management System Certification</p>	✓	✓	✓	✓	Y	✓
 <p>ISO 14001:2015 Environment Management</p>	Y	Y	Y	Y	Y	Y

ASIRI LABORATORIES

Accredited



✓ - Accredited

Y - In progress

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CHAIRMAN'S REVIEW



"I wish to take this opportunity to recognise and thank our strategic partners and valued shareholders for their unwavering belief in the Asiri brand. Together, we have the potential to elevate the Asiri Group to unprecedented heights of success in the years to come."

In 2023, Sri Lanka's healthcare sector continued to grapple with mounting challenges. As the after effects of the 2022 economic crisis continued to impact the public health sector, resource constraints became a critical issue leading to unprecedented disruptions in service delivery, while challenges in procuring essential medicines and medical equipment placed immense pressure on healthcare providers, collectively raising concerns about the sector's overall effectiveness. With these recurring problems threatening to erode the healthcare outcomes that Sri Lanka has painstakingly achieved over the years, the urgent need to strengthen the Country's healthcare system was more evident than ever, demanding immediate and comprehensive action to build resilience in the face of ongoing challenges.

In response to the significant challenges faced by Sri Lanka's healthcare sector in 2023, the Asiri Group reinforced its commitment to excellence, focusing on capacity expansion and service enhancement across all its hospitals. We undertook substantial efforts to expand our specialties in order to provide more people across the Country with easy access to world-class healthcare facilities and the best-in-class patient experience that has become synonymous with the Asiri brand.

In addition to expanding capacity, the Asiri Group continued to foster synergies across its various operations. This integrated approach not only enhanced the Group's ability to respond to the evolving demands of the healthcare sector but also ensured that patients from all regions of the Country would benefit from the high standards of care that define Asiri Health.

Through these proactive strategies, the Group demonstrated its resilience and adaptability, positioning itself as a progressive force amidst ongoing challenges in Sri Lanka's healthcare sector. Moreover, we made sure our efforts not only addressed immediate concerns but were also designed to lay the groundwork for sustained excellence in healthcare delivery, ultimately contributing towards supporting and uplifting national healthcare systems.

Meanwhile, amid the increasing competition in Sri Lanka's private healthcare sector, we at the Asiri Group are placing a strong emphasis on sustainability as a key strategic priority. Recognising the long-term benefits of a more sustainable approach, we continue to focus on embedding sustainability throughout our business model and value chain. Our vision is driven by the commitment to delivering positive outcomes for all our stakeholders, including patients, employees, shareholders, and the wider community.

Through these efforts, we are aiming to position the Asiri Group as a sustainability leader, while reinforcing long-term growth and resilience to ensure that the Group is geared to meet the needs of stakeholders in a rapidly evolving healthcare environment.

LOOKING AHEAD

Looking to the future, our plans will center on delivering a superior patient experience. We will continue to refine our services, processes, and infrastructure to ensure that every patient who walks through our doors receives the highest standard of care. Our commitment to compassion, quality, and innovation will remain unwavering as we strive to exceed the expectations of our patients and their families.

To that end, our primary goal is to enable equitable healthcare access, where more people around Sri Lanka have the opportunity to receive the high-quality healthcare that Asiri Health is known for. By diversifying our specialties and introducing advanced medical technologies, we plan to offer a wider range of services that cater to the unique healthcare needs of Sri Lanka's diverse population.

You may recall from my previous report that the Asiri Group successfully won the bid to build and operate a 500-bed state-of-the-art hospital as part of the Port City Development project, in collaboration with a leading international healthcare franchise targeting the regional medical tourism markets. I am pleased to report that this year we have made significant progress in this effort securing all necessary approvals,

including parliamentary consent, to advance with the project. I look forward to the next phases of development and am enthusiastic about the potential impact this project will have on both regional healthcare and medical tourism.

ACKNOWLEDGEMENTS

Before I conclude, I wish to extend my deepest and most heartfelt gratitude to the entire Asiri family. From my fellow Board members to our dedicated Management team and every employee - your unwavering passion and commitment remain the bedrock of our success. It is because of your tireless efforts and dedication that the Asiri Group has been able to achieve the remarkable milestones that define us today.

Our journey of success over the years is also the result of the invaluable support and collaboration from our stakeholders. I would like to begin by expressing my profound appreciation to our esteemed consultants and surgeons for their passion and deep conviction in pursuing the best possible outcomes for our patients.

I wish to also take this opportunity to recognise and thank our strategic partners and valued shareholders for their unwavering belief in the Asiri brand. I encourage you to remain invested in our journey ahead, as I am confident that together, we have the potential to elevate the Asiri Group to unprecedented heights of success in the years to come.

Sgd.

Ashok Pathirage

Chairman / Managing Director

5 September 2024

Colombo

GROUP CEO'S REVIEW AND MANAGEMENT DISCUSSION & ANALYSIS



“As always, our fundamental strategy continues to revolve around our patients where we strive to deliver exceptional healthcare services by combining state-of-the-art technology, evidence-based medical practices, and a compassionate, patient-centric approach”

Notwithstanding ongoing challenges in the local healthcare sector, I am pleased to announce that the Asiri Hospital Group made excellent progress in the year under review, with all our key performance metrics recording year on year improvements.

Footfall at all hospitals continued to increase in FY 2023/24, while OPD numbers surpassed pre-pandemic levels. Both in-patient admissions and average occupancy levels registered notable improvements compared to the previous year. Similarly, the demand for elective surgeries also appeared to be on the rise after a lapse of nearly three years. These results, without a doubt, stand as a testament to our comprehensive patient-centric approach as well as the expertise of our team, all culminating in a strong public trust in the Asiri brand.

I am also particularly pleased to highlight the remarkable achievements of the Asiri Nova IVF & Fertility Unit. Within just over 2 years of operation, this unit has established itself as a beacon of hope for countless families seeking to fulfil their dreams of parenthood. The unit's impressive 65% success rate in achieving pregnancies, together with an outstanding 90% birth rate, underscores our unwavering commitment to utilising cutting-edge technologies and evidence-based practices to support individuals and couples advance their fertility journey.

Similarly, the Asiri AOI Cancer Hospital too, continues to make excellent strides. Our state-of-the-art facility, which remains to be the top choice for cancer treatment in Sri Lanka, experienced remarkable growth recording a substantial 17% increase in patient numbers in the current year, a testament to our expanding reach and impact. Since its launch in November 2018, the Asiri AOI Cancer Hospital has delivered more than 12,000 radiation fractions each year using the most advanced linear accelerator available in the country, ensuring unparalleled precision in treatment. Furthermore, we take pride in offering the only PET scan facility within Sri Lanka's private healthcare sector. Over the past year, we have conducted more than 1,200 PET scans, which have been instrumental in the

early detection of cancer and the development of more effective treatment plans.

STRATEGY AND FOCUS

As always, our fundamental strategy continues to revolve around our patients where we strive to deliver exceptional healthcare services by combining state-of-the-art technology, evidence-based medical practices, and a compassionate, patient-centric approach to ensure every one of our patients receive the best in-class patient care and benefit from the most desirable clinical outcomes.

In the year under review, we continued with investments in building capacity in selected disciplines and improving scalability across all our hospitals to ensure our patients have access to the latest medical advancements.

Asiri Central Hospital (ACH), the Group's flagship facility, further solidified its position as the leading private sector hospital in the Country. This year, ACH made notable headway in expanding its neurological services by investing in the most advanced neuronavigation system, enabling the hospital to meet the precise needs of a broader patient base.

In another notable milestone, Sri Lanka's first Bone Marrow Transplant Centre housed at ACH celebrated its 10th anniversary, marking a decade of pioneering work in this critical field. Over the years, the Centre has established itself as the undisputed leader in Sri Lanka for the treatment of blood dyscrasias especially certain types of blood cancer and has a track record of having done more than 90 successful bone marrow transplants to date. The BMT Unit at Asiri Central is accredited by the Postgraduate Institute of Medicine, University of Colombo, as a training facility for postgraduate trainees in Clinical Haematology. In recognition of these achievements, a special event was held to honour all patients who have benefited from these life-saving procedures.

The year also saw ACH launch the "Asiri Home Nursing Service," a dedicated and comprehensive unit providing both inpatient and outpatient care solutions. This service is staffed by a team of highly trained and

experienced healthcare professionals who are committed to ensuring continuity of care and the effective management of chronic conditions. The Asiri Home Nursing Service is specifically designed to cater to elderly patients, individuals with chronic illnesses, and those recovering from surgeries or acute medical conditions, delivering personalised care in the comfort of their homes.

Asiri Medical (AMH) further expanded its services to include comprehensive psychiatric and psychological care. Two new specialised paediatric units were launched during the year - a Paediatric Nephrology Unit and a Paediatric Psychology Unit, both committed to deliver personalised care plans for the best outcomes for young patients within a supportive and compassionate environment.

We also looked at strengthening AMH's flagship Mother and Baby Programme via a more holistic approach, encompassing every facet of antenatal and postnatal care. Our goal with these efforts is to ensure that mothers and their babies receive seamless, expert care throughout their entire journey—from the earliest stages of pregnancy to childbirth and beyond.

Meanwhile, inspired by the phenomenal success of the Asiri Nova IVF & Fertility Unit, we further deepened our investment in advanced reproductive technology by acquiring an EmbryoScope™ - a state-of-the-art IVF incubator, equipped to provide high-resolution time-lapse images that offer invaluable insights into the dynamic processes of embryogenesis. This enhances our ability to improve success rates and outcomes for our patients, ensuring patients receive timely interventions throughout the reproductive cycle.

At Asiri Surgical (ASH), the leading private sector surgical hospital in Sri Lanka, we proudly unveiled what is perhaps the Country's first-ever dedicated Lifestyle Medicine Unit. I believe, our Lifestyle Medicine Unit represents a paradigm shift in the local healthcare space. Using pioneering new approaches in healthcare that go beyond traditional treatments, the unit emphasises the importance of sustainable, healthy lifestyle changes through a multi-disciplinary approach by integrating evidence-

GROUP CEO'S REVIEW

based practices in nutrition, physical activity, stress management, sleep hygiene, and behavioural modifications to prevent, manage, and even reverse chronic illnesses.

ASH continued its pioneering efforts in advancing medical technology in Sri Lanka by successfully carrying out a Transcatheter Aortic Valve Implantation (TAVI) heart procedure for aortic valve replacement. Leveraging the groundbreaking TAVI technology and the exceptional expertise of the Asiri medical team, three successful procedures were performed. The patients who underwent these procedures experienced swift recoveries, with all being discharged just days after surgery. This landmark achievement underscores the Asiri Group's unwavering commitment to advancing medical technology, improving clinical outcomes, and enhancing patients' quality of life.

Building on these groundbreaking accomplishments, ASH began working towards setting up a liver transplant programme in Sri Lanka, with the first transplant scheduled for the end of October this year. In support of our Kidney Transplant programme we have already started to strengthen our nephrology programme to cover a wider spectrum of care from specialised clinics to complex transplant procedures, ensuring that our patients receive the most holistic and cutting-edge treatments available.

Similarly, we are working on developing a new comprehensive ENT surgical and spine surgery programme to provide specialised and advanced surgical options for our patients.

In parallel, we have started systematically expanding our range of specialised clinics to address a variety of health concerns, including ENT, liver conditions, backache, scoliosis, cosmetic gynaecology, and an erectile dysfunction clinic.

We are also working to bolster our cardiac services by introducing preventive and rehabilitation clinics, to complement our suite of cardiac care offerings. While ensuring that Asiri Surgical remains at the forefront of cardiac health in the Country, I expect these initiatives

to set new benchmarks for both preventive and rehabilitation to support patients through every stage of their cardiac care journey.

It is immensely gratifying to witness our regional hospitals also making significant progress in establishing themselves as leaders in their respective areas. Asiri Hospital Kandy (AHK) further strengthened its position as the premier multidisciplinary hospital in the Central Province by introducing a new ENT (Ear, Nose, and Throat) department, enhancing its range of outpatient and surgical services. The hospital has also commenced minimally invasive cardiac bypass procedures, successfully completing around 15 surgeries to date.

Adding to its long list of firsts, AHK became the first private hospital in the central region to offer lung thoracic surgeries for the diagnosis and treatment of lung conditions related to cancer, trauma, or pulmonary disease. The hospital's successful kidney transplant programme continues to thrive, alongside its neurosurgery services, which again remain the only offerings of their kind in the Central Province.

Additionally, groundwork is being put in place to set up a cochlear transplant programme at AHK, which once launched by end-2024, will be another first in the Central Province.

Our hospitals in the Southern region also enhance their capabilities to better serve patients. In its ongoing effort to transform healthcare access in the area, Asiri Hospital Galle (AHG) has launched a state-of-the-art Dialysis Unit for patients with chronic kidney disease and introduced the Southern region's first specialist Wound Care Clinic, dedicated to treating chronic diabetic and vascular wounds. It is equally gratifying to see AHG's strong neurosurgical program continue to be in high demand.

Further solidifying its reputation, AHG became the first hospital in Sri Lanka to perform Endoscopic Endonasal Surgery—a minimally invasive procedure that allows for operations on highly sensitive areas at the base of the brain and spinal column. I am also pleased to announce that AHG is awaiting regulatory approval to commence a renal transplant programme,

which will further expand its advanced medical capabilities to serve patients in the South.

This year, Asiri Matara (AHM) faced challenges due to a shortage of consultants, stemming from government transfers and migration, which impacted capacity and continuity of certain services. Despite these setbacks however, I am happy to say AHM performed reasonably well, maintaining its commitment to delivering quality healthcare to the community.

Meanwhile, eager to cater to a wider cross section of patient segments, AHM embarked on an ambitious expansion initiative to boost room capacity which saw the construction of a new wing consisting of deluxe and super deluxe rooms. Plans are also underway to enhance cardiology services in Matara with the commissioning of a cardiac catheterisation laboratory scheduled for the last quarter of the next fiscal year.

I take great pride in noting the 40th anniversary of the Asiri Laboratories, which fell in March 2024. Over the past four decades, we have continued to strengthen the Group's presence across the island through the strategic expansion of our lab network. A total of 9 new branches were opened during the year to enable a wider island-wide population to access the Group's diagnostic services. Concurrently, the test portfolio was also significantly broadened with the addition of eight new tests, underscoring the Asiri Group's commitment to be the benchmark for excellence in healthcare diagnostics across the island. In recognition of its dedication to excellence, Asiri Laboratory Services was honoured with the Merit Award in the Healthcare Services category at the Best Management Company Awards 2024. This accolade, presented annually by the Institute of Chartered Professional Managers of Sri Lanka, acknowledges our consistent achievements in business excellence and underscores our commitment to high-quality business practices.

In a strategic move to meet the growing demand for high-quality healthcare professionals both locally and internationally, we proudly launched the Asiri Academy of Health Sciences (AAHS) in September 2023. With the increasing

need for skilled and knowledgeable healthcare practitioners, AAHS is envisioned as a crucial platform for Sri Lankan youth to access a diverse range of globally recognized healthcare education pathways. As a significant initial step, we have partnered with the Malaysian campus of the University of Wollongong, Australia, to offer the Foundation in Health Sciences program.

Simultaneously, we began working with global education partners to broaden AAHS' educational offerings to include a Nursing Top-Up Degree, a Degree in Psychology, and an MBA in Health Administration from the UK, as well as an MBA in Nursing from the Netherlands. We are also exploring other avenues to expand our reach, such as introducing programmes in Nursing, Medical Laboratory Technology, and Phlebotomy for Maldivian students in collaboration with MI College in the Maldives.

To facilitate these ambitious expansion plans, the AAHS main campus is relocating to a new, purpose-built higher education academy in the heart of Colombo. Furthermore, I look forward to the launch of the AAHS Galle campus later in the financial year, which represents a significant milestone in our ongoing mission to enhance nationwide access to global healthcare education.

The Asiri Group continues to leverage technology to provide superior healthcare services and improve patient satisfaction across all hospitals. Group-wide digital transformation initiatives were accelerated with more emphasis on automating, simplifying, and streamlining internal processes, all with the aim of enhancing the overall patient experience. Notable efforts include the implementation of the Digital Discharge Workflow Monitoring System, which has ensured a more efficient and seamless discharge process for patients. Similarly, automation of the theatre booking process has optimised scheduling and reduced waiting times, while workflow automation across key departments, such as Radiology units and OPD pharmacies, has improved operational efficiency and service delivery. The new online drug ordering system implemented during the current year has also contributed to significantly

enhancing operational efficiency. By automating the internal drug ordering process, we have improved accuracy, reduced administrative burdens, and accelerated the fulfilment of medication needs, thereby optimising overall internal operations.

Equally importantly, we remained steadfast in upholding our legendary reputation for quality healthcare. In February 2023, Asiri Central Hospital was re-accredited for the 3rd time by the Joint Commission International (JCI) for a further period of three years ending in 2026, while March 2024 saw the other five Asiri hospitals successfully achieving re-accreditation by the Australian Council on Healthcare Standards (ACHS) with a validity period extending until March 2027.

COMMITMENT TO ADVANCING HEALTHCARE AWARENESS

As the largest private sector hospital chain in Sri Lanka, I believe the Asiri Group has significant responsibility in advancing healthcare awareness across the nation. Our position as a leader in the healthcare industry compels us to actively engage in educational and outreach efforts that empower individuals with essential health knowledge through a variety of educational and outreach initiatives.

In a significant advancement for cardiac care in Sri Lanka, ACH in collaboration with the Sri Lanka College of Cardiology (SLCC), successfully hosted a Complex Coronary Interventional (CTO) workshop. Held at the state-of-the-art ACH Cardiac Cath Lab, the workshop was led by Dr. Wataru Nagamatsu, an Interventional Cardiologist and CTO Operator at Hokusetsu General Hospital in Osaka, Japan. During the 2-day workshop, five complex procedures were performed by Dr. Nagamatsu on patients with Chronic Total Occlusions in their coronary arteries, enabling interventional cardiologists in Sri Lanka to gain hands-on experience and exposure to the latest advancements in coronary interventions.

ASH's Cardiac Catheterisation Laboratory also hosted several notable interventional cardiology workshops, conducted by globally reputed cardiologists. The first by Dr. G. Sengottuvelu, a

distinguished consultant cardiologist from India, provided valuable hands-on training for local interventional cardiologists and catheterisation laboratory staff, significantly advancing their skills in intravascular ultrasound.

Further underscoring the hospital's commitment to advancing the field of interventional cardiology, ASH served as the venue for live case transmissions during the annual academic session of the Sri Lanka College of Cardiology. Two complex coronary interventions were broadcast simultaneously from Cath Lab 1 and Cath Lab 2 to the conference venue at Hotel Shangri-La. This session was led by Dr. Simon Eccleshall, a consultant cardiologist from the UK, alongside Dr. Vajira Senaratne and Dr. Tanya Pereira.

SingLIVE 2024 held in January 2024 featured a live case demonstration of a left main bifurcation procedure, performed by Dr. Vajira Senaratne and Dr. Tanya Pereira. This event marked a historic milestone, as it was the first time a Sri Lankan cardiac cath lab was selected to host a live case for the prestigious Singapore Live annual conference. The conference, renowned as one of the leading events in interventional cardiology globally, saw this procedure broadcast from ACH to an international audience of top cardiologists.

AHK also hosted several notable workshops aimed at advancing cardiac care and surgical skills in Sri Lanka. The "Heart Valve Workshop" for cardiothoracic surgeons, senior registrars, and medical officers was conducted by Dr. Muditha N. Lansakkara, Consultant Cardiothoracic Surgeon. This workshop included a live demonstration of a heart valve procedure, highlighting the benefits of achieving a "warfarin-free" lifestyle and restoring normal physiological function for patients.

For the first time in Sri Lanka, AHK conducted a wet lab session using pig hearts, sourced from the Veterinary Faculty of Peradeniya. This session, held in collaboration with the Association of Cardio Thoracic and Thoracic Surgeons of Sri Lanka (ACTSS), provided hands-on training in trial stitches and practical skills development.

GROUP CEO'S REVIEW

Additionally, a TOU (Transesophageal Echocardiography) Workshop organised by ACTSSL was held at AHK in January 2023. This workshop focused on identifying cardiac lesions and assessing cardiac function through live demonstrations and echocardiogram rectifications for cardiologists, senior registrars, anaesthetists, and medical officers.

FUTURE OUTLOOK

The Asiri Group's journey thus far has been both promising and dynamic, leading me to believe that the future holds tremendous potential.

As the premier private healthcare provider in Sri Lanka, I am confident that the Asiri brand is uniquely positioned to seize substantial opportunities for strategic expansion in the coming years. Through our commitment to be at the forefront of global advancements in medical technology and healthcare practices, we will aim to provide innovative solutions that meet the evolving needs of our patients nationwide. Above all, we will remain true to our core purpose - to be the most trusted private sector healthcare service provider in Sri Lanka.

APPRECIATIONS

I wish to take this opportunity to express my sincere appreciation to the clinical and non-clinical staff across the Asiri Hospital Group. Your passion and commitment make you true ambassadors of the Asiri brand and the cornerstone of our esteemed reputation in the healthcare sector.

I also wish to convey my heartfelt appreciation to the Chairman and Board of Directors for their wise counsel and unwavering support, which have been invaluable in guiding us through every situation.

Finally, to the Group's strategic partners and shareholders, thank you for your continued support and partnership with the Asiri Group. Your confidence and trust empowers us to continually strive for new heights in healthcare excellence.

Sgd.

Dr. Manjula Karunaratne

Group Chief Executive Officer

5 September 2024

Colombo

KEY OPERATIONAL HIGHLIGHTS

ASIRI CENTRAL HOSPITAL

New Disciplines

Launch of "Asiri Home Nursing Service" - a dedicated unit offering both inpatient and outpatient care solutions

Launch of the Gulf Cooperation Council (GCC) approved medical centre for pre-employment medical screening of Sri Lankans seeking employment in the GCC region

Key Achievements

Celebrated the 10th anniversary of the Bone Marrow Transplant Centre with an event hosted to honour our patients. More than 90 bone marrow transplant patients who have benefited from these life-saving procedure, to-date

Clinics

Free Brain & Spine Clinic

Free Cardiac Clinic

NEEDS Clinic for the LGBT Community



Groundbreaking Chronic Total Occlusions (CTO) for Sri Lankan Interventional Cardiologists

The workshop was led by one of the world's foremost experts in CTO, Dr. Wataru Nagamatsu, an Interventional Cardiologist and CTO Operator at Hokusetsu General Hospital in Osaka, Japan. Over the two days, Dr. Wataru Nagamatsu performed a total of five complex procedures on patients suffering from Chronic Total Occlusions (On patients who had CTOs in their coronary arteries). These procedures, often considered challenging due to the complete blockage of coronary arteries, were executed with precision and skill, showcasing the advanced techniques and methodologies employed by Dr. Nagamatsu.

In addition to interventional cardiologists, the learning from the workshop was extended to the Catheterisation Laboratory teams in both private and hospitals. These healthcare professionals were given the invaluable opportunity to gain firsthand knowledge and experience in managing and assisting with CTO procedures. This approach was aimed at ensuring the entire cardiac care team is well-prepared to handle such complex cases, ultimately leading to better patient outcomes.

KEY OPERATIONAL HIGHLIGHTS

ASIRI SURGICAL HOSPITAL

New Disciplines

Introduction of a comprehensive renal transplant programme including a wide spectrum of care covering all aspects of nephrology and specialized clinics.

Lifesaving Transcatheter Aortic Valve Implantation (TAVI) heart procedures for aortic valve replacement.

A comprehensive ENT surgical and spine surgery programme.

Introduction of the Lifestyle Medicine unit to promote the use of therapeutic lifestyle interventions as a primary treatment for chronic conditions, including cardiovascular diseases, type 2 diabetes, and obesity.

Clinics

Urology

Liver

Cosmetic Surgery

Lung

Joint pain

Breast Care



Lifesaving TAVI heart procedure for Aortic Valve Replacement successfully performed at Asiri Surgical Hospital

The highly complex Transcatheter Aortic Valve Implantation (TAVI) heart procedure was performed at Asiri Surgical Hospital on a 74-year-old male, who had previously undergone bypass surgery seven years ago. Due to his medical history, he was considered unsuitable for repeat open-heart surgery.

The life saving procedure was performed by Dr. Gotabhaya Ranasinghe, a highly skilled and experienced Consultant Cardiologist, together with a professional medical team. Thanks to the combined expertise of the medical team at Asiri Surgical Hospital and the revolutionary TAVI technology, the Patient's recovery was swift and successful and he was discharged from the hospital merely three days after the completion of the procedure.

The success of this landmark procedure also highlights the Asiri Group's commitment to push the boundaries of medical advancements and deliver cutting-edge solutions ensuring better clinical outcomes, thereby significantly improving the quality of life of patients.

Asiri Surgical Hospital has completed 3 successful TAVI procedures to date.

ASIRI MEDICAL HOSPITAL

New Disciplines

Launch of the Pediatric Nephrology unit specialising in the diagnosis and management of children with a variety of acute and chronic kidney-related disorders.

Launch of the Paediatric Psychology Unit to focus on the diagnosis, treatment, and prevention of mental disorders in children and adolescents.

Clinics

Diabetes Foot Care

Antenatal Programme

Introduction of an EmbryoScope™ at the Asiri Nova IVF & Fertility

The EmbryoScope™ is a cutting-edge IVF incubator integrated with a built-in microscope, enabling time-lapse imaging of embryos during culture. This advanced incubator technology allows for high-resolution analysis of embryo development while maintaining optimal conditions. The detailed and precise information gathered from the time-lapse images is also utilized in selecting the best embryos for transfer.



KEY OPERATIONAL HIGHLIGHTS

ASIRI HOSPITAL KANDY

New Disciplines

Launch of the ENT (Ear, Nose and Throat) department with a team of specialists including ENT trained nursing staff, doctors, audiologists, and speech and language therapists to provide a broad range of outpatient and surgical services,

Initiated Lung Thoracic Surgeries to diagnose or repair lungs affected by cancer, trauma or pulmonary disease

Community Initiatives

Organised the 'පරිසරයේ සුවිදිවියයි - 2024 " Art and Wildlife Photography Exhibition in collaboration with the Central Province Department of Agriculture and Women's, Child Affairs and Social Empowerment, a highly successful event that attracted many students in the Region

Clinics

General Surgery

Urology

Heart

Cosmetic

Antenatal Programme

Dental

Hosted TOU (Transesophageal Echocardiography) Workshop

This programme focused on identifying cardiac lesions and assessing cardiac function.

Also, the "Heart Valve Workshop" including a live demonstration of a heart valve procedure, highlighting the benefits of achieving a "warfarin-free" lifestyle and restoring normal physiological function for patients

Conducted Sri Lanka's first-ever wet lab session to provide hands-on training in trial stitches and practical skills development



ASIRI HOSPITAL GALLE

New Disciplines

Launch of a state-of-the-Art Dialysis Unit for patients suffering from kidney failure

Commenced a Wound Care Clinic, the first such unit in the southern region specialising in the treatment of chronic diabetic and vascular wounds

A very successful Neurosurgery Programme



Clinics

Breast Care

Diabetes

Brain & Spine

Antenatal Programme



Sri Lanka's first Endoscopic Endonasal Surgery

Sri Lanka's first-ever Endoscopic Endonasal Surgery was performed successfully at Asiri Hospital Galle. The procedure which is a minimally invasive method involving the insertion of a thin tube called an endoscope through nostril, nose, and sinuses to allow the surgeon to go through the nose to operate on areas at the base of the brain and the top of the spine.

ASIRI HOSPITAL MATARA

Capacity Expansion

Invested in expanding room capacity with the addition of 12 new rooms to the deluxe and super deluxe categories.

Process improvement to allow patients who have made consultation appointments the convenience of checking online for the ongoing number.



Clinics

Breast Care

Diabetes

Antenatal Programme



'Mother & Baby Care' Community Support Programme

Asiri Hospital Galle runs a well patronized, comprehensive Mother & Baby Care Awareness Programme which harnesses the expertise of a panel which consists of consultants, nurses, dietician & physiotherapists. This initiative is seen as a great asset to parents to be in the region.

KEY OPERATIONAL HIGHLIGHTS

ASIRI LABORATORY NETWORK

Network Expansion

Introduced 9 new locations to the laboratory network - Akkaraipattu, Panadura, Seeduwa, Kamburugamuwa, Thihariya, Kundasale, Buthgamuwa, Madawala and Mawathagama - bringing the total number of locations to 88 collection centers, 17 satellite labs and 6 hospitals.

New Tests

Introduction of 8 new tests, including Specific IgE 0215 (alpha-gal), Determination of allergen specific IgE comprehensive, f416rTri a 19 omega-5 Gliadin (specific IgE), Fire Ant (specific IgE), food tolerance test, Serum Methotrexate, Immunohistochemistry – HBME – 1 and Urine for Gonococci

Education and Awareness

Initiated a 'Wellness Week' programme to coincide with each new location. The aim here being to raise awareness among communities in the area regarding the services offered by the Asiri Group. Participants at each wellness programme were offered a free basic health screening, This effort helped with reaching over 3,000 people during the course of the year.



Asiri Laboratory Services received the merit award in the category of Healthcare Services at the Best Management Company Awards 2024 presented annually by the Institute of Chartered Professional Managers of Sri Lanka in recognition of organizations demonstrating year-on-year achievements in business excellence and is a strong evaluation of our commitment towards quality business practices. This is the second consecutive year in which Asiri Laboratories has been the recipient of an award from this awarding body.



ASIRI ACADEMY OF HEALTH SCIENCES (AAHS)

Commenced in September 2024

Programmes currently offered:

Foundation in Health Sciences
 Higher National Diploma in Nursing (NVQ 6)
 Higher National Diploma in Medical Laboratory Technicians (NVQ 6)
 Certificate in Phlebotomy NVQ 3
 Certificate in Caregiver NVQ4
 Certificate in Medication Management and Usage NVQ 4
 BSc Psychology
 MBA Health Administration
 MBA Nursing Administration

Affiliations

MI College Maldives for Nursing and Allied Health Sciences
 University of Wollongong, Australia
 London Metropolitan University
 University of East London (In progress)

Colombo Intake

Students - 220

Capacity Expansion

Unveiling the new, purpose-built AAHS campus in Colombo



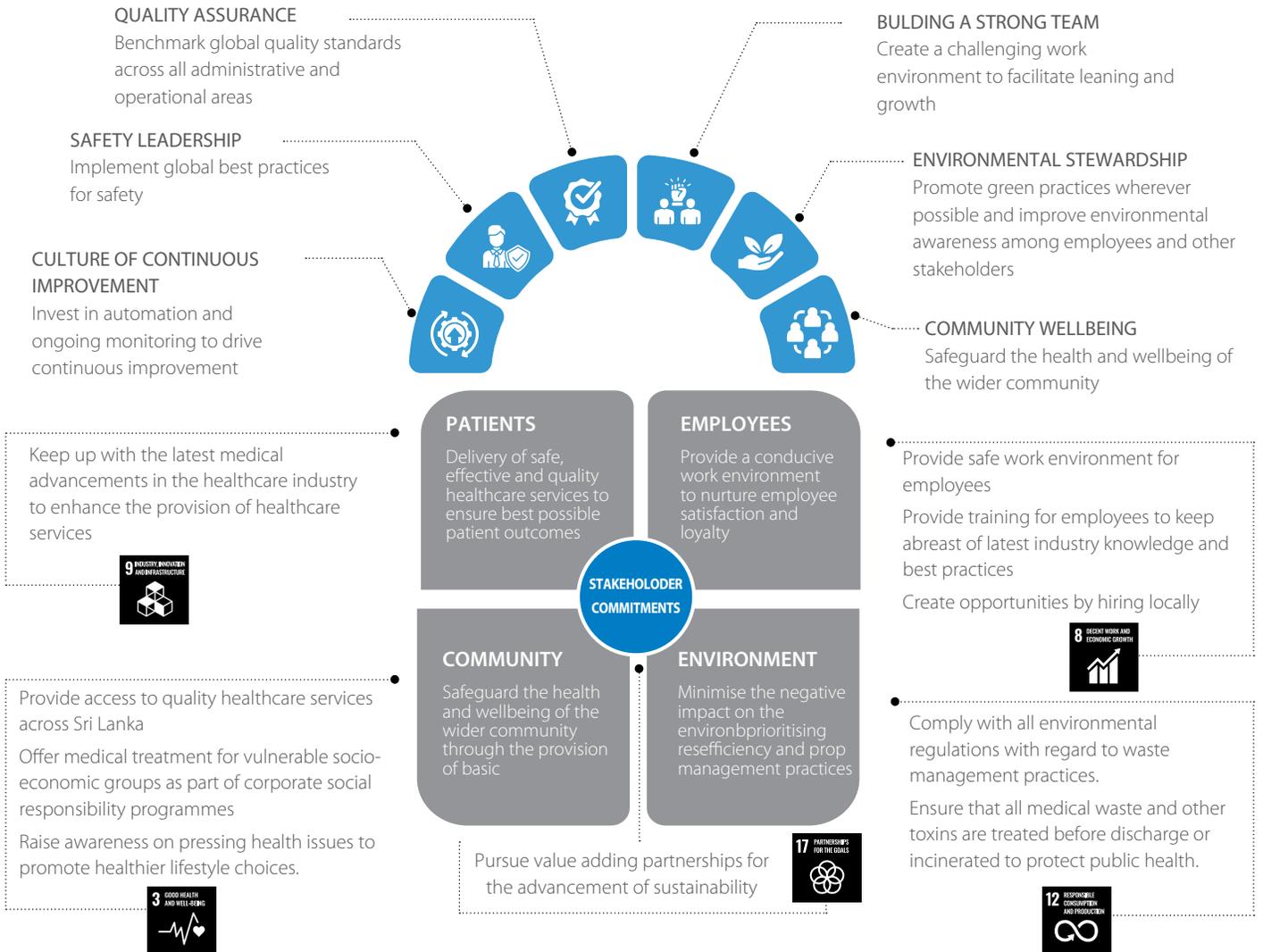
SUSTAINABILITY REPORT

ASIRI GROUP APPROACH TO SUSTAINABILITY

The Asiri Group' approach to sustainability is based on creating a long-lasting positive impact on the community, environment, and all stakeholders involved. Six key principles serve as the foundation of these efforts, guiding every aspect of Group operations to ensure that sustainability is not just an initiative but fundamentally integrated at all levels of operation. By embedding sustainability at every level, the Asiri Group of Hospitals is dedicated to creating and delivering the best possible value outcomes for all stakeholders, thereby reinforcing their commitment to a sustainable future and ensuring that their actions today contribute to a healthier, more resilient tomorrow.

In its ongoing endeavour to make sustainability efforts more impactful, the Asiri Group has, in recent years, aligned its strategies with the specific targets outlined in the United Nations' Sustainable Development Goals (SDGs) as part of the 2030 sustainable development agenda. Recognising the importance of focused action, the Group has chosen to concentrate on six key SDGs. This strategic alignment ensures that the Group's sustainability initiatives not only reflect global priorities but also resonate deeply with the Group's mission to deliver exceptional healthcare while contributing to the broader well-being of society.

ASIRI GROUP SUSTAINABILITY APPROACH



QUALITY ASSURANCE

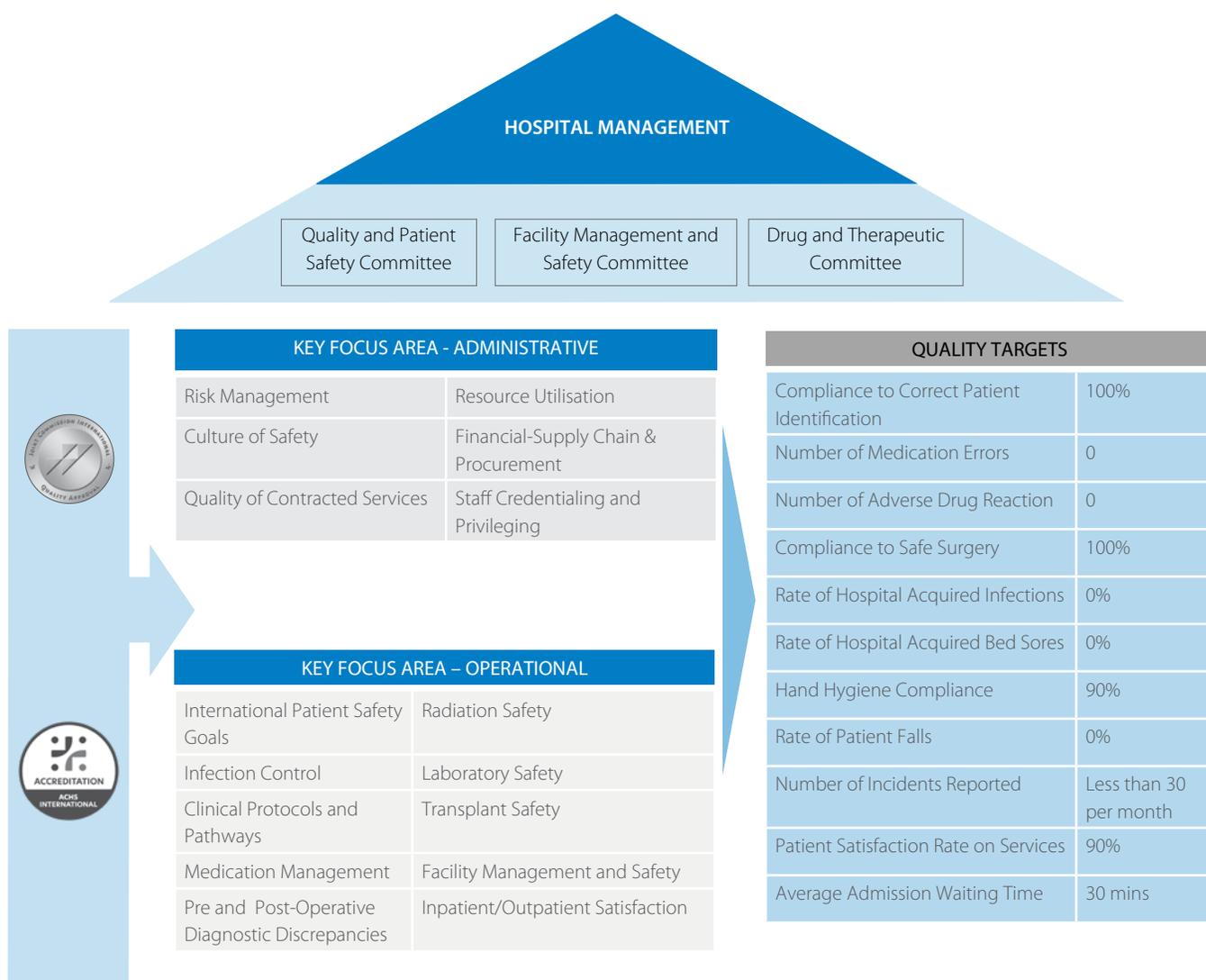
Asiri Health is committed to delivering the highest quality of care to deliver optimal clinical outcomes for every patient. To that end, all Group hospitals are accredited by internationally recognised standards for hospitals. Asiri Central Hospital is JCI (Joint Commission International) accredited, while the other five hospitals are all accredited by the Australian Council on

Healthcare Standards (ACHS). In March 2024 the five hospitals were re-accredited for a period of three years until March 2027. Asiri Central Hospital was re-accredited by JCI in 2023 which is valid until 2026.

In alignment with these accreditations, we have instituted a comprehensive quality improvement and patient safety programme to promote

quality excellence across all administrative and operational facets, concentrating on identified key focus areas with all hospital policies and procedures developed and implemented to support these crucial areas. The Group Quality Assurance Department is tasked with overseeing the implementation of the quality and safety programme by guiding senior management of each hospital to achieve the stated objectives.

ASIRI HEALTH QUALITY ASSURANCE FRAMEWORK



SUSTAINABILITY REPORT

This approach is supplemented with regular training and staff education as well as continuous monitoring, live audits, documentation audits, and mock drills conducted alternately by the Quality Assurance Department, Infection Control Department, and Environment Health & Safety Department to ensure adherence to hospital policies. Additionally, several committees have also been established to bring more focused oversight to key priority areas, conduct independent reviews, and implement immediate corrective actions to address identified gaps, thereby maintaining the group's quality targets.

The Group's dedication to quality is further enhanced by its adherence to other global standards, including ISO 22000:2018 - Food Safety Management System Certification, and ISO 9001:2015 - Quality Management Systems Certification.

SAFETY LEADERSHIP

As the largest hospital chain in Sri Lanka, the Asiri Group strives to lead by example in demonstrating the commitment to create a robust and resilient healthcare environment to safeguard the wellbeing of all stakeholders, encompassing patients, staff, visitors, and others within the hospital ecosystem. To that end, the Group prides itself in its unblemished track record for achieving 100% compliance with all applicable safety regulations. There were no incidents of non-compliance of safety regulations reported in FY 2023/24.

The Group Safety Policy developed in line with internationally accredited health and safety standards, sets out comprehensive guidelines and protocols to support the creation of a safe and healthy environment across all Group hospitals. The Safety Policy is maintained under the custody of the Group EHS, while dedicated safety management teams have been appointed at each Asiri hospital to oversee the day-to-day implementation of the Safety Policy guidelines and protocols.

Safety vigilance is another key priority. Weekly safety briefings provide an opportunity for hospital teams to review the efficacy of safety

systems on an ongoing basis as well as to conduct root cause analysis in relation to incidents. A comprehensive incident reporting procedure is in place to enable hospital safety teams to report to the Group EHS regarding incidents and discuss long-term improvement measures in response to findings from the root cause analysis process.

Underscored by the commitment to achieving zero injuries and accidents, regular safety risk assessments and Internal Audits are also conducted by Group EHS to evaluate the efficacy of existing procedures and support continuous improvement as needed.

Ongoing training and awareness for employees and other stakeholders also forms an important part of the overall approach to building the safety awareness culture. Group EHS in collaboration with the training and development division at each hospital safety teams organise appropriate safety training activities.

Additionally, Health, Safety, and Wellbeing Representatives were appointed across the Group. Drawn from various departments, these Health, Safety, and Wellbeing Representatives are responsible for reporting unsafe observations and near misses, attending all safety meetings, providing ideas and suggestions to enhance facility health and safety, promoting safe working practices among all employees, conducting and assisting with safety inspections and audits, and assessing the effectiveness of control measures to safeguard occupants from workplace hazards.

THE LOST TIME INJURY FREQUENCY RATE (LTIFR)

The Lost Time Injury Frequency Rate (LTIFR) is an internationally recognized metric used to measure the rate of occupational injuries. It is calculated as the number of injuries resulting in the loss of work time per one million hours worked. An injury is classified as such if it causes a person to be absent from work for at least one day.

In the absence of official LTIFR standards in Sri Lanka, the Asiri Group refers to globally available benchmarks, such as those provided by Safe

SAFETY SYSTEM IMPROVEMENTS FOR FY 2023/24

Appointment of Health, Safety, and Wellbeing Representatives across the Group

The annual fire drill was conducted in collaboration with the relevant regulatory body

The work permit system was introduced to ensure workers are qualified, trained, and compliant with safety standards, reflecting the Group's commitment to overall safety and reducing potential hazards such as fires

August was declared as the annual Safety Month with various activities such as quiz competitions and poster competitions organised to reinforce safety practices and effectively engage employees in promoting safety vigilance

Annual employee medical surveillance was conducted across the Group

The Asiri Women Helpline was implemented to assist female employees with special health issues

A special nutrition programme was conducted to increase awareness and promote healthy lifestyle choices among employees

Work Australia, which reports sets the average LTIFR as 11.2 per million working hours. Standing at 1.4 per million working hours, the Asiri Group's LTIFR is significantly below this benchmark global average.

Data sources: , with a rate of 1.4

Lost time injury frequency rates (LTIFR) | dataswa (safeworkaustralia.gov.au)

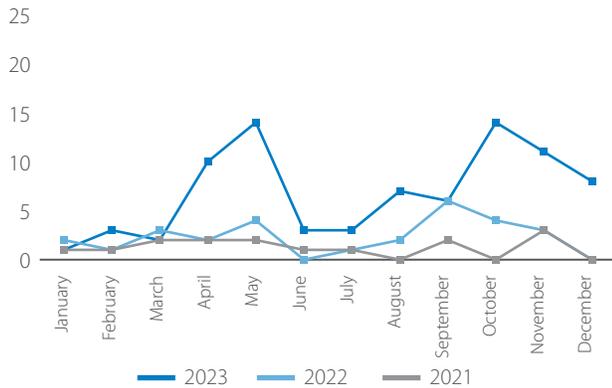
https://data.safeworkaustralia.gov.au/sites/default/files/2023-09/LTIFR%20by%20Industry_September2023.xlsx

INCIDENT STATISTICS

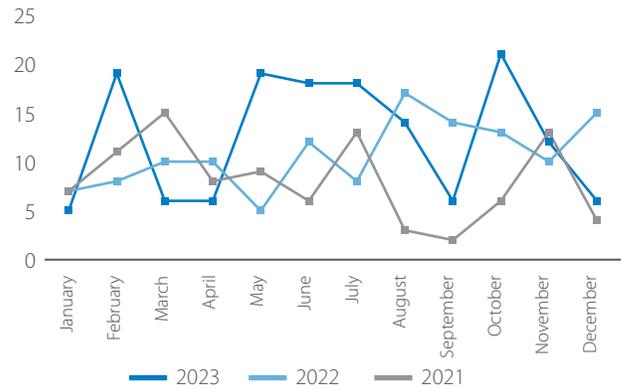
A comprehensive incident reporting system is in place to capture facilities management and safety incidents statistics across all Group hospitals. This data serves as the basis for implementing corrective actions necessary to prevent repeated incidents.

This analysis examines the trend in incident reporting over three consecutive years: 2021, 2022, and 2023. The data indicates an increase in reported incidents, which is a positive trend as it suggests improved reporting practices and heightened awareness of safety issues.

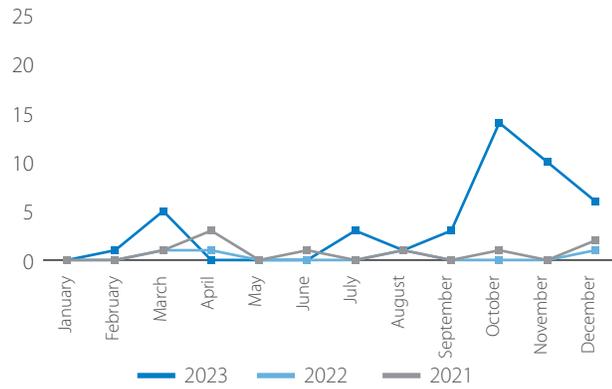
Facility Management and Safety-Related Incident Statistics – Asiri Surgical Hospital



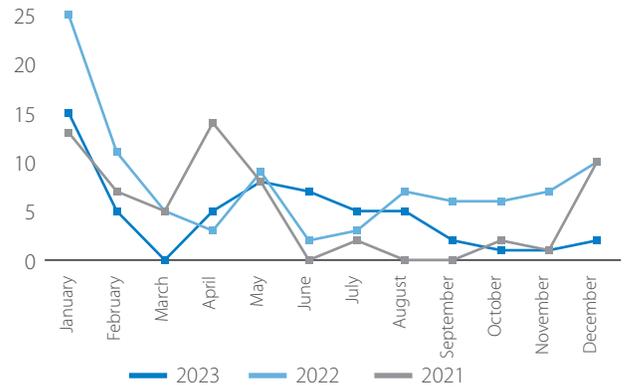
Facility Management and Safety-Related Incident Statistics – Asiri Central Hospital Limited



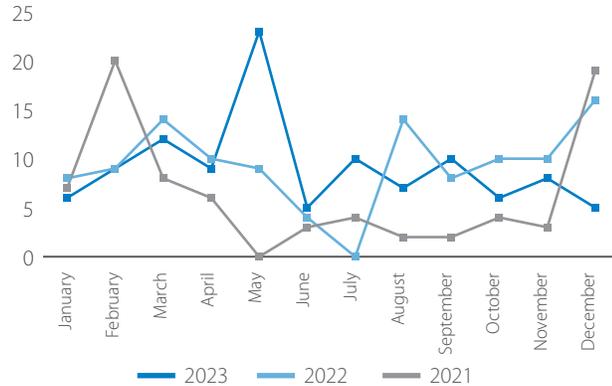
Facility Management and Safety-Related Incident Statistics – Asiri Medical Hospital



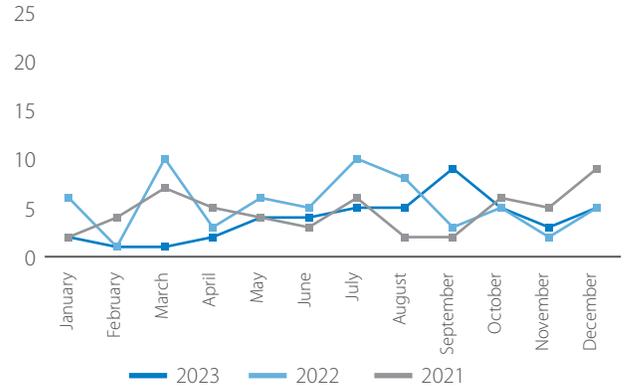
Facility Management and Safety-Related Incident Statistics – Asiri Hospital Galle



Facility Management and Safety-Related Incident Statistics – Asiri Hospital Matara



Facility Management and Safety-Related Incident Statistics – Asiri Hospital Kandy



SUSTAINABILITY REPORT

CULTURE OF CONTINUOUS IMPROVEMENT

Digital transformation is the cornerstone of Asiri Health's culture of continuous improvement, playing a pivotal role in enhancing patient experience. Continuous improvements are undertaken under the stewardship of the Asiri Group Chief Process Officer in collaboration with the Group IT Head and the IT team. This collaborative approach ensures that the collective expertise of teams are mobilised to identify inefficiencies, implement effective solutions, and monitor the outcomes rigorously.

The integration of process improvements through digital transformation is an ongoing journey aimed at enhancing patient experience at every level, improving team productivity, and supporting a healthier work-life balance for all staff members. The commitment to continuous improvement ensures that patients receive the highest standard of care while the team operates efficiently and effectively.

Cutting-edge technologies implemented in recent years to modify, simplify, or create new business processes have helped to achieve improved productivity, efficiency, in turn leading to superior patient experiences at all Asiri hospitals. Similarly, process automation has eliminated repetitive tasks and outdated paper forms by integrating IT systems into a cohesive data flow. Together, these advancements continue to streamline operations to ensure accurate, timely, and coordinated care, ultimately fostering a more efficient and patient-centred healthcare environment.

In addition, automated processes and integrated IT systems have significantly reduced administrative burdens, allowing healthcare professionals to focus more on patient care and less on paperwork. This streamlining of tasks not only boosts productivity but also alleviates stress, contributing to a healthier work-life balance for the team.

The strategic use of business intelligence (BI) tools allows Asiri Health to continuously refine practices, stay attuned to patient needs, and

drive ongoing improvements in healthcare delivery. BI tools, with their robust analytics capabilities provide real time insights that help to better understand patient needs and measure improvements in workflows. BI tools are also used to gain greater visibility into critical aspects of patient care and operational efficiency, while enhanced analytics facilitate more informed and effective management decision-making, ensuring proactive adjustments to workflows to enhance patient experiences and outcomes. Analytics tools are also used to monitor and review resource utilisation and identify consumption patterns with a view to minimising waste.

A major development in recent years is the implementation of the Discharge Workflow Monitoring System, a sophisticated automated tool that extracts data directly from the billing system to oversee the discharge process. Designed to improve coordination and foster collaboration between the wards, indoor pharmacy, and hospital billing teams, the new discharge workflow monitoring tool ensures a more streamlined, efficient, and patient-centric discharge process. The system has been deployed across all Asiri Group hospitals, providing key stakeholders with enhanced visibility and the ability to monitor monthly progress on established key performance indicators such as the preparation and handover

of the final patient bill, time taken to return rooms to inventory etc.

The Discharge Workflow Monitoring System is also equipped with a sophisticated tracking feature to monitor outcomes at each touchpoint of the patient discharge journey. This capability allows for real-time flagging of delayed bills at the end of each day, ensuring they are promptly escalated for further investigation and necessary corrective actions. Additionally, the system tracks the time taken to prepare rooms for re-entry into inventory after a patient has left. By identifying and addressing delays immediately, the tool minimises inefficiencies and enhances the overall discharge process, ensuring swift room turnover and improved operational flow. These improvements not only streamline the discharge process but also enhance patient satisfaction and operational efficiency.

Consequently, average billing time has drastically reduced, allowing for quicker compilation and handover of the final bill to patients, while the time taken to return rooms to inventory has also been significantly minimised. The system's ability to provide real-time insights and facilitate effective coordination among the ward, pharmacy, and billing teams has proven instrumental in achieving these impressive results which is supported from automated patient feedback.

Discharge comparison			
Jan. 2019	ASH	AHH	ACH
Average time to complete the final bill	1 hour 53 mints (93mints)	1 hour 15mints	1 hour 58 mints (94mints)
Bill completion in less than one hour	75%	85%	55%
	732	581	708
Between 1 hour - less than 2 hours	20%	13%	36%
Less Than 2 hours	94%	98%	89%
Over two hours	6%	2%	11%

Discharge summary - final bill complete time.

(From the time the ward starts the discharge in the system till final bill is saved in the system)

All admissions are included

Jan. 2024	ASH	AHH	ACH	AKH	AGH	AMH	Group
Average time to complete the final bill (Mints)	12	25	15	25	12	20	18
Bill completion in less than one hour	96%	97%	94%	93%	99%	98%	96%
No of bills taken over one hour	96	16	114	121	5	7	359
No of bills taken over one hour %	4%	3%	6%	8%	2%	2%	5%
No of bills that have taken over 2 hours	10	0	12	14	0	0	36
No of bills taken over two hour %	0%	0%	1%	1%	0%	0%	0%

Discharge summary - room back to inventory

(From the time the ward alerts HK, getting the room ready, ward does the bed procedure room available)

Jan. 2024	ASH	AHH	ACH	AKH	AGH	AMH	Group
HK - room ready							
Average time (mints) to make room ready - hk	23	15	25	23	26	22	22
Room ready less than 30 mints	72%	76%	66%	68%	64%	76%	70%
More than one hour	7%	1%	8%	8%	11%	11%	8%
Ward - bed procedure							
Average time (mints) less than 30 mints	34	25	70	66	33	71	50
	70%	76%	54%	43%	64%	54%	60%

Source Asiri systems/BI tool

The automation of the theatre booking process also marks an important process improvement. The transition from manual bookings to a sophisticated digital system has supported medical teams to streamline theatre scheduling to ensure optimal resource allocation. Moreover, access to real-time utilisation data supports strategic decision-making for enhanced operational efficiency across all Group hospitals, thereby driving cost efficiencies. In addition, there are management information available to support decision making.

Another notable process improvement is the automation of the workflow system pertaining to the Radiology units at all Group hospitals, encompassing processes from booking appointments to report completion. This innovation enables the hospitals to monitor service levels closely, ensuring timely generation of reports, such as meeting the critical 24-hour turnaround, while any delays detected daily are automatically communicated to the respective hospital's radiology team, facilitating prompt corrective actions as part of this automated process. Additionally, an embedded feature in the new system notifies patients via SMS when

their reports are ready for collection, thereby greatly improving the patient experience.

The workflow in the OPD pharmacies across the Group was also simplified and automated. Using inbuilt analytics features of the automated workflow system, the Group can monitor and maintain its targeted service levels while promptly addressing any delays. This automated system also facilitates the measurement of prescription handling times, identification of bottlenecks, and implementation of necessary improvements, ultimately enhancing the overall patient experience.

SUSTAINABILITY REPORT

Month of March 2024

Target - Asiri Health

- 1) Ensure group handles 85% of the OPD prescriptions within 20mints.
- 2) Minimize delays over 45mints 5% of the prescriptions.
- 3) 90% prescriptions go via the system.

Description	ASH	ACH1	ACH2	AHK1	AHK2	AHM	AGH	AHH	Group
Total prescriptions									
Handled	7,120	8,230	7,628	7,527	6,764	4,095	4,588	8,872	54,824
Staff prescriptions	525	205	235	185	120	321	304	595	2,490
	7%	2%	3%	2%	2%	8%	7%	7%	5%
Prescriptions handled in less than 15mints	6,180	7,226	6,350	5,590	5,923	2,239	3,442	3,442	40,392
	87%	88%	83%	74%	88%	55%	75%	39%	74%
Prescriptions handled in less than 20mints	6,541	7,583	6,768	6,435	6,290	2,427	3,612	6,770	46,426
	92%	92%	89%	85%	93%	59%	79%	76%	85%
No of prescriptions not gone through the system (mainly last step)	202	57	52	163	119	859	665	114	2,231
	3%	1%	1%	2%	2%	21%	14%	1%	4%
No of prescriptions handled time over 60 mints	61	254	157	53	64	419	159	617	1784
% of delays	1%	3%	2%	1%	1%	10%	3%	7%	3%

Automation and simplifying workflows for Dental and Physiotherapy services has been done in some of the hospitals, transitioning from traditional paper-based bookings to a more efficient system. This initiative is currently being rolled out across all Group hospitals.

To enhance efficiency in the wards and improve ward management, a system for medication ordering was also initiated and partially implemented across several Group hospitals in 2023. This transition has replaced traditional paper-based processes with a streamlined, user-friendly system that simplifies medication ordering. This is being further improved and will be rolled out across the group.

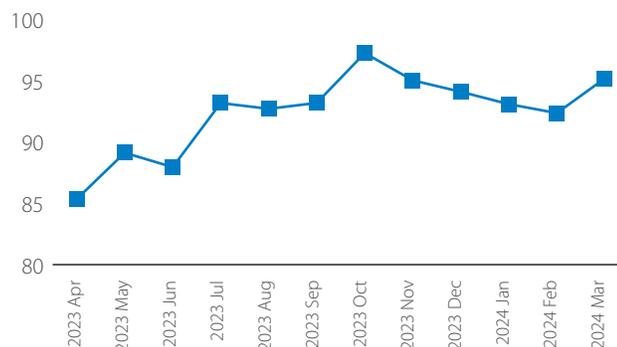
The Group-wide patient feedback mechanism was transformed with the commissioning of the Emojot Customers Customer Experience Management platform - a new innovative platform that employs emotion sensors to gather insights. Leveraging cutting edge technology to offer a comprehensive solution to collect, analyze and act on patient feedback

effectively, the platform is equipped to provide real time alerts from patients about their experience at Asiri hospitals. Based on the feedback received to-date through the platform, a high degree of patient satisfaction was noted across all hospitals.

This independent, automated feedback from our patients allows us to understand if the process enhancements in the Group are working and what other areas we need to focus on.

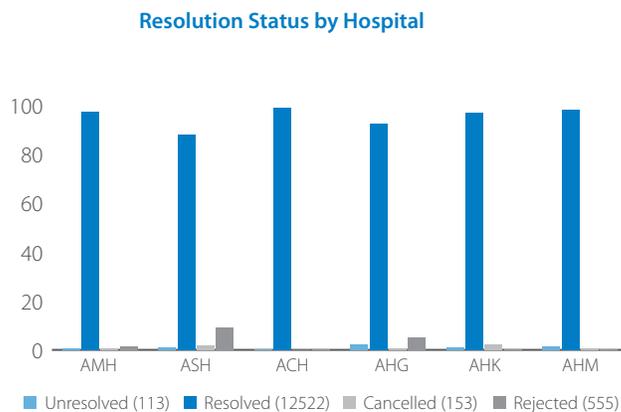
To further complement these efforts, patient satisfaction surveys were introduced as a routine process for all for day surgery, ETU, dialysis, and outpatient chemotherapy services, outpatients to gather feedback on their experiences.

IP Recommendation Score Analysis: Asiri Group of Hospitals



In the current financial year, the Facilities Management System (FMS) of the Emojot platform was successfully rolled out across all hospitals within the Asiri Hospital Group. This user-friendly and efficient system is designed to record and monitor the effectiveness of handling internal routine breakdowns by instantly alerting the maintenance teams. The platform tracks the time taken to resolve each reported issue, ensuring prompt attention and resolution. The automated tracking feature aids in monitoring the response time and the effectiveness of the resolutions provided, significantly enhancing the management of facility maintenance.

No. of tickets hospital wise



In addition to the above, there is continuous review of back end processes to simplify, take out repetitive non value adding tasks and use technology to improve productivity.

The same platform is used to enhance patient convenience by enabling online admission, which is particularly suitable for elective procedures to reduce the patient waiting time on admission.

As part of ongoing improvements, the Group's "Amazing Care" ambulance service was fully automated. This automation, combined with advanced analytics, enables the measurement of service levels, allowing for continuous monitoring and timely corrective actions to enhance patient experience.

Continuous improvement is a journey and part of our DNA where focus is always on enhancement of patient experience by simplifying and moving into automated workflows.

BUILDING A STRONG TEAM

At Asiri Health, the Human Resources Department plays a pivotal role in supporting the organisation's mission to provide exceptional healthcare services. The primary purpose of the HR department is to attract, develop, and retain a skilled and dedicated workforce that upholds the standards of excellence in patient care.

The HR department is responsible for managing a comprehensive range of functions, mainly including workforce planning, recruitment, employee relations, performance management, employee welfare and professional

development. By implementing effective policies and procedures, HR ensures that the hospital staff are well-equipped to provide high-quality ethical healthcare solutions while fostering a supportive and collaborative work environment.

In addition to handling administrative functions such as payroll and benefits administration, the HR department is also instrumental in driving strategic initiatives that align with the organisation's goals. This includes promoting a culture of continuous improvement, ensuring compliance with healthcare regulations and International Accreditation standards, and supporting the overall physical and mental well-being of employees. Further, the HR Department is dedicated to enhance organisational efficiency and create a positive work environment, thereby contributing significantly to Asiri Health's commitment to excellence in healthcare.

REGULATORY COMPLIANCE AND LABOUR BEST PRACTICES

Nursing staff and other healthcare professionals are covered under the Wages Board Ordinance for the Nursing Home Trade, while administrative employees are covered by the Shop and Office Employees (Regulation of Employment and Remuneration) Act. The Asiri Group diligently complies with all other relevant labour regulations beyond the mentioned Acts, providing employees many additional benefits including 24 X 7 coverage of insurance and healthcare benefits over and above the statutory obligations. There were no incidents of non-compliance of labour laws reported in the FY 2023/24.

In addition to ensuring compliance with legal requirements, Group HR is also tasked with implementing the best practices for human rights and labour standards as outlined by the International Labour Organization (ILO) and the United Nations Global Compact. By integrating these principles into its HR policies, Group HR strives to create a workplace that respects and promotes the dignity and rights of all employees, ensuring their well-being.

SUSTAINABILITY REPORT

Asiri Group - Main HR Policies			
Code of Ethics and Business conduct	Policy for Employment on Locum Basis	Policy for Medical Surveillance	Policy for Workplace Violence
Manpower Planning Policy	Policy for Transfers	Welfare Policy	Policy for Second Victims
Recruitment and Selection Policy	Policy for Management Trainees	Policy for Granting hostel facilities	Policy on Sexual Harassment
Policy for Post Recruitment	Policy for Interns and Observers	Policy for Granting day-care facilities	Policy on Forced Labour
Policy for Internal Job Posting	Policy for Overtime and Rostering	Uniform Policy	Policy on Fatigue Management
Policy for Performance Management	Policy for Leave Management	Policy on Employee of the month recognition scheme	Policy for Child Labour
Policy for Learning and Development	Policy for Sponsoring Educational Programmes	Policy for Health and Safety	
Policy for Staff development and Career planning	Policy on Participating at Public Events/ Meetings / Media		
Policy for Conduct and Discipline	Non-Smoking Policy		
Policy for Exit Clearance Process	Policy on using Personal Mobile Phones		
Policy for Credentialing and Privileging	Policy For Communicating Via email		
Policy for Grievance Handling	Policy on Hire Purchase		
Policy for compensation and Benefit	Policy for social media		
	Policy for Providing clinical exposure to trainee nurses of Asiri NTS		

MANPOWER PLANNING

Manpower planning forms the starting point to ensuring optimal productivity and workforce efficiency across the Group. Accordingly, the Asiri Group's Manpower Planning Policy promotes a systematic and proactive approach to meeting staffing requirements in a timely and efficient manner. This approach involves ongoing review throughout the year to identify any special need-based competencies coupled with the comprehensive review of staffing needs in line with the annual budgeting cycle to address gaps resulting from resignations and promotions. This dynamic and forward-looking strategy enables the Group to adapt to changing demands and

maintain a high standard of patient care, while supporting employee development.

RECRUITMENT AND SELECTION

Asiri Group's highly transparent recruitment process is designed to attract candidates who not only meet the job role requirements but also align with the corporate culture and the organisational work ethics.

All vacancies identified through the manpower planning process are publicly advertised and internally notified, ensuring equal opportunity for both internal and external applicants, while selections are made purely on the basis of merit,

based on a systematic approach outlined by the Group's Recruitment Policy.

As per the Post Recruitment Policy, all new recruits are placed on probation for a period of six months. Following the probationary period, a post-probationary performance review is conducted to evaluate if new hires are eligible to be absorbed into the permanent cadre or placed under a mentor to help improve their performance. This structured and equitable recruitment process enables Asiri Group to build a capable and cohesive workforce, fostering a culture of excellence and continuous improvement.

COMPENSATION AND BENEFITS

The Group's Compensation and Benefit Policy establishes a robust, merit-based pay structure designed with the aim of creating a competitive work environment that attracts and retains top talent. The policy promotes fair and equitable pay practices by ensuring employee compensation adheres to regulatory requirements as well as reflecting market standards and industry norms. Typically, employee remuneration includes a guaranteed basic salary as well as fixed and variable allowances determined by market surveys done on a regular basis for various job categories.

In the year under review, salary scales across all employee categories were revised in line with the findings from the most recent market survey.

PERFORMANCE MANAGEMENT

Performance management stands as the cornerstone of the Asiri Group's people management strategy, ensuring that the team consistently delivers outstanding results and upholds the highest standards of patient care.

All Asiri employees benefit from the Group's comprehensive Performance Management System (PMS), which is built on the fundamental principle that results-oriented employees clearly understand their roles and how their work aligns with corporate goals. To facilitate this, the PMS includes an annual performance review that offers an objective evaluation of each employee's performance against predefined standards and expected technical competencies for their respective roles.

A key component of the PMS is the individualised feedback sessions conducted by department heads or supervisors with their respective team members. These sessions are instrumental in setting new performance goals, identifying areas for improvement,

determining training needs, and discussing personalised development plans. They serve as a comprehensive platform to address a wide range of employee concerns, laying a solid foundation for a strong working relationship between employees and their supervisors.

To ensure these sessions are thorough and constructive, they are conducted in the presence of HR representatives, who play an important role in addressing any grievances or career-related concerns that employees may have. This collaborative approach not only enhances the transparency and effectiveness of the feedback process but also reinforces our commitment to employee development and satisfaction.

Insights from these feedback sessions provide an opportunity to identify outstanding performers eligible for recognition and rewards. Similarly, it also provides a platform to identify poor performers who require additional support in the form of coaching and mentoring. These approaches ensure that all employees are empowered to contribute effectively to the Group's success and in doing so have the opportunity to pursue professional growth.

The PMS was subjected to a substantial transformation in 2023 with the introduction of "eValuator" - a fully-fledged digital system which has seen the automation of the entire performance management process. The 2022/23 performance evaluation cycle was the first to be managed entirely through the "eValuator" system, with the transition from the traditional, time consuming, paper-based manual performance evaluation system responsible for significant efficiency improvements in terms of accuracy, fairness, and access to data insights in addition to time and paper saving.

The process was further strengthened with several enhancements incorporated for the 2023/24 cycle, including the integration of

information such as no-pay days, number of occasions of late attendance and late minutes enabling department heads to assess employees' attendance patterns through the course of the year. Another notable development was the new self-appraisal form introduced via a web link to allow employees to conduct annual self-assessments online. The initiative has further enhanced the efficiency of the performance evaluation process and also contributed towards a better employee experience.

TRAINING AND DEVELOPMENT

The capability of the workforce and skill levels play a significant role on the progress of the Asiri Group; hence the Group is committed to ensuring that all employees have access to learning and development opportunities which enable them to be suitably equipped with knowledge and skills to meet the demands of today's dynamic healthcare environment.

A comprehensive L and D structure guides the line managers to objectively identify the training needs of their subordinates via employee evaluations, incident reports and customer feedback. In addition to training, there are development programmes identified and delivered to re-skill and up-skill employees for future leadership positions and there are tailor made sessions conducted to address organisational, unit wise, individual and quality related training requirements. There is also a structured post evaluation process conducted to assess the effectiveness of the training programs so that the process could be re-visited for continuous improvement.

Training is undertaken according to the annual training plan which focuses on three primary pillars.

SUSTAINABILITY REPORT

A significant portion of the annual training effort is dedicated to enhancing healthcare-specific skills. In the year under review, over 5,000 man-hours were dedicated to training programmes in the areas of Basic Life Support, Advanced Life Support, Immediate Life Support, Neonatal Life Support, and First Aid, ensuring staff readiness for medical emergencies. Additionally, numerous specialized clinical training sessions for nurses and medical officers were conducted regularly in keeping with the principle of Continuous Professional Development. This comprehensive training strategy underscores Asiri Group's commitment to maintaining the highest standards of healthcare services and emergency preparedness

With customer care seen as a key tenet in the Asiri Group's service proposition training worth of 3,400 man-hours approximately were dedicated to Customer Care and Professionalism related training in the current financial year



Ensuring the safety of staff and patients is paramount at Asiri Group. In FY 2023/24, a total of 4,300 man-hours were dedicated to safety training, including Fire Evacuation Drills, Fire Safety & Emergency Response, and Waste Disposal & Spill Management. These training sessions ensure that employees are well-equipped to handle emergencies efficiently, thereby enhancing the overall preparedness of the staff for critical situations

EMPLOYEE WELLBEING

At Asiri Group of Hospitals, the commitment to excellence in healthcare extends beyond patient care to include the wellbeing of all employees. Recognizing that a motivated and healthy workforce is essential for delivering exceptional medical services, the Asiri Group has implemented a comprehensive range of initiatives designed to support and enhance employee wellbeing.

1. Health Programmes

Asiri Group prioritises the physical health of its employees through a variety of health programmes. Regular health screenings, vaccinations, and wellness check-ups are offered to ensure early detection and prevention of health issues. In addition, the hospitals provide access to mental health resources, including continuous counselling services and stress management workshops, helping employees maintain a balanced and resilient mindset.

2 Work-Life Balance

Understanding the demanding nature of healthcare roles, the Asiri Group recognises

the importance of personal time and strives to create a work environment where employees can manage their professional and personal responsibilities effectively. To that end, the Group offers flexible work schedules and sufficient time off to ensure all employees benefit from a healthy work-life balance.

3. Professional Development

Employee growth is the cornerstone of the Asiri Group's philosophy. The organisation invests in continuous professional development through ongoing training programmes, workshops, and career advancement opportunities. By fostering a culture of learning and progression, the Asiri Group ensures that its employees are not only well-equipped to handle their current roles but are also prepared for future challenges and leadership opportunities.

4. Supportive Work Environment

The Asiri Group acknowledges that a supportive and inclusive work culture is integral to employee satisfaction. Therefore open communication channels, regular feedback sessions, and team-building activities are

conducted to create a positive and collaborative work environment. The management team actively seeks input from staff to address concerns and implement improvements, reinforcing a sense of community and belongingness within the organisation.

5. Employee Recognition and Rewards

Acknowledging and rewarding the hard work and dedication of employees is a key focus at Asiri Group. Through various recognition programmes, performance awards, and appreciation events, the organisation ensures that employees feel valued and motivated. These efforts not only enhance job satisfaction but also strengthen overall organisational morale.

6. Asiri Crèche Facilities

The Asiri Group of Hospitals, renowned for excellent healthcare services, intensifies the commitment to the well-being of its staff through the establishment of a comprehensive creche facility. This exemplifies the organisation's recognition of the importance of work-life balance and its investment in the holistic development of both its employees and their children.

The primary aim of the Asiri Group's Crèche is to provide a safe, nurturing, and stimulating environment for the children of hospital staff. By doing so, the organisation seeks to support its employees in managing their professional responsibilities while ensuring that their children receive high-quality care and early education.

The day care facility is thoughtfully designed to cater to the needs of children and few highlighted facilities are given below;

- Safe and Secure Environment
- Qualified and Caring Staff
- Teaching facility for children of different age groups
- Develop mentally appropriate programs
- Health and Nutrition
- Parental Engagement
- Learning guidance with qualified teachers

The day care facility significantly impacts the staff of the Asiri Group of Hospitals by alleviating the stress associated with balancing work and family responsibilities. It allows employees to focus on their roles with greater peace of mind, knowing that their children are in a secure and enriching environment.

Additionally, this initiative reinforces the organisation's commitment to employee well-being and fosters a supportive workplace culture. It enhances staff retention and satisfaction, contributing to a more engaged and productive workforce.

EMPLOYEE WELLBEING SURVEY 2023

In FY 2023/24, the Asiri Group conducted an extensive survey aimed at assessing employee wellbeing, reaffirming its dedication to cultivating a supportive and nurturing workplace. The survey was designed to gather feedback on multiple facets of employee satisfaction, encompassing insurance schemes, meal provisions, transportation, daycare services, hostel accommodations, medical benefits, counselling services, engagement activities, and discount programmes.

Key Findings: The survey provided valuable insights into employee satisfaction, revealing positive sentiments across several areas alongside areas for improvement to guide ongoing efforts to create a supportive work environment and enhance the overall employee experience.

EMPLOYEE RELATIONS AND ENGAGEMENT

The Asiri Group's proactive approach to employee relations is formed around the principle of open and honest communication with employees designed to achieve the following objectives:

- Foster effective and collaborative workplace relations through consultation and cooperation between the Group and its employees
- Ensure timely and consistent resolution of employee grievances to enhance workplace productivity and morale
- Implement robust systems, processes, and procedures to manage and address issues raised by employees
- Minimise productivity losses stemming from employee dissatisfaction

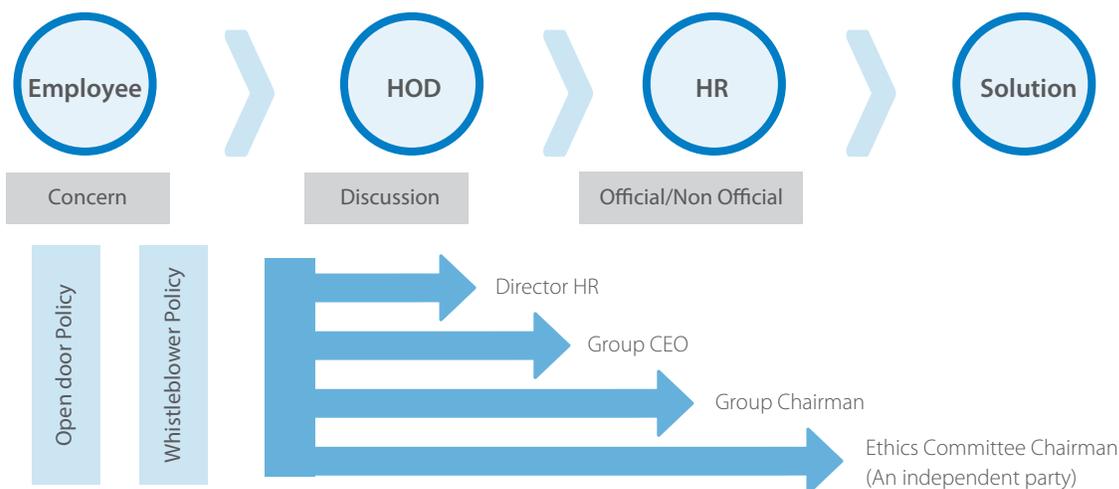


SUSTAINABILITY REPORT

GRIEVANCE HANDLING

The Asiri Group prides itself on a robust grievance handling process designed to uphold fairness and resolve issues promptly and effectively. As such a clear and transparent grievance process has been established to guarantee that all employee grievances are taken seriously and resolved in a manner that promotes employee satisfaction and organizational harmony

Additionally, the Group has also obtained the services of an external third-party specialist counsellor to provide professional assistance to employees, if needed



Similarly, the Group believes that creating an environment for regular employee engagement helps to promote job satisfaction and employee motivation resulting in a loyal and committed team. Consequently, the Group has implemented various engagement mechanisms facilitating team connectivity, fostering camaraderie, and nurturing a unified workforce to propel business growth.

ENVIRONMENTAL STEWARDSHIP

The Asiri Group is dedicated to environmental stewardship, consistently striving to lead by example in managing its environmental footprint. This commitment is rooted in the Group's Environmental Policy, which serves as a comprehensive guide, outlining the key focus areas and strategies for sustainable operations in compliance with regulatory requirements and global best practices.

In terms of regulations, the Group is required to comply with the National Environmental Act of 1980, where all hospitals maintain a

valid Environment Protection License and a Scheduled Waste Management License. Going beyond compliance, the Group has chosen to voluntarily subscribe to ISO 14001:2015 - Environmental Management Standard, further solidifying its commitment to environmental stewardship.

The Environmental Management Systems (EMS) implemented as part of the ISO 14001 standards, focuses on four key priorities - energy, emissions, water and waste as the basis of managing the Group's environmental footprint.

In terms of energy management, the Group takes proactive steps to reduce its energy consumption by regularly upgrading equipment, improving building infrastructure, implementing energy efficiency programmes, and conducting training for employees on energy-saving practices. Going forward, these efforts are set to be further complemented by energy efficiency audits in the future to identify further opportunities for reducing energy consumption.

Commencing in 2022, the Group has continued to measure its carbon footprint covering all its operations. As per the latest calculations, the Group's Scope 1 and Scope 2 emissions stood at 1,447.6 tons CO₂e and 14,271.1 tons CO₂e respectively. Keen to build on these accomplishments, the Group has set an ambitious targets to reduce total GHG emissions and electricity usage by 10% by 2030, with 2022 as the base year.

Given the high dependency on water for the day-to-day hospital operations, water conservation also emerges as a critical focus for the Asiri Group. In the year under review, the Group made substantial investments in water-efficient cooling systems and rainwater harvesting initiatives, coupled with employee training on water conservation techniques, all aimed at reducing water intensity by 10% over the next year..

With large quantities of waste generated on a daily basis across the hospital chain, waste is rigorously managed across all levels of operation.

To that end, paper usage and medical waste is strictly monitored along with special inventory tracking systems in place to reduce potential waste due to expiration of shelf life. Safety storage of chemicals is another important aspect of the waste management process, with stringent reviews of safety data sheets to ensure proper storage of chemicals to minimise chemical waste and enhance safety.

The Group articulates its commitment to environmental conservation by undertaking various projects such as beach cleanups, tree planting, etc. The beach cleanup organised in July 2023, at the Modara Beach in Moratuwa saw around 100 participants, including Asiri Group employees and community members collecting 450 kg of marine litter. This initiative, like others held in the past, showcases the Asiri Group's long-standing commitment towards cleaner oceans and a healthier planet.



COMMUNITY WELLBEING



Breast Care Clinics - 14
Participants - 263



Urology Clinics - 9
Participants - 99



Liver Clinics - 2
Participants - 8



Cosmetic Clinics - 4
Participants - 54



Lung Clinics - 7
Participants - 9



Joint Pain Clinics - 1
Participants - 3



Brain & Spine Clinics - 59
Participants - 438



Heart Clinics - 10
Participants - 280



Diabetic Clinics - 4
Participants - 273



Mother & Baby Clinics - 15
Participants - 504



General Surgeries Clinics - 2
Participants - 90



Dental Clinics - 4
Participants - 492

ASIRI HOSPITAL GROUP ENVIRONMENTAL POLICY STATEMENT

We at Asiri Hospital Group are committed to protecting and preventing environmental pollution. By considering our activities and services and with the objective of reducing environmental impact, we implement the following steps.

While providing services, we comply with environment-related rules and regulations stipulated in the Sri Lankan government context.

We are concerned about the environmental impact of developing business strategies.

Senior management and all employees are committed to protecting the environment. Customers and suppliers are incorporated into this culture.

We are committed to reducing environmental pollution, properly disposing of waste, and utilising limited resources properly.

By providing required training and motivation to staff, we ensure to perform our services in an environment-friendly manner.

While this environment policy is continuously reviewed, we ensure to increase the efficiency of the ISO 14001:2015 Environmental Management System.

All staff members, contractors, and suppliers are informed regarding this policy and the public will be made aware by the hospital website.

Endorsed by
Group Chief Executive Officer

LEADERSHIP & GOVERNANCE

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BOARD OF DIRECTORS

MR. ASHOK PATHIRAGE

Chairman/Managing Director

Mr. Ashok Pathirage, recognised as a visionary leader of Sri Lanka's corporate world, is the founding member and Chairman/Managing Director 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 manages and gives strategic direction to the Group which has a leading market presence in three core verticals, namely Retail, Healthcare Services and Financial Services and in three non-core verticals namely, IT, Leisure & Automobiles.

Asiri Hospital chain is the country's leading private healthcare provider which has achieved technological milestones in medical innovation and reliability in Sri Lanka's private healthcare services.

He is the Chairman/Managing Director of Softlogic Holdings PLC, Asiri Hospital Holdings PLC, Asiri Surgical Hospital PLC and Odel PLC. He also serves as the Chairman of Softlogic Capital PLC and Softlogic Life Insurance PLC in addition to other companies of the Softlogic Group.

He is the Chairman of NDB Capital Holdings Limited, Sri Lankan Airlines Limited and Sri Lankan Catering Limited.

DR. MANJULA KARUNARATNE

Group Chief Executive Officer

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

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 AOI Cancer Centre (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.

He was also instrumental in setting up the Asiri Academy of Health Sciences (Pvt) Ltd, an educational institute offering an array of programmes in the field of healthcare.

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 Hospitals PLC, Central Hospital Limited and 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.

MR. SUDARSHAN AHANGAMA

Non-Executive Independent Director

Mr. Sudarshan Ahangama is a fellow member of the Institute of Chartered Accountants of Sri Lanka. He served on the board of MAS Holdings, as its Group Finance Director for 15 years where he had responsibilities for the finance function in 17 countries across multiple regions. He continues with MAS as Director Strategic Investments handling the Groups mergers & acquisitions, cross border transactions, venture capital investments and organizational restructuring.

Previously he was with John Keells Holdings PLC, where he was a Managing Director of John Keells Stock Brokers for 10 years. He was part of the exchange automation task force of the CSE and led several roadshows overseas promoting the equity markets. In a subsequent role as Managing Director of the software out-sourcing activities of the Group he was also responsible for setting up several development centres in collaboration with leading global airlines and telecommunication companies. He served on many boards in both the Financial Services and IT Sectors at John Keells Group.

MR. VISHAL BALI

Non-Executive Independent Director

Mr. Bali brings with him more than two decades of experience in building and leading global healthcare delivery organisations through organic and M&A driven strategic growth initiatives across Asia Pacific. His experience of managing a billion-dollar integrated healthcare delivery organisation comprising Hospitals, Diagnostics, Primary Care and Day Care Speciality in diversified geographies of India, Australia, New Zealand, Hong Kong, Singapore, Vietnam, Sri Lanka and Dubai has given him the exceptional opportunity to transform healthcare businesses in both developing and developed countries. Mr. Bali is currently Asia Head - Healthcare, TPG Growth, which is amongst the leading private equity firms globally. He is also Executive Chairman, Asia Healthcare Holdings. Prior to his current assignment he was

BOARD OF DIRECTORS

the Group CEO for Fortis Healthcare Limited which is the leading provider of healthcare services in India with a network of 68 hospitals and had earlier built Asia's leading integrated healthcare delivery system with presence across 12 countries and a human capital base of more than 20,000 people and \$1.2 Bn. annualised revenues. His earlier roles also include CEO for Fortis Healthcare International in Singapore and CEO for Fortis Hospitals in India. His past assignment also includes spearheading the growth and transformation of Wockhardt Hospitals from a single hospital to one of India's largest speciality hospital chains as its CEO and Managing Director. He has successfully led post-merger integration and divestments of multiple healthcare delivery assets in different countries. His expertise in integrating healthcare strategy with operations and management has set industry benchmarks. Mr. Bali completed his Bachelors in Science and Post-graduation in Business from Bombay University and completed an advance programme in hospital management from Harvard Medical, Boston. He sits on the Board of leading healthcare organisations and has been an invited member of the Strategic Initiatives Group of Joint Commission International, US and a past member of the Global Agenda Healthcare Council of the World Economic Forum. His keen interest in education and globalisation of healthcare takes him to leading Healthcare Education Institutes and Business Schools globally which include case studies at the Harvard Business School. He is an active member of various Industry bodies and globally recognised industry public speaker.

MR. ANKUR THADANI

Non-Executive Independent Director

Ankur Thadani is a Partner with TPG Growth, RISE and RISE Climate Funds, and heads the India office. He has led investments in the healthcare, energy transition and consumer sectors in India and south Asia region.

Prior to joining TPG in 2013, he worked with an India dedicated private equity fund, India Equity Partners, focusing on investments in consumer and healthcare sectors. Ankur received his MBA from IIFT and was awarded Gold Medal for

outstanding overall achievement. He currently serves on the boards of TATA Passengers Electric Mobility Ltd., Dr Agarwals Eye Hospitals, Asia Healthcare Holdings, Steriscience Specialties, API Holdings, Fourth Partner Energy and Campus Activewear among others.

Ankur has been recognized by the Economic Times as 40 under 40 business leaders in India and is a member of IVCA's climate council.

MR HARESH KUMAR KAIMAL

Non-Independent Non-Executive Director

Mr. Hareesh Kumar Kaimal is a co-founder of the Softlogic Group and an Executive Director of Softlogic Holdings PLC since its inception. With over 3 decades of experience in IT and Operations, he heads the Group IT division which oversees the entire Group requirements in information technology covering all sectors. He is an Executive Director of Softlogic BPO Services (Pvt) Ltd, Director of Odel PLC, Softlogic Finance PLC, Softlogic Life Insurance PLC, Softlogic Capital PLC and many other Group Companies.

GROUP CONSULTANT MEDICAL TEAM

PROF. L R AMARASEKARA

Consultant Histopathologist

DR. CHRISHANTHA MENDIS

Consultant / Head Dept. of Anaesthesiology,
Asiri Central Hospital

DR. DARSHANI AMARASINGHE

Consultant Anaesthesiologist

DR. GAYANI SENANAYAKE

Consultant Anaesthesiologist

DR. STELLA FERNANDO

Consultant Anaesthesiologist

DR. DINESH DE SILVA

Consultant Eye Surgeon

DR. RANGIKA GOONARATNE

Consultant Eye Surgeon

DR. LAKMALI PARANAHEWA

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 GUPTHA

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. KALYANI MIRANDA

Consultant Radiologist

DR. VERNON MANIL FERNANDO

Consultant Orthopedic Surgeon

DR. M VISHVAJINI PRIYADARSHANI KUMARIHAMY

Consultant Cardiac Anesthesiologist

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. NIRODHKA 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. NILWALA JAYASINGHE

Resident Consultant Physician

DR. MANOJ CHRISTOPHER MEDAGAMA

Consultant Resident Anaesthetist

DR. SUVINI WIJESINGHE

Consultant Radiologist

DR. SAMAN HEWAMANA

Consultant Haematologist &
Haemato-Oncologist

DR. MILANKA WATTEGAMA

Consultant Endocrinologist

DR. HASANTHA RANAWAKA

Consultant Cardiologist

PROF. SARATH LEKAMWASAM

Chairperson, Medical advisory Council

DR. W.M. CHANDANA JAGATH BANDARA WIJAYARATHNA

Emergency Physician

DR. K. S. VITHANAGE

Consultant Intensivist

DR. YOHAN KORALAGE

Consultant Neurosurgeon

DR. HEWAGE KASUN CHINTHAKA LAKMAL

Consultant Neurosurgeon

DR. PALINDA BANDARAGE

Consultant Cardiothoracic Surgeon

DR. SELLAPPERUMAGE SRI SAHAN FERNANDO

Emergency Physician

CORPORATE GOVERNANCE

The fundamental relationship between the Board, Management, Shareholders and other Stakeholders are established by our governance structure.

Corporate Governance (CG) is a framework of rules and practices by which an organisation is directed, controlled and managed. The CG framework provides an overview of the Corporate Governance structures, principles, policies and practices of the Board of Directors of Asiri Hospital Holdings PLC (AHH). At Asiri, the approach to CG is guided by ethical culture, stewardship, accountability, independence, continuous improvement, oversight of strategy and risk. The fundamental relationship between the Board, Management, Shareholders and other Stakeholders are established by our governance structure, through which the ethical values and corporate objectives are set and plans for achieving those objectives and monitoring performances are determined. To serve the interests of shareholders and other stakeholders, the Company's Corporate Governance system is subject to ongoing review, assessment and improvement. The Board of Directors proactively adopts good governance policies and practices designed to align the interests of the Board and Management with those of shareholders and other stakeholders and to promote the

highest standards of ethical behaviour and risk management at every level of the organisation.

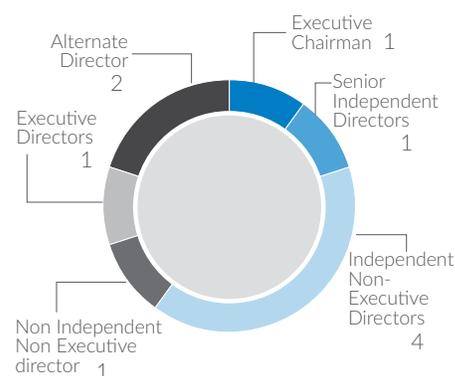
BOARD OF DIRECTORS

The Board of Directors is responsible for setting the strategic direction of the Group, safeguarding assets, managing risks and setting the tone at the top. They have set in place governance frameworks to facilitate achievement of strategic goals and compliance with regulatory frameworks while balancing stakeholder interests. Composition of the Board is set out graphically on the previous page while profiles of the Directors are given on pages 35 to 36. Directors provide annual declarations of their independence in accordance with the stipulations of the Listing Rules of the CSE and the guidelines of the Code of Best Practice. Board balance is facilitated with five Non-Executive Independent Directors who are reputed leaders in their fields of expertise. A sufficiency of financial acumen within the Board is assured with the presence of Two Directors who are experienced accounting and finance professionals. The skills, experience and standing of the individual Board members ensures sufficient deliberation on matters set before the Board and exercise of independent judgement. Directors can also seek independent professional advice when deemed necessary, for which the expenses are borne by the Group.

The role of the Board is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls facilitating effective risk management. They are collectively responsible for the following:

- Providing strategic direction and establishing performance objectives to monitor the achievement of strategic goals
- Establishing an effective management team
- Establishing appropriate systems of corporate governance in the Group
- Ensuring the adequacy and effectiveness of internal controls, Code of Business Conduct and other policies to facilitate regulatory compliance and risk management.

COMPOSITION OF THE BOARD



COMMITTEES OF THE BOARD

The Board is supported by the following committees which facilitate effective discharge of its responsibilities. Minutes of the sub-committee meetings are circulated to the Board ensuring awareness of the activities of the sub-committees by all Board members.

Governance of The Board Sub Committees

Sub-Committee	Composition	Mandate
Audit Committee	<ul style="list-style-type: none"> • Mr. S. Ahangama Independent Non-Executive Director - Chairman • Mr. G L H Premaratane Independent Non-Executive Director • Mr. H.K. Kaimal – Non Independent Non Executive Director 	<p>Responsible for ensuring the integrity of the Company's and Group's Financial Statements, appropriateness of accounting policies and effectiveness of internal control over financial reporting.</p> <p>Periodically approve and review the appointment and retirement of External Auditors and their relationship with the Group.</p> <p>Frequency of Meetings: Committee meets quarterly</p>

Sub-Committee	Composition	Mandate
Remuneration Committee	<ul style="list-style-type: none"> Mr. G L H Premaratne - Independent Non-Executive Director - Chairman Dr. S Selliah - Senior Independent Director Resigned w.e.f 29th July 2024 	<p>Responsible for determining remuneration policy and the terms of engagement and remuneration of the Chairman, the Board of Directors and the Executive Committees.</p> <p>Frequency of Meetings: Committee meets annually.</p>
Related Party Transactions Review Committee	<ul style="list-style-type: none"> Mr. S Ahangama Independent Non- Executive Director- Appointed as the Chairman of the Related Party Transactions Review Committee with effect from 24th May 2023 Mr. G L H Premaratne Independent Non- Executive Director Mr. H.K. Kaimal – Non Independent Non Executive Director 	<p>To assist the Board in reviewing all related party transactions carried out by the Company and its listed companies in the Group in terms of the CSE Listing Rule 9</p> <p>Frequency of Meetings: Committee meets quarterly</p>
Nomination and Governance Committee	<p>In terms of Rules 9.11 of CSE listing Rules, the Nomination and Governance Committee was established w.e.f 19th June 2024</p> <p>Members:</p> <p>Dr Selliah – Senior Independent Director (Resigned w.e.f 29th July 2024)</p> <p>Mr. S Ahangama – Independent Non-Executive Directors</p> <p>Mr. V Bali – Non Executive Director</p>	<p>Responsible for evaluate of the appointment of Directors to the Board of Directors and Board Committees of the Company.</p>

MEETINGS

The Board meets on a frequent basis and dates for Board meetings are determined and communicated in advance at the beginning of the year with additional meetings being scheduled whenever deemed necessary. Meeting agenda and relevant papers are circulated to all Directors at least 7 days prior to the meeting providing sufficient time for review facilitating the conduct of an effective meeting. Attendance at Board meetings and Sub Committee meetings during the year under review is given below;

Director	Board	Board Sub Committees		
		Audit Committee	HR & Remuneration Committee	Related Party Transactions Review Committee
Mr. A.K. Pathirage	3/3	-	-	-
Dr. K.M.P Karunaratne	3/3	-	-	-
Dr. S. Selliah -resigned w.e.f 29th July 2024	3/3	-	1/1	-
Mr. G.L.H Premaratne	2/3	5/5	1/1	4/4
Mr. S. Ahangama	3/3	4/5	-	2/4
Mr. V. Bali	3/3	-	-	-
Mr. A.N. Thadani	2/3	-	-	-
Mr. H. K. Kaimal	3/3	5/5	-	4/4

CORPORATE GOVERNANCE

COMPANY SECRETARIES

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

RE-APPOINTMENT AND RE-ELECTION TO THE BOARD

- Directors are appointed by the Board in a structured and transparent manner.
- Appointments are made with due consideration given to the diversity of skills and experience within the Board.
- As per the Company's Articles of Association, one third of the Directors for the time being subject to retirement by rotation shall retire from office. Provided however that the Managing Director appointed to the office shall not, whilst holding that office be subject to retirement by rotation.
- The following Directors thus retire and offer themselves for re-election:

Mr. V. Bali

Mr. A. N. Thadani

Dr. K. M. P. Karunaratne

CHAIRMAN & MANAGING DIRECTOR

The roles of the Chairman and the Managing Director are combined in one person due to the diversity of the Group's business.

DIRECTORS' REMUNERATION

The Remuneration Committee makes recommendations to the Board on remuneration policy and remuneration of the Chairman and Managing Director, Executive Directors, Non-Executive Directors and Key Management Personnel in line with the business goals of the Company.

The Group's Remuneration policy is designed to attract and retain talent which comprises of fixed income and a variable income which is linked to their performance. Non-Executive

Directors' remuneration comprises only a fixed fee and does not have any variable component. No Director is able to determine his/her own remuneration as Directors' Remuneration is a matter reserved for the Board as a whole with due consideration given to the recommendations of the Remuneration Committee of the Board.

The Report of Board Remuneration Committee is on page 54 provides further information. The aggregate remuneration paid to the Directors is disclosed in the Notes to the Financial Statements on page 83 of this Report.

SHAREHOLDER RELATIONS

Shareholder relations are managed through a structured process with multiple platforms facilitating shareholder engagement and timely dissemination of information. The Annual General Meeting is the key platform for engagement and notice of the AGM and all relevant documents are circulated among shareholders at least 15 working days prior to the AGM. The Chairman/ Managing Director and Board Directors and External Auditors attend the Annual General Meetings to respond to queries that may be raised by the shareholders. In addition to the AGM, shareholder engagement is also facilitated by the Group's investor relations department which maintains a continuous dialogue with shareholders through dissemination of announcements on material developments and quarterly performance. They are also a point of clarification for shareholders.

ACCOUNTABILITY AND AUDIT

Board responsibilities include presenting a balanced assessment of the Group's financial performance, position and prospects on a quarterly and annual basis. This Annual Report has been prepared in discharge of this responsibility and includes the following declarations/ further information required by regulatory requirements and voluntary codes:

- Audited Financial Statements – pages 64 to 131
- Statement of Director's Responsibilities - page 56

- Annual Report of the Board of Directors on the Affairs of the Company – page 57
- Management Discussion & Analysis – pages 8 to 19

The Audit Committee has oversight responsibility for monitoring and supervising financial processes to ensure integrity, accurate and timely financial reporting. It is also responsible for ensuring adequacy and effectiveness of the Internal Control and Risk Management processes and receives reports from Group Internal Audit and Group Risk Management in this regard. The Audit Committee comprises 3 Non-Executive Directors out of which two Independent and one non-independent director during the period under review. The Chairman of the Audit Committee is a Finance professional with extensive experience in the relevant areas whose profile is given on page 35. The Terms of Reference of the Audit Committee complies with the recommendations of the Code of Best Practice on Board Audit Committees issued by ICASL and guidelines stipulated by the SEC.

The Audit Committee is responsible for approving the terms of engagement of the external auditors including audit fees. The principal auditor has not provided any services which are stipulated as restricted by the SEC and the audit fees and non-audit fees paid by the Company to its auditors are separately disclosed on page 83 of the Notes to the Financial Statements.

The Board holds overall responsibility for determining the Group's risk appetite and implementing sound risk management and internal control systems to ensure that risk exposures are maintained within defined parameters. The Group's internal control systems are aimed at safeguarding shareholders investments and effectively managing risks that may impact the achievement of its strategic objectives. A discussion on the Company's key risk exposures and mitigation mechanisms are given in the Risk Management Report on page 48 of this Report. The Audit Committee annually reviews the effectiveness of the Group's risk and internal control systems.

A formalised whistle-blowing policy is in place enabling employees to raise concerns anonymously on unethical behaviour, breach of regulations and/ or violations of the Group's Code of Conduct. Such complaints are investigated and addressed through a formalised procedure and brought to the notice of the Board, serving as an overriding control mechanism.

The Board Related Party Transactions Review Committee has been set up in compliance with guidelines stipulated by the CSE. Directors individually declare their relevant transactions with the Company and its subsidiaries on a

quarterly basis. A formalised process is in place for identifying related party transactions and avoiding conflicts of interest. All Related Party Transactions as defined by the applicable accounting standards are disclosed on Note 31 of the Financial Statements on pages 123 to 124 of this Report.

SHAREHOLDERS

All shareholders are encouraged to attend the Annual General Meeting of the Company and vote on the resolutions which form part of the agenda in accordance with matters reserved for shareholders. Extraordinary General Meetings are also called to inform shareholders

on material developments that impact their interests and their consent is obtained for the same in accordance with the provisions of the Companies Act.

SUSTAINABILITY REPORTING

The Group continues its efforts to embed Sustainability in to its operations and report on how the Group manages risks stemming from economic, environmental and social factors. The Group's Annual Report is used as a platform to provide comprehensive sustainability communication to all stakeholders.

COMPLIANCE WITH CORPORATE GOVERNANCE RULES OF THE CSE

The following disclosures are made in conformity with Section 9 of the Listing Rules of the Colombo Stock Exchange:

Principle	Compliance and Implementation	Effective Date	Status
9	Corporate Governance		
9.1	Applicability of Corporate Governance Rules		
	The Company has to comply with CSE Listing Rule 9 by verifying its adherence to Corporate Governance Rules.	1st October 2023 to 1st October 2024	Status is in progress
9.2	Policies		
9.2.1	The Company has to implement the policies below, and disclose on the Company website along with information regarding their existence and implementation details. <ul style="list-style-type: none"> a) Policy on the matters relating to the Board of Directors b) Policy on Board Committees c) Policy on Corporate Governance, Nominations and Re-election d) Policy on Remuneration e) Policy on Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities f) Policy on Risk Management and Internal Controls g) Policy on Relations with Shareholders and Investors h) Policy on Environmental, Social and Governance Sustainability i) Policy on Control and Management of Company Assets and Shareholder Investments j) Policy on Corporate Disclosures k) Policy on Whistleblowing l) Policy on Anti-Bribery and Corruption 	1st October 2024	Status is in progress
9.2.2	The Company has to comply with the Internal Code of Business Conduct and ethics	1st October 2024	Status is in progress

CORPORATE GOVERNANCE

Principle	Compliance and Implementation	Effective Date	Status
9.2.3 - 9.2.4	The policies have to be disclosed on the company website, and be updated on changes made to them throughout the year. All policies are accessible to shareholders upon a written request.	1st October 2024	Status is in progress
9.3	Board Committees		
9.3.1 - 9.3.2	The Company has to maintain 4 mandatory committees required by CSE listing rules. a) Nominations and Governance Committee b) Remuneration Committee c) Audit Committee d) Related Party Transactions Review Committee The composition, responsibilities, and disclosures required in respect of the above-Board committees have been disclosed.	1st October 2023	Complied
9.3.3	The Chairperson of the Board of Directors is not the Chairperson of any Board Committees referred to in Rule 9.3.1 above.	1st October 2024	Complied
9.4	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders		
9.4.1	The Company must maintains information required by 9.4.1 and the required information has been provided to the Exchange and/or the SEC upon request.	1st October 2023	Complied
9.4.2	The company shall have established a policy to effectively communicate with shareholders and investors, which is outlined in both the annual report and on the website. Additionally, a designated contact person must be provided for communication purposes. This policy should ensure that all Directors are informed of any significant concerns or issues raised by shareholders. Furthermore, these concerns must be transparently addressed in the annual report and on the website. Please refer Corporate Information		Status is in progress
9.5	Policy on matters relating to the Board of Directors		
9.5.1	The Company has to adopt policies, along with information regarding the Board composition, the roles of the Chairperson and CEO, as well as other requirements as per Rule No 9.5.1	1st October 2023	Status is in progress
9.5.2	The Company has to adopt the Policy on matters relating to the Board of Directors. Annual Report shall provide on any non-compliance and propose remedial action	1st October 2023	Status is in progress
9.6	Chairperson and CEO		
9.6.1	The roles of Chairperson and CEO are occupied by distinct individuals; however as the Chairperson of the Company is not a Non-Executive Director the Company has designated a Senior Independent Director (SID)	1st October 2023	Complied
9.6.2	An immediate market announcement to be made when the Chairperson of the listed entity is an Executive Director		
9.6.3	the entity shall appoint a Senior Independent Director in instances falling under 9.6.2		Complied
9.6.4	The Listed entity shall set out the rationale on the appointment of a Senior Independent Director in the Annual Report		Status in progress
9.7	Fitness of Directors and CEOs		
9.7.1 – 9.7.2	Every member of the Director Board should be a fit and proper person to act as Director, CEO/ MD as specified in the 'Fit and Proper Assessment Criteria' set out in Rule 9.7.3	1st October 2023	Complied

Principle	Compliance and Implementation	Effective Date	Status
9.7.3 – 9.7.5	The entity shall ensure that the Board of Directors are fit and proper persons to act as a Director.	1st April 2024	Complied
9.8	Board Composition		
9.8.1- 9.8.2	The Director Board should consist of a minimum of 05 directors and a 1/3 of the Board should be independent.	1st October 2024	Complied
9.8.3- 9.8.4	The criteria for determining independence should be disclosed. Refer the Independence of Director as at 31st December 2023	1st October 2023	Status is in progress
9.8.5	Directors have to submit the formal declaration of independence annually. The Board has to review these annual declarations and other available information to verify adherence to the criteria for assessing independence.		Status is in progress
9.9	Alternate Director		
	The Company should follow the requirements in appointing an Alternate Director.	1st January 2024	Status is in progress
9.10.	Disclosures relating to Directors		
9.10.1	The maximum no of Directorships should be in line with the policy on matters relating to the Board of Directors as per Rule No 9.5.1	1st October 2023	Status is in progress
9.10.2	the company should set out an immediate Market Announcement when making new appointments to the Board setting out the required information on the new appointment.		Complied
9.10.3	An immediate Market Announcement should be made with regard to the changes to the composition of the Board Committees referred to in Rule 9.3		Complied
9.10.4	Director information required to rule no. 9.10.4 has to be disclosed in the Annual Report.		Complied
9.11	Nominations and Governance Committee		
9.11.1-9.11.3	The Company should have a Nominations and Governance Committee and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board. The Committee should operate under a set of written terms of reference that clearly outline its scope, authority, duties.	1st October 2024	Complied
9.11.4	Composition of the Committee: The Nominations and Governance Committee must comprise of minimum two [2] Independent Directors. An Independent Director should serves as the Chairperson.		Complied
9.11.5	Functions of the Committee: The Committee must fulfil its duties by evaluating and recommending Director appointments, establishing selection criteria, reviewing the Board's structure, and updating governance policies in accordance with the stipulations outlined in Section 9.11.5, thereby ensuring compliance with regulatory requirements. The re-elections and new appointments have to be disclosed.		Status is in progress

CORPORATE GOVERNANCE

Principle	Compliance and Implementation	Effective Date	Status
9.11.6	<p>Disclosures: During the year, the Company has demonstrated compliance with the necessary disclosure requirements, as follows.</p> <ul style="list-style-type: none"> a) The names of Chairperson, Committee members and Directors; b) Committee appointment date; c) Nominating Director policy existence; d) Directors' periodic re-election requirement; e) Board diversity disclosure; f) Effective Director appointment policy demonstration; g) Re-elected Directors' details; h) Board and CEO performance evaluations; i) Independent Directors' major entity issues awareness; j) New Directors' induction on governance; k) Annual updates on governance for Directors; l) Directors' independence confirmation; m) Listing Rules compliance statement, non-compliance explanation, and remedial actions. <p>This rule is applicable with effective from 1st October 2024. All the relevant details available has been disclosed in the Committee Report.</p>		Status is in progress
9.12	Remuneration Committee		
9.12.1 – 9.12.5	<p>The Company should have a Remuneration Committee and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her remuneration.</p> <p>The Committee should operate under a set of written terms of reference that clearly outline its scope, authority, duties, and requirements for meeting quorum.</p> <p>Refer Remuneration Committee Report</p>	1st October 2023	Complied
9.12.6	<p>Composition of the Committee: The Remuneration Committee must comprise of minimum two [2] Independent Directors. An Independent Director serves as the Chairperson.</p> <p>Refer Remuneration Committee Report</p>	1st October 2024	Complied
9.12.7	<p>Functions of the Committee: The committee should, recommend and assess the relevance of the remuneration payable to the Executive Directors of the Company.</p>	1st October 2023	Complied
9.12.7	<p>Functions of the Committee: The committee should, recommend and assess the relevance of the remuneration payable to the Executive Directors of the Company.</p>	1st October 2023	Status is in progress
9.12.8	<p>Disclosures: The Company should disclose that during the year, the Company has demonstrated compliance with the necessary disclosure requirements, as follows.</p> <ul style="list-style-type: none"> a) Chairperson and members of the Remuneration Committee and their Directorships. b) Statement on remuneration policy. c) Aggregate remuneration of Executive and Non-Executive Directors. <p>For (a) and (b) refer Committee Report For (c) refer Financial Statement disclosure</p>	1st October 2023	Status is in progress

Principle	Compliance and Implementation	Effective Date	Status
9.13	Audit Committee		
9.13.1	The Company has to establish a separate Board sub committee for Risk Management as Risk Committee. The Risk Committee report has to be provided	1st October 2023	Complied
9.13.2	The Committee has to operate under a set of written terms of reference that clearly outline its scope, authority, duties.		Complied
9.13.3	Composition of the Committee: The Audit Committee should comprise of Two [2] Independent Non- Executive Directors and One [1] Non-Executive Director. During the year the Committee should compulsorily meet quarterly. Unless otherwise determined by the Audit Committee the Cheif Executive Officer and the Director Finance shall attend by invitation. The Chairperson of the Committee shall be a member of a recognized professional accounting body. Refer Audit Committee Report.	1st October 2024	Complied
9.13.4	Functions of the Committee: The committee should oversee the entity's compliance with financial regulations, reviewing financial statements and accounting policies, recommending external auditor appointments, ensuring assurance on financial records and risk management, overseeing compliance with auditing standards and risk management, evaluating risk policies, taking corrective actions on excessive risks, reviewing audit effectiveness, establishing policies for external auditor engagement, justifying auditor changes when necessary, and promptly reporting breaches to the Board and relevant authorities.		
9.13.5	Disclosures: 1) Audit Committee Report. 2) Disclosure requirement: a) Chairperson and Audit Committee members' details, b) Risk management status for Listed Entity and Group. c) CEO and CFO assurance statement. d) Compliance opinion on financial reporting requirements. e) Confirmation of Audit Charter existence. f) Summary of internal audit method. g) Details of functions discharged for the financial year. h) Confirmation of external auditors' independence. i) Auditor independence determination and engagement details.	1st October 2024	Status is in progress
9.14	Related Party Transactions Review Committee		
9.14.1	The Company possesses a Related Party Transactions Review Committee and conforms to the requirements set out in Rule 9.14 of these Rules The Committee operates under a set of written terms of reference that clearly outline its scope, authority, duties.	1st October 2023	Status is in progress
9.14.2	Composition of the Committee: The Nominations and Governance Committee must comprise of minimum two [2] Independent Directors. An Independent Director shall serve as the Chairperson.		Complied

CORPORATE GOVERNANCE

Principle	Compliance and Implementation	Effective Date	Status
9.14.3	<p>Functions of the Committee:</p> <p>The Company has to set up a Related Party Transactions Review Committee to oversee such transactions, with the aim of safeguarding shareholders' interests and preventing abuse by Directors, CEOs, or Substantial Shareholders. The rules prioritise the economic and commercial substance of transactions over the legal form or technicalities. The committee is tasked with establishing and maintaining clear policies, procedures, and processes for identifying, clarifying, and reporting related party transactions across the Company's operations.</p> <p>Refer the Related Party Transaction Review Committee Report</p>		Complied
9.14.4	<p>General requirements:</p> <p>The Committee shall meet quarterly, ensuring thorough documentation of meeting minutes for the Board of Directors. Committee members shall have access to adequate expertise to evaluate proposed transactions, seeking professional advice when necessary. Approval from the Board of Directors is requirement for reviewed transactions as mandated by Rule 9.14.4. Directors with personal interests in such matters must abstain from participation and voting during relevant Board Meetings.</p> <p>Refer the Related Party Transaction Review Committee Report</p>		Complied
9.14.5 – 9.14.6	<p>The Related Party Transactions Review Committee, shall review all related party transactions, while also considering any material changes to previously reviewed transactions under Rule 9.14.5. They may assess transaction details, and Director independence, and may establish guidelines for ongoing deals, conducting annual compliance reviews.</p> <p>The Company shall obtain shareholder approval in the way of a special resolution when related party transactions listed in 9.14.6 occur</p>		Complied
9.14.7	<p>Disclosures:</p> <p>The non-recurrent related party transactions which exceeded the aggregate value of 10% of the Equity or 5% of the Total Assets, the latest related party transactions which exceeded the aggregate value of 10% of the Equity or 5% of the Total Assets, the subsequent non-recurrent related party transactions which exceeded 5% of the Equity of the entity shall be disclosed by an immediate market announcement in accordance with rule 9.14.7</p>		Complied
9.14.8	<p>Disclosures in the Annual Report:</p> <p>The transactions in the aggregate value of the non- recurrent Related Party Transactions exceeding 10% of the Equity or 5% of the Total Assets of the Company, as per the latest Audited Financial Statements shall be disclosed in the Annual return in the given format in rule 9.14.8.</p>		Complied
9.14.9	<p>Acquisition and Disposal of Assets from/to related parties except for transactions in 9.14.10 shall follow the requiremnets as per rule 9.14.9.</p>		Complied
9.14.10	<p>Exempted Related Party Transactions:</p> <p>The Company shall note the definition given under exempted related party transactions when determine the related party transactions of the Company.</p>		

Principle	Compliance and Implementation	Effective Date	Status
9.16	Additional disclosures		
	i) The Board of Directors shall disclose all material interests in Entity contracts and refrained from voting on such matters. Please refer annual report of the Board of Directors	1st October 2023	Complied
	ii) The Board shall review internal controls and obtained reasonable assurance of effectiveness and any inability to declare shall be explained. Please refer annual report of the Board of Directors		Complied
	iii) The Board shall stay informed about applicable laws, rules, and regulations. Refer Annual report of Board of Directors		Complied
	iv) The Board shall disclose instances of non-compliance and material fines in Entity-operated jurisdictions. Refer Annual Report of Board of Directors		Complied

RISK MANAGEMENT REPORT

INTEGRATED RISK MANAGEMENT

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 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</p> <p>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	Potential Impact	Mitigation Strategy
<p>Strategic Risk</p> <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>
<p>Operational Risk</p> <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 MANAGEMENT REPORT

Risk	Potential Impact	Mitigation Strategy
<p>Human Resources (People)</p> <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>
<p>Technological & information security</p> <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>
<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>

ETHICS COMMITTEE REPORT

The Ethics Committee of the Asiri Group of Hospitals was constituted to serve as an advisory body on matters relating to conduct of research and clinical trials within the Asiri Group of Hospitals. Also, the matters concerning ethics issues around patient care referred to it by the Management and visiting & resident staff. The committee is responsible to report its decisions to Management.

The committee is entrusted with the task of peruse, on behalf of the Management, all proposals for research that is proposed to be carried out on Asiri Hospital patients submitted to the hospital for permission:

- To verify that the proposed investigators have obtained ethics approval from a SIDCER recognition by FERCAP Ethics Committee/s;
- To verify that the proposed investigators have obtained all other approvals and permissions necessary depending on the nature of the research and the proposed research subjects; and
- Also to verify that it meets other requirements that may be decided from time to time and set out as Committee Decisions.

The committee has so far reviewed experimental therapy and clinical trial protocols submitted to it by clinicians at Asiri. These include protocols on experimental stem cell therapy for Parkinson Disease and spinal cord transaction and a phase II trial for rheumatoid arthritis using an anti TNF alpha antibody. Also, the committee has reviewed the proposal for "Dialog m Health Trial with Asiri – (Evaluation of ambulant remote monitoring technology for investigating cardiac arrhythmias) ".

The committee will Consider and advise the Management regarding ethics issues that arise around patient care as described in Standard Operating Procedures.

The committee is constituted and operates in

accordance with an SLMA Ethics Committee proposal for the establishment of Hospital Ethics Committees in Sri Lanka.

MEMBERS:

Prof. Rohan W Jayasekara, (Chairperson)

(Emeritus Professor of Anatomy / Medical Geneticist, Faculty of Medicine, University of Colombo.)

Dr. Malik Fernando

(Retired Physician /Member of Ethics Review Committee of Sri Lanka Medical Association-sometime Chair Ethics Committee SLMA)

Dr. Arittha Wickramanayake

(Attorney at Law /Precedent Partner, Nithya Partners)

Dr. Siva Selliah (Resigned w.e.f 29th July 2024)

(Deputy Chairman of Asiri Group of Hospitals / Senior Lecturer, Dept. of Physiology, Faculty of Medicine University of Kelaniya)

Prof. Kemal I Deen

(Consultant General Surgeon –Intestinal)

Dr. Indrani Amarasinghe

(Consultant Oncologist)

Prof. Chandani Wanigatunga

(Professor in Pharmacology and Consultant Physician)

Prof. Shalini Sri Ranganathan

(Professor in Pharmacology and Specialist Paediatrician)

Sgd.

Prof. Rohan Jayasekara

Chairman – Ethics Committee

5 September 2024

AUDIT COMMITTEE REPORT

The Audit Committee is set up primarily to assist the Board in carrying out its overall independent oversight functions in relation to the accuracy and integrity of the financial statements, internal control systems and compliance with Company policies, legal and regulatory requirements. This is done to safeguard the interests of shareholders and other stakeholders.

The Committee is vested with the responsibility for supervision to ensure the effectiveness of the system of internal controls, financial reporting, risk management, compliance with laws and regulations, as well as the adequacy and effectiveness of the governance process of the Company.

The Committee shall exercise its independent oversight on internal and external assurance functions and ensure both internal and external auditors' independence, objectivity and the effectiveness of the audit process, taking in to consideration relevant Sri Lankan professional standards and regulatory requirements.

Reviewing of the internal audit reports and steps shall be taken liaising with the senior management of the Asiri Hospital Holdings PLC to ensure that precautionary measures are taken to mitigate the risk that could arise due to reported control weaknesses, procedure violations, frauds and errors.

The Committee is provided with sufficient resources to perform its duties including support, as necessary, from the Internal Audit Department, the external auditor, legal counsel and management in examining all matters relating to the Company's adopted accounting principles and practices, and in reviewing all material financial, operational and compliance controls.

COMPOSITION OF THE COMMITTEE

During the year, the Board Audit Committee consisted of three Non-Executive Directors, a majority of whom are independent, in line with the composition requirements specified by the regulators. The Board is satisfied that the current members of the Committee are competent in financial matters and have recent and relevant experience.

Board Member	Board Status
Mr. S. Ahangama	Chairman/ Non-Executive Independent Director
Mr. G L H Premaratne	Non-Executive Independent Director
Mr. H K Kaimal	Non-Executive Director

The Director Finance and the Group Manager - Audit of Asiri Hospitals were permanent attendees at these meetings, as were the Group Head of Risk & Audit of Softlogic Holdings PLC. The External Auditors attended meetings by invitation when required and the Company Secretary, Softlogic Corporate Services served as secretary to the committee. The activities and views of the Committee were communicated to the Board of Directors quarterly in the board meetings.

MEETING ATTENDANCE

Board Member	Attendance
Mr. S. Ahangama	4/5.
Mr. G L H Premaratne	5/5
Mr. H K Kaimal	5/5

COMMITTEE ACTIVITIES DURING THE FINANCIAL YEAR

Financial reporting system

The Committee assisted the Board of Directors in the discharge of its duties by reviewing the financial reporting system adopted by the Company. The Committee satisfied itself that accounting policies, practices and internal controls in place are adequate to provide reasonable assurance that the financial reporting system is effective and efficient to provide reliable and timely information. The Committee discharged its duties with reference to the following:

- the preparation, presentation and adequacy of the disclosures in the Company's annual and interim financial statements in accordance with Sri Lanka accounting standards, regulatory and requirements of the Companies Act No. 07 of 2007.
- the rationale and basis for the 'significant estimates and judgments' underlying the financial statements;

- the systems and procedures in place to ensure that all transactions are accurately recorded in the books of accounts; and
- the effectiveness of the financial reporting system/s including the management accounts to ensure reliability of the information provided to the Board and other stakeholders of the Company.

Internal Audit

The Committee established a fully-fledged Internal Audit Department to provide independent assurance to the Committee in discharging its duties. The Committee ensures that the internal audit function is independent of the activities it audits, and it possesses proficiency and exercises due professional care.

The annual internal audit plan is reviewed by the Committee before commencement of the financial year and assesses the adequacy of resources for the department to provide uninterrupted assurance service. The Committee has reviewed the performance of the chief internal auditor for the period.

The Committee reviewed the efficacy of the internal control system and compliance with regulatory requirements and the Company's accounting and operational policies through the internal audit function. Control weaknesses highlighted in the internal audit reports are critically reviewed by the Committee. Follow-up action taken by the management on the audit recommendations are also reviewed. The Committee recommends re-audits of certain processes where necessary, to ensure effectiveness of the internal controls.

External Audit

The Committee assisted the Board by recommending the appointment of the External Auditor in compliance with the relevant statutes and regulations. It monitors the service period, approves the audit fee and any resignation or dismissal of the auditor.

The Committee reviewed the independence and objectivity of the external auditor - Messrs. Ernst & Young, Chartered Accountants. The Committee together with management

reviewed and discussed the scope of audit, approach and audit plan with Messrs. Ernst & Young, prior to the commencement of the audit for 2023/24.

The Auditors were provided with the opportunity of meeting the Non-Executive Directors separately, without any executive officer present, to ensure that the Auditors had the unrestricted opportunity to discuss and express their opinions on any relevant matter. This process assured the Committee that the management has fully cooperated in providing the information and explanations requested by the Auditor.

The Committee met the external auditors to discuss the management letter pertaining to the previous year's audit and the management's response thereto. Follow-up actions were taken to ensure that the recommendations contained in the management letter were implemented by management. The Committee is satisfied that there is no conflict of interests between the Company and the Auditor which would hinder the independence and objectivity of the Auditor.

Messrs. Ernst & Young, Chartered Accountants has been the appointed External Auditors on the Company for a period of 13 years and Mr. Buwanesh Wijesuriya Partner, the current appointed engagement Partner has been engaged for the independent audit review of the Company for 1 year. The Audit Committee has obtained a statement from Messrs. Ernst & Young, Chartered Accountant confirming their independence and objectivity in accordance with Section 163 (3) of the Companies Act No. 07 of 2007 throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. This confirmation pertains to the audit of the Statement of Financial Position, and the related Statements of Income, Changes in Equity, and Cash Flows of the Company and the Group.

During the year, the Committee evaluated the performance of the external auditor. The Audit Committee has recommended to the Board of Directors that Messrs. Ernst & Young, Chartered

Accountants, be reappointed as the external auditor for the financial year ending 31st March 2025, subject to the approval of the shareholders at the next annual general meeting.

CORPORATE GOVERNANCE AND COMPLIANCE

The highest standards of corporate governance and adherence to the internal policies and procedures were ensured by the Committee to establish good governance within the Company. The Committee is satisfied with the present corporate governance framework of the company which ensures a balance of power and authority.

Audit Committee reviewed the regulatory and compliance statements including statutory tax compliance statements submitted by management in order to monitor conformance with regulatory and legal requirements.

AUDIT COMMITTEE EFFECTIVENESS

As in the previous years, the effectiveness of the Committee was self-evaluated by its members and the results were presented to the Board. The Committee has concluded that its performance was effective.

Sgd.

S. Ahangama

Chairman – Board Audit Committee

5 September 2024
Colombo

REMUNERATION COMMITTEE REPORT

PURPOSE

The principal purpose of the Committee is to consider, agree and recommend to the Board a remuneration policy that is aligned with its long-term business strategy, objectives, risk appetite, values and the long term interests of the Group whilst also recognising the interests of stakeholders. The responsibilities of the Committee are laid out in its written Terms of Reference (TOR).

COMMITTEE COMPOSITION AND MEETING

The Human Resources and Remuneration Committee consists of 2 Non-Executive Independent Directors. The members of the Human Resources and Remuneration Committee as at 31 March 2024 and the attendance at the meeting held is as below:

ATTENDANCE AT MEETINGS

Name of Director	Category	Attended/ Eligible to attend
Mr. G.L.H Premaratne Non-Executive Independent Director	Chairman	1/1
Dr. S. Selliah Senior Independent Director - Resigned w.e.f 29th July 2024	Member	1/1

REMUNERATION PACKAGE OF DIRECTORS

a) Remuneration of Directors

No remuneration is paid to Non-Executive Directors other than the Directors' fees paid based on their participation at Board meetings and other Sub-Committee meetings.

b) Retirement Benefits

Non-Executive Directors are not entitled to retirement benefits.

c) Share Option Plans for Directors

The Company does not have a share option plan for Directors.

d) Personal Loans for Directors

No Director is entitled to Company loans.

Total fees and remuneration paid to all Directors including the Managing Director and the Chairman are disclosed in Note 06 on page 83 in this report.

ACTIVITIES OF THE YEAR

We continued to ensure that our remuneration policies were consistent with our strategic objectives, and were designed with the long term success of the Group in mind. This was particularly so when considering how our remuneration schemes can drive behaviour in line with our chosen objectives and in line with industry best practices.

Our investment in a renowned HR platform, will continue to strengthen the effectiveness and efficiency of the systems and processes.

OUR REWARD FRAMEWORK

The Committee focused on delivering a reward framework that is transparent, tailored to individual roles and provide a clear link to the Company's strategic objectives. The objective is to drive performance to the highest standards while rewarding both performance and value behaviours. It seeks to be sufficiently competitive in order to attract, retain and motivate employees of the highest calibre.

THE YEAR AHEAD

The Remuneration Committee will continue to monitor the remuneration policy to ensure that it is correctly aligned with the Group's strategy. The Committee's policy aims to properly reward performance in line with the Company's business objectives and growth to enrich shareholder value.

Sgd.

Mr. G.L.H Premarante

Chairman – Remuneration Committee

5 September 2024

Colombo

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

PURPOSE

The purpose of the Related Party Transactions Review Committee is to conduct an appropriate review of Softlogic Group's related party transactions and to ensure that interests of shareholders and other stakeholders are considered when engaging in related party dealings, hence preventing Directors, Key Management Personnel or substantial shareholders taking advantage of their positions. The Committee ensures adherence to the Rule 9 of the Listing Rules and guided by the Code of Best Practices on related party transactions issued by the Securities & Exchange Commission of Sri Lanka (SEC) and CA Sri Lanka. The Committee states opinions in accordance with the charter of the Related Party Transaction Review Committee. It reviews the charter and policies while making recommendations to the Board as and when deemed necessary.

COMPOSITION

The Related Party Transactions Review Committee comprises three Non-Executive Independent Directors.

- Mr. S Ahangama – Chairman – Appointed with effect from 24th May 2023
- Mr. G.L.H Premaratne – Independent Non-Executive Director
- Mr. H.K. Kaimal – Non-Independent Non-Executive Director

The Director Finance attends the meeting by invitation. Softlogic Corporate Services (Pvt) Ltd, serves as Secretaries to the Committee.

ATTENDANCE AT MEETINGS

Name of Director	Meeting Attended
Mr. S. Ahangama(Appointed w.e.f. 24th May 2023)	2/4
Mr. G.L.H Premaratne	4/4
Mr. H.K. Kaimal (Appointed w.e.f. 24th May 2023)	4/4

ROLES AND RESPONSIBILITIES

1. Reviewing in advance all proposed related party transactions of the Company 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 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 transaction 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 transaction to the Committee.
6. If there is any potential conflict in any related party transaction, the Committee may recommend the creation of a special committee to review and approved the proposed related party transaction.
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 Hospital Holdings 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 of

the Committee have been communicated to the Board quarterly through tabling minutes of the meeting of the Committee at Board Meetings. Relevant disclosures have been made to the Colombo Stock Exchange in compliance with regulations. Details of Related Party Transactions entered by the Group during the above period are disclosed in Note 31 to the Financial Statements.

The Committee adopted the policies and procedures and aligned with CSE Listing Rules when reviewing the Related Party Transactions.

During the year 2023/24 there were no non-recurrent or recurrent related party transactions that exceeded the respective thresholds mentioned in the Listing Rules of the Colombo Stock Exchange.

Sgd.

Mr. S. Ahangama

Chairman

Related party Transactions Review Committee

5 September 2024
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 page 61. 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 and the Group 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 64-131 of the Annual Report, appropriate accounting policies have been selected and applied in a consistent manner and supported by reasonable and prudent judgments 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 29 to the Financial Statements covering contingent liabilities.

Sgd.

A K Pathirage
Chairman/Managing Director

Sgd.

Dr. Manjula Karunaratne
Group Chief Executive Officer

5 September 2024
Colombo

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

The Directors of Asiri Hospital Holdings PLC have pleasure in presenting to the members of their report together with the Audited Financial Statements of the Company and the Audited Consolidated Financial Statements of the Group for the year ended 31 March 2024.

GENERAL

Asiri Hospital Holdings PLC is a public company incorporated in Sri Lanka on 29th September 1980, under the Companies Act No.17 of 1982, with limited liability. The Ordinary Shares of the Company have been listed with the Colombo Stock Exchange since 1986.

Re- registered on 30th September 2008 under the Companies Act No. 07 of 2007.

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 Group's/Company's principal activities during the year.

FUTURE DEVELOPMENTS

An indication of likely future developments is set out in the Chairman's Review on pages 6 to 7. In the ordinary course of business the Group develops new products and services.

PERFORMANCE REVIEW

The Financial Statements reflect the state of affairs of the Company and the Group. This report forms an integral part of the Annual Report of the Board of Directors.

FINANCIAL STATEMENTS

Section 168 (b) of the Companies Act require that the Annual Report of the Directors include financial statements of the Company, in accordance with Section 151 of the Companies Act and Group financial statements for the accounting period, in accordance with section 152 of the Companies Act. The requisite financial statements of the Company are given on pages 64 to 135 of the Annual Report.

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 Accounting Standards. A statement in this regard is given on page 56.

AUDITOR'S REPORT

The Auditor's Report on the financial statements is given on page 61 of the Annual Report.

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the financial statements are given on pages 70 to 80 of the Annual Report. There was no change in the accounting policies adopted from the previous year except for the standards listed in Note 2.5.

PROPERTY, PLANT & EQUIPMENT

The details and movement of property, plant and equipment during the year under review is set out in Note 9 to the Financial Statements on pages 86 to 90.

CAPITAL EXPENDITURE

The total capital expenditure incurred on the acquisition of property, plant and equipment for the Company and the Group amounted to Rs. 518 Mn (2023 - Rs. 490 Mn) and Rs. 1,094 Mn (2023 - Rs. 1,453 Mn) respectively. Details of capital expenditure and their movements are given in Note 9 to the Financial Statements on pages 86 to 90 of the Annual Report.

RESERVES

The reserves for the Company and Group amounted to Rs. 5,153 Mn (2023 Rs. 4,923 Mn) and Rs. 16,948 Mn (2023 - Rs. 12,969 Mn) respectively. The movement and composition of the Capital and Revenue reserves is disclosed in the Statement of Changes in Equity.

DONATIONS

During the year, donations made by the Company Rs. 0.05 Mn (2023- Rs. 0.1 Mn) and Group amounted to Rs. 1 Mn (2023 - Rs. 3.8 Mn)

STATED CAPITAL

The stated capital of the Company as at 31 March 2024 was Rs. 4,748,108,334/- (2023- LKR. 4,748,108,334/-) represented by 1,137,533,596 ordinary shares. There was no change in the stated capital of the Company during the year under review.

EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL PERFORMANCE

No circumstances have arisen, and no material events have occurred after the date of the Statement of Financial Position, which would require adjustments to, or disclose in the accounts other than those disclosed in Note 30 to the Financial Statements.

TAXATION

The information relating to income tax and deferred taxation is given in Note 7 to the Financial Statements.

STATUTORY PAYMENTS

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

RELATED PARTY TRANSACTIONS

The Company's transactions with Related Parties, given in Note 31 to the Financial Statements.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

DIRECTORATE

The following Directors held Office during the year under review. The biographical details of the Board members are set out on pages 35 to 36.

Mr. A.K. Pathirage - (Chairman/ Managing Director)
Dr. S. Selliah – Deputy Chairman- resigned w.e.f 29th July 2024
Dr. K.M.P Karunaratne – Group Chief Executive Officer
Mr. G.L.H. Premaratne
Mr. S. Ahangama
Mr. V Bali
Mr. A.N Thadani
Mr. H.K. Kaimal – Appointed w.e.f 16th May 2023
Mr. A.N Thadani (Alternate Director to Mr. V Bali)
Dr. K.M.P Karunaratne (Alternate Director to Mr. A.K. Pathirage)

DIRECTORS' SHAREHOLDING

The relevant interests of Directors in the shares of the Company are as follows:

Name of Director	No. of Shares as at 31/03/2024	No. of Shares as at 31/03/2023
Mr. A K Pathirage	371,664	371,664
Dr. S. Selliah - resigned w.e.f 29th July 2024	-	-
Dr. K.M.P Karunaratne	9,047	9,047
Mr. G.L.H Premaratne	-	-
Mr. V.Bali	-	-
Mr. A.N Thadani	-	-
Mr. S. Ahangama	-	-

DIRECTORS' REMUNERATION

Directors' remuneration in respect of the Company for the financial year ended 31 March 2024 was Rs. 27 Mn (2023 – Rs. 28 Mn).The remuneration of the Directors is determined by the Board.

DIRECTORS' INTERESTS IN CONTRACTS AND PROPOSED CONTRACTS WITH THE COMPANY

Directors' interests in contracts, both direct and indirect are referred to in Note 31 to the Financial Statements. The Directors have no direct or indirect interest in any other contract or proposed contract with the Company.

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.

FIT AND PROPER ASSESSMENT CRITERIA OF THE BOARD OF DIRECTORS

The Directors hereby confirm that the Directors and CEO of the Company satisfy the Fit and Proper Assessment Criteria stipulated in section 9.7 of the Listing Rules of the Colombo Stock Exchange for the year.

SHAREHOLDERS' INFORMATION

The distribution of shareholders is indicated on page 134 of the Annual Report. There were 5,699 registered shareholders as at 31 March 2024 (31 March 2023 – 5,662).

SHARE INFORMATION

Information on share trading is given on page 134 of the Annual Report.

INTERNAL CONTROL

The Directors are responsible for the governance of the Company including the establishment and maintenance of the Company's system of internal control. Internal control systems are designed to meet the particular needs of the organization 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 Directors are satisfied that a strong control environment is prevalent within the Company and that the internal control systems referred to above are effective.

EMPLOYEES & INDUSTRIAL RELATIONS

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

RISK MANAGEMENT

The Group's risk management objectives and policies and the exposure to risks, are set out in pages 48 and 50 of the Annual Report.

CORPORATE GOVERNANCE

- The Directors have declared all material interests in contracts involving the Company and refrained from voting on matters in which they were materially interested.
- The Company complied with all applicable laws and regulations in conducting its business and has not engaged in any activity contravening the relevant laws and regulations.

- All endeavours have been made to ensure that shareholders in each category have been treated equitably in accordance with the original Terms of Issue.
- The business is a Going Concern with supporting assumptions or qualifications as necessary, and that the Board of Directors has reviewed the Company's Corporate/ Business plans and is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly, the Financial Statements of the Company are prepared based on the Going Concern assumption.

The report on Corporate Governance is given on pages 38 to 47 of the Annual Report.

DIVIDENDS

There were no Dividend declared during the period.

THE AUDITORS

The Board Audit Committee reviews the appointment of the external auditors, as well as their relationship with the Group, including monitoring the Group's use of the auditors for non-audit services and the balance of audit and non-audit fees paid to the auditors.

The Auditors of the Company, Messrs. Ernst & Young, Chartered Accountants were paid Rs. 2.4 Mn as audit fees for the financial year ended 31 March 2024 (2023 – 2.1Mn) by the Company. Details of which are given in Note 6 to the Financial Statements.

As far as the Directors are aware, the Auditors do not have any relationship (other than that of an auditor) with the Company that would have an

impact on their independence. The Auditors also do not have any interest in the Company.

Having reviewed the independence and effectiveness of the external auditors, the Audit Committee has recommended to the Board that the existing auditors, Messrs. Ernst & Young, Chartered Accountants be reappointed. Ernst & Young have expressed their willingness to continue in office and ordinary resolution reappointing them as auditors and authorizing the Directors to determine their remuneration will be proposed at the forthcoming AGM.

RELATED PARTY TRANSACTIONS

Transaction of the related parties (as defined in LKRS 24- Related Parties Disclosure) with the Company are set out in Note No 31 to the Financial Statements. There are no any other related party transaction which exceed the threshold of 10% of the equity or 5% of the total assts, whichever is lower than in relation to non-recurrent related party transactions or 10% of the gross revenue in relation to recurrent related party transactions other than the transaction mentioned in page 123 The Company has complied with the requirements of the Listing Rules of the Colombo Stock Exchange on Related Party Transactions.

GOING CONCERN

The Directors having assessed the environment within which it operates, the Board is satisfied that the Company and the Group have adequate resources to continue its operations in the foreseeable future. Therefore, the Directors have adopted the going-concern basis in preparing the financial statements.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on Monday the 30th September 2024 at 10.00 a.m. The Notice of the Annual General Meeting is on page 141 of the Annual Report.

Sgd.

A K Pathirage

Chairman/Managing Director

Sgd.

Dr. Manjula Karunaratne

Group Chief Executive Officer

Sgd.

Softlogic Corporate Services (Pvt) Ltd

Secretaries

5 September 2024

Colombo

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INDEPENDENT AUDITOR'S REPORT



Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel : +94 11 246 3500
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Email: eysl@lk.ey.com
ey.com

TO THE SHAREHOLDERS OF ASIRI HOSPITAL HOLDINGS PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the financial statements of Asiri Hospital Holdings 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 2024, 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 material accounting policy information

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion section of our report*, 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 2024, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Qualified Opinion

As detailed in Notes 19.1 and 20, the related party receivable balances from Softlogic Holdings PLC and its Subsidiaries as of reporting date amounted to Rs. 489 million and Rs.11,367 million respectively. We do not have sufficient and appropriate audit evidence to determine the timing of related recoveries and consequential impact if any on these financial statements.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report. 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
<ul style="list-style-type: none"> Assessment of fair value of land and buildings <p>Property, Plant and Equipment includes Land and Buildings carried at fair value as disclosed in Note 9 to the financial statements.</p> <p>This was a key audit matter due to:</p> <ul style="list-style-type: none"> Materiality of the reported Land & Buildings balances which amounted to Rs. 28 Bn and represented 53% of the total assets as of 31 March 2024. The degree of management assumptions, judgements and estimations involved in assessing the fair value of Land and Buildings. 	<p>Our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"> Assessed the competency, capability and objectivity of the external valuer engaged by the Group. Read the external valuer's report and understood the approach taken by the valuer in determining the valuation of each Land and Building.

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

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shaktivel B.Com (Sp), W D P L Perera ACA

A member firm of Ernst & Young Global Limited

INDEPENDENT AUDITOR'S REPORT



Key audit matter	How our audit addressed the key audit matter
<p>Key areas of significant judgments, estimates and assumptions used in the valuation of the Land and Buildings included the following:</p> <ul style="list-style-type: none"> • Capitalising Rate • Year on Year Growth Rate <p>as disclosed in Note 9 to the financial statements</p>	<ul style="list-style-type: none"> • Assessed the reasonableness of the significant judgements, estimates and assumptions made by the valuer such as Capitalising at Rate and Year on Year Growth Rate and valuation technique as relevant in assessing the fair value of each property. <p>We have also assessed the adequacy of the disclosures made in Note 9 to the financial statements.</p>
<p>Revenue recognition</p> <p>The Group derives its revenue of Rs. 28.5 Bn by providing healthcare services as disclosed in Notes 2.4.15 and 3.1 to the financial statements</p> <p>Revenue was a key audit matter due to:</p> <ul style="list-style-type: none"> • Materiality of the reported revenues coupled with the increase of 15% in revenue recorded by the Group during the year. • Reliance on Information Technology (IT) • Complexity of revenue recognition due to involvement of multiple divisions to provide medical services 	<p>Our audit procedures included the following;</p> <ul style="list-style-type: none"> • Evaluated the design and tested the relevant key controls over revenue recognition. Our procedures included testing the general IT control environment and the relevant key IT application controls relating to the most significant IT systems relevant to revenue • Performed appropriate analytical procedures to understand and assess the reasonableness of the reported revenues • Tested the appropriateness of revenue recognized during the year and particularly towards the year end, by reviewing the relevant supporting documents and performing revenue cut off procedures. • We also, assessed the adequacy of the disclosures made in Notes 2.4.15 and 3.1 to the financial statements.
Key audit matter	How our audit addressed the key audit matter
<p>Interest Bearing Borrowings</p> <p>As of the reporting date, the Group reported total interest bearing borrowings of Rs. 17.8 Bn, of which Rs.11.9 Bn was reported as current liabilities and the balance Rs. 5.9 Bn as non-current liabilities, as disclosed in Note 23, 28.2 and 32.4.</p> <p>Interest bearing borrowings was a key audit matter due to:</p> <ul style="list-style-type: none"> • The materiality of the interest-bearing borrowings and its significance to the overall financial statements (61% of total liabilities). • Existence of a number of financial and non-financial covenants and disclosures relating to the current and non-current classification of such borrowings in the financial statements. 	<p>Our audit procedures included the following;</p> <ul style="list-style-type: none"> • Obtained direct confirmations from Financial Institutions for outstanding amounts as of the reporting date. • Tested source documents for loans obtained and repayments and recomputed the interest expense. • Obtained an understanding of the term of repayments and covenants attached to external borrowings, by reading the loan agreements and ensured the loans are duly classified. • We assessed the adequacy and appropriateness of the disclosures made in Notes 23, 28.2 and 32.4 relating to interest bearing borrowings.

Other Information included in the 2024 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 the management and those charged with governance for the financial statements

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



In preparing the financial statements, management is responsible for assessing the 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on other legal and regulatory requirements

As required by Section 163 (2) of the Companies Act No. 07 of 2007, except for the possible effects of the matter described in the *Basis for Qualified Opinion* Section of our report, 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 2440.

05 September 2024
Colombo

STATEMENT OF PROFIT OR LOSS

Year ended 31 March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Revenue	3.1	28,571,486,701	24,785,715,950	12,376,923,386	10,477,629,150
Cost of services		(15,023,852,927)	(13,118,805,196)	(6,117,964,717)	(5,145,823,886)
Gross Profit		13,547,633,774	11,666,910,754	6,258,958,669	5,331,805,264
Other Income	3.2	232,356,877	223,071,731	133,766,370	124,922,954
Administrative Expenses		(6,710,341,742)	(5,195,589,669)	(2,794,631,860)	(2,175,749,726)
Selling and Distribution Expenses		(765,869,885)	(786,202,113)	(381,093,493)	(326,125,152)
Finance Cost	4	(3,585,193,628)	(5,152,096,165)	(2,809,453,233)	(3,905,821,284)
Finance Income	5	1,649,711,233	2,439,180,709	168,435,984	184,648,057
Profit/(Loss) Before Tax	6	4,368,296,629	3,195,275,245	575,982,437	(766,319,887)
Tax Expense	7	(1,249,419,606)	(1,496,016,789)	(141,174,379)	(215,417,393)
Profit/(Loss) for the Year		3,118,877,023	1,699,258,456	434,808,058	(981,737,280)
Attributable to:					
Equity Holders of the Parent Company		2,887,039,575	1,468,949,169		
Non-Controlling Interests		231,837,448	230,309,287		
		3,118,877,023	1,699,258,456		
Earnings Per Share - Basic	8	2.54	1.29	0.38	(0.86)

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 70 through 131 form an integral part of these Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March	Note	Group		Company	
		2024	2023	2024	2023
		Rs.	Rs.	Rs.	Rs.
Profit/(Loss) for the Year		3,118,877,023	1,699,258,456	434,808,058	(981,737,280)
Other Comprehensive Income not to be reclassified to Statement of Profit or Loss in subsequent periods (net of tax):					
Profit/(Loss) on Equity Instruments at Fair Value Through Other Comprehensive Income	14.2	109,847,673	(63,262,454)	(11,097,815)	2,056,577
Revaluation Gain/(Loss) of Land and Buildings	9	1,373,967,659	3,589,711,463	(227,449,982)	1,031,292,485
Actuarial Gain/(Loss) on Post Employment Benefit Liability	25.1	(89,558,835)	199,974,696	(49,878,212)	90,682,227
Net Other Comprehensive Income not to be reclassified to Statement of Profit or Loss in subsequent periods		1,394,256,497	3,726,423,705	(288,426,009)	1,124,031,289
Other Comprehensive Income to be reclassified to Statement of Profit or Loss in subsequent periods:					
Currency Translation of Foreign Operation		1,169,494	(270,590)	-	-
Net Other Comprehensive Income to be reclassified to Statement of Profit or Loss in subsequent periods		1,169,494	(270,590)	-	-
Tax on Other Comprehensive Income	24.1	(253,717,375)	(2,072,450,239)	83,198,459	(1,067,868,681)
Other Comprehensive Income for the Year, Net of Tax		1,141,708,616	1,653,702,877	(205,227,550)	56,162,608
Total Comprehensive Income for the Year, Net of Tax		4,260,585,639	3,352,961,334	229,580,508	(925,574,672)
Total Comprehensive Income Attributable to:					
Equity Holders of the Parent Company		3,978,118,247	3,063,669,509		
Non-Controlling Interest		282,467,392	289,291,824		
		4,260,585,639	3,352,961,334		

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 70 through 131 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 31 March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
ASSETS					
Non-current Assets					
Property, Plant and Equipment	9	33,933,057,389	33,205,836,331	14,450,100,900	14,918,707,716
Right of Use Assets	10	1,143,015,755	1,175,011,170	978,095,752	1,000,620,616
Goodwill	11	609,654,071	609,654,071	-	-
Investment in Subsidiaries	12	-	-	12,345,355,984	12,341,731,252
Loans Granted to Related Parties	20	5,697,136,509	5,354,886,724	-	-
Other Non Current Assets	13	65,460,763	61,506,062	39,478,762	35,524,062
Non Current Financial Assets	14	289,955,091	351,419,210	30,000,000	99,929,600
		41,738,279,578	40,758,313,568	27,843,031,398	28,396,513,246
Current Assets					
Inventories	17	1,282,041,887	1,232,954,509	566,507,533	470,774,491
Trade and Other Receivables	18	1,137,001,482	802,221,721	1,051,581,874	801,408,927
Loans Granted to Related Parties	20	5,670,064,057	5,456,408,364	367,780,445	328,265,517
Other Current Assets	19	1,916,662,503	1,465,989,036	621,643,487	524,907,964
Cash and Cash Equivalents	28.1	805,195,077	569,167,858	128,071,765	156,585,810
		10,810,965,006	9,526,741,487	2,735,585,104	2,281,942,709
Total Assets		52,549,244,585	50,285,055,054	30,578,616,502	30,678,455,955
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	21	4,748,108,334	4,748,108,334	4,748,108,334	4,748,108,334
Other Components of Equity	22	10,491,520,462	8,368,528,850	3,943,767,585	4,069,022,149
Retained Earnings		6,456,689,502	4,600,553,861	1,209,495,718	854,660,646
Equity Attributable to Equity Holders of the Parent		21,696,318,298	17,717,191,045	9,901,371,637	9,671,791,129
Non-Controlling Interests		1,736,127,637	1,458,293,985	-	-
Total Equity		23,432,445,935	19,175,485,030	9,901,371,637	9,671,791,129
Non-current Liabilities					
Interest Bearing Loans and Borrowings	23	6,235,655,212	4,715,755,743	8,651,060,490	5,220,707,512
Deferred Tax Liabilities	24	4,985,935,804	4,573,108,327	2,257,187,690	2,212,227,860
Employee Benefit Liability	25	785,016,893	582,583,970	309,225,743	223,590,779
		12,006,607,909	9,871,448,040	11,217,473,923	7,656,526,151
Current Liabilities					
Trade and Other Payables	26	3,947,228,688	3,653,043,000	1,612,249,784	1,747,169,469
Dividend Payable		75,434,265	75,685,657	61,786,875	61,999,952
Interest Bearing Loans and Borrowings	23	7,913,231,606	12,808,752,047	5,000,117,117	8,754,221,822
Income Tax Payable	27	1,091,742,701	521,814,063	-	7,140,625
Bank Overdraft	28.2	4,082,553,481	4,178,827,217	2,785,617,166	2,779,606,807
		17,110,190,741	21,238,121,984	9,459,770,942	13,350,138,675
Total Equity and Liabilities		52,549,244,585	50,285,055,054	30,578,616,502	30,678,455,955

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

Sgd.
Ajith Karunaratne
Director Finance

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 70 through 131 form an integral part of these Financial Statements.

5 September 2024
Colombo

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March GROUP	Attributable to Equity Holders of the Parent									
	Stated Capital	Fair Value Reserve of Financial Assets at FVOCI	Revaluation Reserve	Other Reserve	Retained Earnings	Foreign Currency Translation Reserve	Total	Non- Controlling Interest	Total Equity	Rs.
As at 31 March 2022	4,748,108,334	(183,580,613)	8,072,444,831	(920,572,167)	2,990,073,368	(3,004,019)	14,653,469,734	1,169,367,850	15,822,837,584	Rs.
Profit for the Year	-	-	-	-	1,468,949,169	-	1,468,949,169	230,309,287	1,699,258,456	Rs.
Other Comprehensive Income	-	(50,645,891)	1,503,411,068	-	142,225,752	(270,590)	1,594,720,340	58,982,537	1,653,702,877	Rs.
Total Comprehensive Income	-	(50,645,891)	1,503,411,068	-	1,611,174,921	(270,590)	3,063,669,509	289,291,824	3,352,961,333	Rs.
Acquisition of Non-Controlling Interests	-	-	-	51,804	-	-	51,804	(365,689)	(313,885)	Rs.
Equity Investments at FVOCI reclassified to Retained Earnings	-	694,428	-	-	(694,428)	-	-	-	-	Rs.
As at 31 March 2023	4,748,108,334	(233,532,076)	9,525,855,899	(920,520,363)	4,600,553,861	(3,274,609)	17,717,191,047	1,458,293,985	19,175,485,030	Rs.
Profit for the Year	-	-	-	-	2,884,111,056	2,928,519	2,887,039,575	231,837,448	3,118,877,023	Rs.
Other Comprehensive Income	-	86,595,966	1,066,719,030	-	(63,405,819)	1,169,494	1,091,078,671	50,629,944	1,141,708,615	Rs.
Total Comprehensive Income	-	86,595,966	1,066,719,030	-	2,820,705,237	4,098,013	3,978,118,246	282,467,392	4,260,585,638	Rs.
Acquisition of Non-Controlling Interests	-	-	-	1,009,006	-	-	1,009,006	(4,633,739)	(3,624,733)	Rs.
Equity Investments at FVOCI reclassified to Retained Earnings	-	45,058,239	-	-	(45,058,239)	-	-	-	-	Rs.
As at 31 March 2024	4,748,108,334	(101,877,871)	10,592,574,929	(919,511,357)	7,376,200,859	823,404	21,696,318,298	1,736,127,637	23,432,445,935	Rs.

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 70 through 131 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March	Stated Capital	Revaluation Reserve	Retained Earnings	Fair Value Reserve of Financial Assets at FVOCI	Total
COMPANY	Rs.	Rs.	Rs.	Rs.	Rs.
As at 31 March 2022	4,748,108,334	4,112,354,091	1,773,614,804	(36,711,427)	10,597,365,801
Loss for the Year	-	-	(981,737,280)	-	(981,737,280)
Other Comprehensive Income	-	(9,371,519)	63,477,550	2,056,577	56,162,608
Total Comprehensive Income	-	(9,371,519)	(918,259,730)	2,056,577	(925,574,672)
Equity investments at FVOCI reclassified to retained earnings	-	-	(694,428)	694,428	-
As at 31 March 2023	4,748,108,334	4,102,982,572	854,660,646	(33,960,422)	9,671,791,129
Profit for the Year	-	-	434,808,058	-	434,808,058
Other Comprehensive Income	-	(159,214,987)	(34,914,748)	(11,097,815)	(205,227,550)
Equity investments at FVOCI reclassified to retained earnings	-	-	(45,058,238)	45,058,238	-
Total Comprehensive Income	-	(159,214,987)	354,835,072	33,960,423	229,580,509
As at 31 March 2024	4,748,108,334	3,943,767,585	1,209,495,718	-	9,901,371,637

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 70 through 131 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

Year ended 31 March	Note	Group		Company	
		2024	2023	2024	2023
		Rs.	Rs.	Rs.	Rs.
Cash Flows From Operating Activities					
Profit Before Tax Expense		4,368,296,629	3,195,275,245	575,982,437	(766,319,887)
Adjustments for					
Depreciation	9	1,748,174,196	1,580,756,616	757,776,508	707,749,146
Amortisation of Right of Use Assets	10.2	172,885,079	151,485,950	120,220,258	109,878,486
Net Loss on Disposal of Property, Plant and Equipment	3.2	2,026,361	2,388,264	2,006,869	1,839,599
Provision for Bad and Doubtful Debts	6	8,382,179	22,928,988	4,403,347	10,198,283
Provision and Inventory Write-off		-	13,338,038	-	2,754,908
Provision for Retirement Gratuity	25.1	207,669,838	174,853,394	81,712,597	69,195,315
Unrealized Foreign Currency Exchange Gain		3,332,767	48,122	375,340	92,077
Script Dividend Income		(16,354,500)	-	(3,569,980)	-
Net loss on share disposal		(10,420,535)	-	1,258,709	-
Fair Value movement in Financial Investment	5	-	(426,026)	-	-
Finance Cost	4	3,585,193,628	5,152,096,165	2,809,453,233	3,905,821,284
Finance Income	5	(1,649,711,233)	(2,403,810,378)	(168,435,984)	(178,648,057)
Dividend Income	5	-	(34,944,306)	-	(6,000,000)
Operating Profit Before Working Capital Changes		8,419,474,409	7,853,990,074	4,181,183,335	3,856,561,154
Changes in Working Capital					
(Increase)/Decrease in Inventories		(49,087,378)	(246,072,357)	(95,733,042)	(173,976,364)
(Increase)/ Decrease in Trade and Other Receivables		(186,814,383)	(117,405,162)	(258,530,994)	(344,403,982)
(Increase)/ Decrease in Other Current Assets		(196,431,195)	(292,881,160)	1,702,819	17,965,778
Increase/ (Decrease) in Trade and Other Payables		294,185,688	1,714,780,751	(134,919,685)	670,888,105
Cash Generated From Operations		8,281,327,142	8,912,412,147	3,693,702,433	4,027,034,691
Income Tax Paid	27	(520,311,632)	(864,424,333)	(20,156,716)	(219,721,855)
Defined Benefit Plan Costs Paid	25	(94,551,256)	(91,081,071)	(49,599,224)	(32,464,456)
Finance Cost Paid		(3,291,378,925)	(4,822,860,043)	(1,864,520,712)	(3,156,253,119)
Net Cash From Operating Activities		4,375,085,329	3,134,046,700	1,759,425,781	618,595,261
Cash Flows From/(Used in) Investing Activities					
Acquisition of Property, Plant and Equipment		(1,094,300,063)	(1,453,825,192)	(518,460,536)	(490,958,361)
Acquisition of Right of use Assets		(46,947)	(2,724,074)	(254,121)	-
Increase in Interest in Subsidiaries		-	-	(3,624,732)	(313,885)
Proceeds from Disposal of Property, Plant and Equipment		7,677,788	17,929,412	3,019,122	967,533
Interest and Guarantee Income Received		60,582,577	520,426,664	4,594,032	69,066,504
Dividends Received		-	-	-	744,959,212
Cash received from Sale of shares		61,143,055	-	61,143,055	-
Proceed from/(repayment of) Loans Obtained From Related Parties		(125,000,000)	-	560,482,578	-
(Increase)/ Decrease in Loans Granted to Related Parties		107,713,006	(4,833,894,227)	5,000,000	407,663,648
Net Cash Flows From/(Used in) Investing Activities		(982,230,584)	(5,752,087,417)	111,899,397	731,384,651
Cash Flows From/(Used in) Financing Activities					
Dividends Paid		(213,077)	(1,338,551,845)	(213,077)	(1,338,551,845)
Dividends Paid to Minority Shareholders		(38,315)	(95,395,200)	-	-
Proceeds from Interest Bearing Borrowings		2,601,942,526	7,431,592,416	1,876,424,009	7,059,073,073
Repayment of Interest Bearing Borrowings		(5,449,062,093)	(4,073,679,285)	(3,634,536,068)	(7,266,338,144)
Repayment of Lease Obligations		(209,558,100)	(220,892,978)	(147,524,447)	(149,150,170)
Acquisition of Non Controlling Interests		(3,624,732)	(313,885)	-	-
Net Cash Flows From/ (Used in) Financing Activities		(3,060,553,791)	1,702,759,222	(1,905,849,583)	(1,694,967,087)
Net Increase/(Decrease) in Cash and Cash Equivalents		332,300,955	(915,281,495)	(34,524,404)	(344,987,174)
Cash and Cash Equivalents at the Beginning of the Year		(3,609,659,359)	(2,694,377,864)	(2,623,020,997)	(2,278,033,823)
Cash and Cash Equivalents at the End of the Year	28	(3,277,358,404)	(3,609,659,359)	(2,657,545,401)	(2,623,020,997)

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 70 through 131 form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 General

Asiri Hospital Holdings 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. 181, Kirula Road, Colombo 5.

1.2 Principal Activities and Nature of Operations

During the period, principal activities of the Company were to operate a hospital, provide healthcare services and managing and holding of investments in the healthcare industry.

The principal activities of the Subsidiaries are disclosed in Note 2.2 to the Financial Statements.

1.3 Parent Enterprise and Ultimate Parent Enterprise

The Company's parent undertaking is Softlogic Holdings PLC which is incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange (CSE).

1.4 Date of Authorization for Issue

The Financial Statements of Asiri Hospital Holdings PLC and its Subsidiaries for the year ended 31 March 2024 was authorised for issue in accordance with a resolution of the Board of Directors on 5 September 2024.

1.5 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.

2. BASIS OF PREPARATION AND 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 lands and buildings, defined benefit obligation, investment properties, fair valued through other comprehensive income financial assets, which have been measured at fair value.

Going Concern

The Management has made an assessment of the Group's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future.

This assessment includes the existing and anticipated effects from the current economic crisis and the circumstances of the external environment on significant assumptions that are sensitive or susceptible to change, or are inconsistent with historical trends.

The Group valued 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 Group 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 Group'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.

Offsetting

Assets and liabilities or income and expenses, are not offset unless required or permitted by Sri Lanka Accounting Standards.

Materiality and Aggregation

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

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 confirm 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.

2.2 Basis of Consolidation

The Consolidated Financial Statements encompass Company, Its Subsidiaries (together referred to as the "Group").

2.2.1 Subsidiaries

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
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 (including goodwill), 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 2024 of the following subsidiary companies are included in the Consolidated Financial Statements.

Company	Effective Holding 2024	Effective Holding 2023	Principal Activities
1. Asiri Central Hospitals Ltd	99.10%	99.10%	The principal activities of the Company were providing medical services. With the cessation of the medical services business operations, the Company operated as an investment company.
2. Asiri Hospital Matara (Pvt) Ltd.	100%	100%	The principal activities of the Company are to operate a hospital and provide healthcare services.
3. Asiri Diagnostics Services (Pvt) Ltd.	66.54%	66.54%	The principal activities of the Company are to carry out diagnostic laboratory services.
4. Asiri Surgical Hospital PLC	79.96%	79.96%	The principal activities of the Company are to operate a two tier hospital and provide healthcare services
5. Central Hospital Ltd	99.73%	99.73%	The principal activities of the Company are to operate a hospital and provide healthcare services. The principal activities of the Company are to carry out diagnostic laboratory services.
6. Asiri Laboratories (Pvt) Ltd.	100%	100%	Company was incorporated on 20 January 2016 under the Companies Act No. 07 of 2007 and has not commenced its operations.
7. Asiri Hospital Galle (Pvt) Ltd	100%	100%	The principal activities of the Company are to operate a hospital and provide healthcare services.
8. Asiri AOI Cancer Centre (Pvt) Ltd	39.98%	39.98%	The principal activities of the Company are to carry out cancer treatment services.
9. Asiri Myanmar Limited	-	100%	This Company was liquidated in 2023/2024 period.
10. Asiri Diagnostic Services (Asia) Pte. Ltd	100%	100%	The principal activities of the Company are to investment in medical diagnostic opportunities in South and South East Asia and has not commenced its operations
11. Asiri Port City Hospital (Pvt) Ltd	100%	100%	Company was incorporated on 4 May 2022 under the Companies Act No. 07 of 2007 and has not commenced its operations.
12. Asiri Academy of Health Sciences (Pvt) Ltd	100%	100%	Company was incorporated on 7 September 2023 under the Companies Act No. 07 of 2007 and and the principal activities of the company. providing access to world class health care education.

NOTES TO THE FINANCIAL STATEMENTS

The total profits or losses for the year of the Company and Its Subsidiaries included in consolidation and all assets and liabilities of the Company and Its Subsidiaries included in consolidation are shown in the Consolidated Statement of Profit or Loss,, Statement of Comprehensive Income and Statement of Financial Position respectively.

Non-controlling interest which represents the portion of profit or loss and net assets not held by the group, are shown as a component of profit for the year in the Statement of Profit or Loss,, Statement of Other Comprehensive Income and as a component of equity in the Consolidated Statement of Financial Position, separately from parent's shareholders' equity.

The Consolidated Statement of Cash Flows includes the cash flows of the Company and Its Subsidiaries.

2.3 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Financial Statements of the Group require the management to make judgments, estimates and assumptions, which may affect the amounts of income, expenditure, assets , liabilities and the disclosure of contingent liabilities, at the end of the reporting period. In the process of applying the Group's accounting policies, the key assumptions made relating to the future and the sources of estimation at the reporting date together with the related judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Fair Value of Property, Plant and Equipment

The Group measures land and buildings at revalued amounts with changes in fair value being recognised in Other Comprehensive Income. Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.Capital work in progress is stated at cost less accumulated impairment.

Fair value related disclosures for assets measured at fair value are summarized in the Note 16.1 to the Financial Statements.

Deferred Tax Assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

In determining the temporary difference pertaining to property, plant and equipment, management adopted a revised estimation technique to better reflect the related tax consequence (Refer Note 24).

Defined Benefit Plans

The cost of the retirement 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 increase, staff turnover, retirement age and going concern of the Group. Due to the long term nature of the plan, such estimates are subject to significant uncertainty. (Refer Note 25)

Leases

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its Incremental Borrowing Rate (IBR) to measure lease liabilities. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Provision for Expected Credit Losses of Financial Assets

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.

2.4 Summary Of Significant Accounting Policies Applied

2.4.1 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.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in Statement of Profit or Loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in this circumstance is measured based on the relative values of the disposed operation and the portion the cash-generating unit retained.

2.4.1.1 Impairment of Goodwill

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use (VIU). The fair value less costs to sell calculation is based on available data from an active market in an arm's length transaction of similar assets, or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet

committed to or significant future investments that will enhance the performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

The recoverable amount of all CGUs have been determined based on the higher of fair value less costs to sell and its Value in Use (VIU) calculation. VIU is determined by discounting the future cash flows generated from continuing use of the unit. The recoverability of quoted entities determined based on share price existed as at reporting date. The key assumptions used are given below:

Business growth - volume growth has been budgeted on a reasonable and realistic basis by taking into account the growth rates of one to five years immediately subsequent to the budgeted year, based on industry growth rates.

Inflation - budgeted cost inflation is the inflation rate, based on projected economic conditions.

Discount rate - the discounting rate used is the risk free rate increased by an appropriate risk premium.

Margin - budgeted gross margins are the gross margins achieved in the year preceding, adjusted for projected market conditions and business plans.

2.4.2 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 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 Statement of Profit or Loss.

Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item (i.e., the translation differences on items whose fair value gain or loss is recognised in Other Comprehensive income (OCI) or Statement of Profit or Loss, are also recognised in OCI or Statement of Profit or Loss, respectively).

2.4.3 Current Versus Non-Current Classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in a normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period or
- It does not have a right at the reporting date to defer settlement of the liability by the transfer of cash or other assets for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

NOTES TO THE FINANCIAL STATEMENTS

2.4.4 Fair Value Measurement

Fair value related disclosures for assets measured at fair value or financial instruments that are not measured at fair value, for which fair values are disclosed, are summarized in the Note 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.

2.4.5 Taxation

Current Taxes

Current income tax assets and liabilities for the current and prior years 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.

Asiri Central Hospitals Ltd

Income tax wholly represents tax on income derived from interest income.

Central Hospital Ltd

The company's income tax on operating profit shall be charged at a concessionary tax rate of 15%. However, other income is liable for income tax at 30%.

Asiri Hospital Galle (Pvt) Ltd

The profits of Asiri Hospital Galle (Pvt) Ltd for the year charged at 20%. However, other income is liable for income tax at 30%.

Following Companies are liable to pay tax on business and other income earned at the prevailing tax rates.

- Asiri Hospital Holdings PLC
- Asiri Surgical Hospital PLC
- Asiri Diagnostics Services (Pvt) Ltd
- Asiri Hospital Matara (Pvt) Ltd
- Asiri AOI Cancer Centre (Pvt) Ltd
- Asiri academy of Health Sciences (Pvt) Ltd

Deferred Taxation

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial 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, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, 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 that have been enacted or substantively enacted at the reporting date. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside Statement of Profit or Loss is recognised outside Statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in Equity.

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.

2.4.6 Property, Plant and Equipment

Property, plant and equipment are initially stated at cost and 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 Statement of Profit or Loss as incurred.

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 derecognising 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 derecognised.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

Capital expenditure incurred in relation to fixed assets which are not completed as at the reporting date are shown as capital work-in-progress and is stated at cost. On completion, the related assets are transferred to property, plant and equipment. Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

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.

Subsequent Measurement

Property, plant and equipment is stated at cost or valuation, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

Free hold land and buildings are subsequently measured at fair value at the date of revaluation while other classes of property, plant and equipment are measured using the cost model.

Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recognised in Other Comprehensive Income and credited to the revaluation reserve 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, such 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 revaluation reserve.

2.4.7 Leases

Estimating the Incremental Borrowing Rate

The Group 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 Group 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 Group '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

Group 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 Group 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 Group 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 Group 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 Group 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 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 Group 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

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and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a Lessor

Leases in which the Group 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.

2.4.8 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.

2.4.9 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 section 2.4.15 Revenue.

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 market place (regular way trades) are recognised 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 amortized 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 other 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 elected to classify irrevocably its equity investments under this category.

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 Group 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 18

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 recognised 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 amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization 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 amortization is included as finance costs in the Statement of Profit or Loss.

Financial Guarantee Contracts

Financial guarantee contracts issued by the Group 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

A financial liability is derecognised 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 recognised in the Statement of Profit or Loss.

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2.4.10 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 the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount 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. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the Statement of Profit or Loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to Other Comprehensive Income. For such properties, the impairment is recognised in Other Comprehensive Income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

Impairment losses relating to goodwill cannot be reversed in future periods. Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.4.11 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.

The cost incurred in bringing inventories to its present location and conditions are accounted on First-in First-out basis.

2.4.12 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 Statement of Cash Flow, 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.

2.4.13 Provisions

Provisions are recognised when the Group 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 expects some or all of a provision to be reimbursed, the reimbursement is recognised 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.

2.4.14 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 increase 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 the Statement of Other Comprehensive Income. The gratuity liability is not externally funded.

b) Defined Contribution Plans:

Employee' 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 to Employees' Provident Fund and Employees' Trust Fund.

2.4.15 Revenue

The Group 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 expects to be entitled in exchange for those services or goods.

The Group recognised the revenue based on SLFRS 15 with effect from 1 April 2018. It applies to all contracts with customers to provide goods and services in the ordinary course of business. The Group/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 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 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 a point in time when control of that items are 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 assesses its revenue arrangements against specific criteria in order to determine if it is acting as principle or agent. The Group has concluded that the service revenues are presented net of doctor fees in cases where the Group is not the primary obligor and does not have the pricing latitude.

2.4.16 Contract Assets

Contract assets are Group's right to consideration in exchange for goods or services that the Group 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.

2.4.16 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 has been disclosed in trade and other payable Note 26.

2.4.17 Dividend Income

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

2.4.18 Other Income

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

2.4.19 Finance 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 payments or 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 Statement of Profit or Loss.

2.4.20 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.

2.4.21 Expenditure

Expenses are recognised in the Statement of Profit or Loss on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure

NOTES TO THE FINANCIAL STATEMENTS

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 Statement of Profit or Loss.

For the purpose of presentation of the Statement of Profit or Loss, the “function of expenses” method has been adopted, on the basis that it presents fairly the elements of the Group’s performance.

2.4.22 Dividend

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

2.4.23 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.

2.4.24 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 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.

2.4.25 Statement of Cash Flow

The Statement of Cash Flows has been prepared using the “indirect method”.

2.5 New and Amended Standard

No significant impact resulted on the financial statements of the Group due to changes in Accounting Standards and disclosures during the year

2.6 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.

• Classification of Liabilities as Current or Non-current - Amendment to LKAS 1

Amendments to LKAS 1 relate to classification of liabilities with covenants as current or non-current. The amendments clarify that if an entity’s right to defer settlement of a liability is subject to the entity complying with the required covenants only at a date subsequent to the reporting period (“future covenants”), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. The requirements apply only to liabilities arising from loan arrangements.

The amendments are effective for annual periods beginning on or after 1 January 2024.

• Disclosures: Supplier Finance Arrangements - Amendments to LKAS 7 and SLFRS 7

The amendments clarify the characteristics of supplier finance arrangements and require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements.

The amendments are effective for annual periods beginning on or after 1 January 2024

• Lease Liability in a Sale and Leaseback - Amendment to SLFRS 16

The amendments to SLFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. A seller-lessee applies the amendment retrospectively in accordance with LKAS 8 to sale and leaseback transactions entered into after the date of initial application

The amendments are effective for annual periods beginning on or after 1 January 2024

• International Tax Reform—Pillar Two Model Rule - Amendments to LKAS 12

The amendments to LKAS 12 introduce a mandatory exception in LKAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. An entity is required to disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The amendments are effective for annual periods beginning on or after 1 January 2024

3. REVENUE AND OTHER INCOME

3.1 Revenue

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Healthcare Services	27,522,169,265	22,889,367,078	11,582,235,702	9,854,036,990
Sale of Pharmaceutical Goods	1,044,502,436	1,896,348,872	794,687,684	623,592,160
Other Services	4,815,000	-	-	-
	28,571,486,701	24,785,715,950	12,376,923,386	10,477,629,150

3.1.a 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 and other income generated and is measured consistently with revenue and other income 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 Pharmacy revenue
- Other revenue includes income generated from healthcare professional services provided by Asiri Academy of Health Sciences (Pvt) Ltd.

The following table presents the revenue and other income generated by the Group's segments for the year ended 31st March 2024 and comparative figures for the year ended 31st March 2023.

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Pre Care	12,138,901,147	9,918,421,174	6,909,129,273	5,721,040,575
Post Care	14,640,430,255	12,231,555,527	4,673,106,429	3,393,606,039
Pharmaceutical	1,787,340,299	2,635,739,249	794,687,684	1,362,982,536
Other Services	4,815,000	-	-	-
	28,571,486,701	24,785,715,950	12,376,923,386	10,477,629,150

3.1.b Timing of Revenue Recognition

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Services and Goods Transferred at a Point In Time	13,926,241,446	12,554,160,423	7,703,816,957	7,084,023,111
Services Transferred Over Time	14,645,245,255	12,231,555,527	4,673,106,429	3,393,606,039
	28,571,486,701	24,785,715,950	12,376,923,386	10,477,629,150

NOTES TO THE FINANCIAL STATEMENTS

3.2 Other Income

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Rental Income	139,991,698	121,372,089	56,317,728	52,757,829
Share of Profit from Jointly Operating Laboratories	66,992,120	64,784,212	66,992,120	64,784,212
Net Loss on Disposal of Property, Plant and Equipment	(2,026,361)	(2,388,264)	(2,006,869)	(1,839,599)
Exchange Gain/(Loss) on Foreign Currency	(2,204,099)	13,610,406	(1,667,426)	1,782,965
Sundry Income	29,603,519	25,693,289	14,130,817	7,437,547
	232,356,877	223,071,731	133,766,370	124,922,954

4. FINANCE COST

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Interest Expense on External Borrowings	2,746,521,754	4,072,955,302	1,352,693,292	2,134,416,144
Interest Expense on Inter Company Borrowings	92,160,037	79,556,735	898,257,544	1,061,712,451
Bank Charges on Interest Bearing Loans and Borrowings	14,071,983	17,369,599	6,049,814	8,972,241
Interest on Bank Overdrafts	641,947,952	923,055,834	467,148,562	645,994,291
Lease Interest	90,491,902	59,158,696	81,217,380	50,113,386
Guarantee Expense	-	-	4,086,641	4,612,771
	3,585,193,628	5,152,096,165	2,809,453,233	3,905,821,284

5. FINANCE INCOME

Interest Income	1,635,319,267	2,402,069,545	147,547,303	155,430,106
Guarantee Income	1,561,322	1,740,833	20,888,681	23,217,951
Fair Value movement in Financial Investment	-	426,026	-	-
Dividend Income	12,830,644	34,944,306	-	6,000,000
	1,649,711,233	2,439,180,709	168,435,984	184,648,057

6. PROFIT BEFORE TAX

Profit Before Tax is stated after charging all expenses including the following:

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Included in Cost of Sales				
Depreciation	819,190,703	734,941,501	266,312,594	250,079,318
Staff related Expenses including EPF and ETF	4,258,327,229	3,734,133,567	1,747,065,260	1,458,755,458
Defined Contribution Plan Costs - EPF and ETF	380,760,771	335,476,055	147,408,208	127,807,049
Included in Administrative Expenses				
Depreciation	928,983,493	845,815,115	491,463,915	457,653,269
Staff related Expenses including Gratuity,EPF and ETF	1,575,562,761	1,381,776,762	607,832,814	495,166,341
Defined Benefit Plan Costs - Gratuity	207,669,838	174,853,394	81,712,597	69,195,316
Defined Contribution Plan Costs - EPF and ETF	73,428,945	63,169,008	29,580,627	24,577,993
Directors' Fees and Remuneration	50,311,200	58,875,350	27,168,048	28,763,208
Amortization of Right of Use Assets	172,885,079	151,485,950	120,220,258	109,878,486
Donations	1,081,659	3,849,750	55,000	100,000
Legal Fees	55,102,236	16,984,069	31,429,714	2,226,863
Audit Fees and Reimbursable Expense	7,816,655	6,898,165	2,426,790	2,169,061
Included in Selling and Distribution Costs				
Advertising Expenses	329,327,849	379,392,310	225,586,399	189,384,198
Impairment of Trade Debtors	8,382,179	22,928,988	4,403,347	10,198,283

NOTES TO THE FINANCIAL STATEMENTS

7. INCOME TAX

The Major Components of Income Tax Expense are as follows :

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Current Income Tax				
Current Income Tax charge	988,276,817	903,288,816	26,700,000	-
(Over)/Under Provision in Respect of Previous Years	101,963,453	134,464,216	(13,683,909)	(5,000,000)
Deferred Income Tax				
Deferred Taxation recognised in Profit or Loss (Note 24)	159,179,336	458,263,758	128,158,288	220,417,393
Tax Expense reported in the Statement of Profit or Loss	1,249,419,606	1,496,016,789	141,174,379	215,417,393
Deferred Income Tax				
Deferred Taxation Recognised in Other Comprehensive Income (Note 24)	253,717,375	2,072,450,239	(83,198,458)	1,067,868,684
Tax Expense reported in the Statement of Other Comprehensive Income	253,717,375	2,072,450,239	(83,198,458)	1,067,868,684

7.1 Reconciliation between Tax Expense and Accounting Profit

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Accounting Profit/(Loss) before Tax	4,368,296,629	3,195,275,245	575,982,437	(766,319,887)
Other Source of Income	(2,714,151,423)	(2,586,473,824)	(225,170,612)	(226,187,934)
Other Consolidation Adjustments	(75,786,899)	(4,361,338)	-	-
Adjusted Accounting Profit/ (Loss) chargeable to Income Taxes	1,578,358,306	604,440,083	350,811,825	(992,507,821)
Deductible Expenses	(2,384,971,181)	(2,676,465,287)	(1,398,250,834)	(1,480,486,802)
Non Deductible Expenses	2,886,165,014	3,221,861,488	1,080,444,517	1,154,525,189
Assessable Income From Investment	2,183,978,438	1,708,391,794	225,170,612	226,187,934
Set off against Tax Losses	(475,350,642)	(351,854,663)	(258,176,120)	(208,187,935)
Taxable Income	3,788,179,935	2,506,373,415	-	(1,300,469,435)

Tax has been computed at 30% for all standard rate companies (including listed companies), at 15% for Central Hospital Ltd and 20% for Asiri Galle Hospital (Pvt) Ltd.

Income Tax at 14%	-	21,236,147	-	-
Income Tax at 15%	174,798,959	157,142,455	-	-
Income Tax at 24%	-	296,436,938	-	-
Income Tax at 30%	813,477,858	428,473,276	-	-
Current Income Tax charge	988,276,817	903,288,816	-	-

8. 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	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Profit Attributable to Equity Holders of the Parent Company	2,887,039,575	1,468,949,168	434,808,058	(981,737,280)
Basic Earnings per Share	2.54	1.29	0.38	(0.86)

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Weighted Average Number of Ordinary Shares	1,137,533,596	1,137,533,596	1,137,533,596	1,137,533,596

NOTES TO THE FINANCIAL STATEMENTS

9. PROPERTY, PLANT AND EQUIPMENT

9.1 Group

9.1.1 Gross Carrying Amounts

	Balance As at 01.04.2023 Rs.	Additions Rs.	Transfers Rs.	Revaluation Rs.	Disposal / Derecognition Rs.	Balance As at 31.03.2024 Rs.
At Cost or Valuation						
Land	7,905,420,009	74,059,000	-	(255,907,009)	-	7,723,572,000
Buildings	19,115,321,072	27,910,859	(413,330,167)	1,629,874,668	-	20,359,776,432
Building improvements on Lease Hold Land	43,094,798	2,478,345	-	-	-	45,573,143
Medical Equipment	9,833,386,877	570,727,964	2,100,000	-	(337,572,938)	10,068,641,903
Plant & Machinery	1,403,418,858	32,966,714	-	-	(1,291,320)	1,435,094,252
Furniture and Fittings	1,548,763,374	91,767,758	9,193,984	-	(26,938,477)	1,622,786,639
Motor Vehicles	366,726,488	-	41,799,390	-	-	408,525,878
Sundry Equipment	2,400,296,285	250,814,289	16,308,117	-	(105,640,774)	2,561,777,917
	42,616,427,762	1,050,724,929	(343,928,675)	1,373,967,659	(471,443,509)	44,225,748,164
Capital Work in Progress	29,473,318	43,575,134	(44,443,801)	-	-	28,604,650
Total Value of Assets	42,645,901,080	1,094,300,063	(388,372,476)	1,373,967,659	(471,443,509)	44,254,352,814

9.1.2 Accumulated Depreciation

	Balance As at 01.04.2023 Rs.	Charge for the Year Rs.	Transfers Rs.	Disposal / Derecognition Rs.	Balance As at 31.03.2024 Rs.
Buildings	-	429,671,867	(429,671,867)	-	-
Building improvements on Lease Hold Land	35,378,456	2,112,495	-	-	37,490,951
Medical Equipment	5,750,332,511	820,852,468	-	(331,175,837)	6,240,009,142
Plant & Machinery	868,688,016	52,542,876	-	(1,289,153)	919,941,739
Furniture and Fittings	975,198,856	114,060,123	-	(17,942,559)	1,071,316,420
Motor Vehicles	251,942,326	36,875,866	24,467,708	-	313,285,900
Sundry Equipment	1,558,524,583	292,058,502	-	(111,331,812)	1,739,251,273
Total Depreciation	9,440,064,748	1,748,174,196	(405,204,159)	(461,739,361)	10,321,295,425

Building transfers include the accumulated depreciation amounting to Rs.429 Mn (2023 - Rs.362Mn) as at revaluation date that was eliminated against the gross carrying amount of the Revalued Assets. Other Transfers pertain to assets that are transferred to other categories and related party entities.

9.2 Company

9.2.1 Gross Carrying Amounts

	Balance As at 01.04.2023 Rs.	Additions Rs.	Transfers Rs.	Revaluation Rs.	Disposal / Derecognition Rs.	Balance As at 31.03.2024 Rs.
At Cost or Valuation						
Land	3,680,700,000	74,059,000	-	(345,959,000)	-	3,408,800,000
Buildings	8,293,270,050	6,575,229	(185,354,317)	118,509,039	-	8,233,000,000
Medical Equipment	3,004,451,896	213,847,401	14,000,000	-	(261,560,258)	2,970,739,039
Plant & Machinery	246,820,101	1,165,093	-	-	-	247,985,194
Furniture and Fittings	664,890,105	77,391,911	9,324,767	-	(10,268,284)	741,338,498
Motor Vehicles	179,448,951	-	-	-	-	179,448,951
Sundry Equipment	1,559,666,493	145,070,353	(10,648,737)	-	(85,800,360)	1,608,287,749
	17,629,247,596	518,108,986	(172,678,287)	(227,449,961)	(357,628,902)	17,389,599,432
Capital Work-in-Progress	-	351,550	-	-	-	351,550
Total Value of Assets	17,629,247,596	518,460,536	(172,678,287)	(227,449,961)	(357,628,902)	17,389,950,982

9.2.2 Accumulated Depreciation

	Balance As at 01.04.2023 Rs.	Charge for the Year Rs.	Transfers Rs.	Disposal / Derecognition Rs.	Balance As at 31.03.2024 Rs.
Buildings	-	185,354,317	(185,354,317)	-	-
Medical Equipment	1,357,720,935	266,641,078	8,723,415	(257,723,953)	1,375,361,475
Plant & Machinery	85,570,510	24,682,328	-	-	110,252,838
Furniture and Fittings	325,998,414	87,656,390	122,259	(2,733,054)	411,044,009
Motor Vehicles	116,223,818	17,586,855	-	-	133,810,673
Sundry Equipment	825,026,204	175,855,540	645,247	(92,145,904)	909,381,087
Total Depreciation	2,710,539,881	757,776,508	(175,863,395)	(352,602,911)	2,939,850,083

Transfers include the accumulated depreciation amounting to Rs.185 Mn(2023-166Mn) as at revaluation date that was eliminated against the gross carrying amount of the Revalued Assets.

NOTES TO THE FINANCIAL STATEMENTS

9.3 Net Book Values

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Land	7,723,572,000	7,905,420,009	3,408,800,000	3,680,700,000
Buildings	20,359,776,432	19,115,321,072	8,233,000,000	8,293,270,050
Building Improvements in Leasehold Lands	8,082,192	7,716,343	-	-
Medical Equipment	3,828,632,761	4,083,054,366	1,595,377,564	1,646,730,961
Plant & Machinery	515,152,513	534,730,842	137,732,356	161,249,591
Furniture and Fittings	551,470,219	573,564,517	330,294,489	338,891,692
Motor Vehicles	95,239,978	114,784,162	45,638,278	63,225,133
Sundry Equipment	822,526,644	841,771,701	698,906,662	734,640,289
	33,904,452,739	33,176,363,014	14,449,749,350	14,918,707,716
Capital Work in Progress	28,604,650	29,473,317	351,550	-
Total Carrying Amount of Property, Plant and Equipment	33,933,057,389	33,205,836,331	14,450,100,900	14,918,707,716

9.4 During the year, the Group acquired Property, Plant and Equipment to the aggregate value of Rs.1,097,547,061/- (2023 - Rs 1,453,825,192/-). Cash payments amounting to Rs.1,097,547,061/- (2023 - Rs 1,453,825,192/-) 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.521,645,644/- (2023- Rs 490,958,361/-). Cash payments amounting to Rs.521,645,644/- (2023-Rs 490,958,361/-).

9.5 Group Property, Plant and Equipment with a carrying value of Rs. 22,010,858,800/- (2023 - Rs. 21,569,056,800/-) have been pledged as security for term loans obtained , details of which are disclosed in Note 23.3.

The provision for depreciation is calculated by using a straight line method on the cost/revaluation of all property, plant and equipment in order to write off such amounts over the following estimated useful lives by equal installments.

9.6 Group's Property, Plant & Equipment include fully depreciated assets which are still in use, the cost of which at the reporting date amounted to Rs.4,702Mn (2023- Rs. 4,832 Mn). Company's fixed assets include fully depreciated assets, which are still in use the cost of which at the reporting date amounted to Rs. 608 Mn (2023 - Rs. 838 Mn).

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

	Group/Company
	2023/2024
Buildings	Over 42-60 Years
Furniture and Fittings	Over 8-10 Years
Medical Equipments	Over 8-10 Years
Plant and Machineries	Over 8-10 Years
Motor Vehicles	Over 5-8 Years
Sundry Equipments	
Computer and Office Equipments	Over 3-5 Years
Short Life Assets	Over 2-3 Years
Others	Over 8-10 Years

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:

	Group			
	Cost	Cumulative Depreciation If Assets were Carried at Cost	Net Carrying Amount 2024	Net Carrying Amount 2023
	Rs.	Rs.	Rs.	Rs.

Class of Assets

Freehold Lands	1,865,188,658	-	1,865,188,658	1,791,129,658
Buildings	10,431,353,347	1,641,624,960	8,789,728,387	9,690,599,468
	12,296,542,005	1,641,624,960	10,654,917,045	11,481,729,125

	Company			
	Cost	Cumulative Depreciation If Assets were Carried at Cost	Net Carrying Amount 2024	Net Carrying Amount 2023
	Rs.	Rs.	Rs.	Rs.

Class of Assets

Freehold Lands	873,199,898	-	873,199,898	799,140,898
Buildings	5,929,979,109	704,197,822	5,225,781,287	5,333,319,340
	6,803,179,007	704,197,822	6,098,981,185	6,132,460,238

NOTES TO THE FINANCIAL STATEMENTS

9.9 The following properties are fair valued and recorded under freehold land and buildings. Fair Value measurement disclosure for revalued land and buildings based on un-observable inputs are as follows:

Company	Location	Extent	Effective Date of Valuation	Method of Valuation	Capitalising Rate	Year on Year Growth Rate	Range of Estimates for Significant Unobservable Inputs		Fair Value Measurement	
							Per perch Value - Rs. /Mh.	Per square feet Value - Rs.		
Property Valuations by S. Sivaskantha (Chartered Valuer)										
Asiri Hospital Holdings PLC	No 181, Kirula Road, Colombo 05	245.38 Perch	31st March 2024	Land - IA*	-	-7%	14.00	15	-	3,408,800,000
							2 Buildings			
		118,209 square feet		Buildings - IA*	7.50%	30%	-	8,000 - 22,000	5,750 - 14,500	1,775,200,000
Asiri Surgical Hospital PLC	No 907, Peradeniya Road, Kandy	1 Building 346,641 square feet	31st March 2024	Buildings - IA*	8%	-7%	-	22,500	13,000 - 24,750	6,457,800,000
							3 Buildings 386,187 square feet			
		386,187 square feet		Buildings - IA*	7.50%	3%	-	10,000 - 20,000	7,580 - 14,380	4,029,513,150
Asiri Hospital (Pvt) Ltd	No 15, Dharmapala Mawatha, Uyanwatta	241.50 Perch	31st March 2024	Land - IA*	8.50%	19%	1.80 - 2.00	1.80 - 2.00	-	552,014,000
							2 Buildings 82,104 square feet			
		82,104 square feet		Buildings - IA*		66%	-	2,000 - 17,500	1,750 - 14,750	1,323,162,500
Central Hospital Ltd	No 114, Norris Canal Road, Colombo 10	181.03 Perch	31st March 2024	Land - IA*	7.50%	1%	14.5	14	-	2,568,000,000
							1 Building 453,842 square feet			
		453,842 square feet		Buildings - IA*		15%	-	6,500 - 17,000	5,250 - 13,850	6,072,000,000
Asiri Hospital (Pvt) Ltd	No 59, Wackwella, Galle	153.20 Perch	31st March 2024	Land - IA*	8.50%	-3%	7.5	8	-	1,194,758,000
							4 Buildings 45,252 square feet			
		45,252 square feet		Buildings - IA*		-4%	-	8,000 - 15,000	5,000 - 13,750	534,300,800

* Income approach (IA) - The income approach is used to value properties which are let to produce an income for the investor. Conventionally, investment value is a product of rent and yield. Each of these elements is derived using comparison techniques.

10. RIGHT OF USE ASSETS

10.1 Amounts recognised in the statement of financial position and statement of profit or loss.

Set out below are the, carrying amounts of the right of use assets and the movements for the period ended 31 March 2024.

10.2 Right of Use Assets

	Group				Company		
	2024				2024		
	Leasehold Properties	BOI Lands	Motor Vehicles	Total	Leasehold Properties	Motor Vehicles	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At the Beginning of the Year	1,130,696,137	22,228,148	22,086,887	1,175,011,172	1,000,620,616	-	1,000,620,616
Additions and Improvements	158,221,344	-	-	158,221,344	97,695,394	-	97,695,394
Amortisation for the Year	(167,833,495)	(296,376)	(4,755,208)	(172,885,079)	(120,220,258)	-	(120,220,258)
Assets Transfer to PPE	(17,331,682)	-	(17,331,679)	(17,331,682)	-	-	-
At the End of the Year	1,121,083,983	21,931,772	-	1,143,015,755	978,095,752	-	978,095,752

	Group				Company		
	2023				2023		
	Leasehold Properties	BOI Lands	Motor Vehicles	Total	Leasehold Properties	Motor Vehicles	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At the Beginning of the Year	1,231,045,274	22,524,524	27,274,387	1,280,844,185	956,155,475	-	956,155,475
Additions and Improvements	197,634,998	-	-	197,634,998	154,343,626	-	154,343,626
Amortisation for the Year	(146,002,074)	(296,376)	(5,187,500)	(151,485,950)	(109,878,486)	-	(109,878,486)
Assets Transfer to PPE	(151,982,062)	-	-	(151,982,062)	-	-	-
At the End of the Year	1,130,696,136	22,228,148	22,086,887	1,175,011,170	1,000,620,616	-	1,000,620,616

10.3 Leasehold Property as at 31 March 2024 consists of the below;

- Asiri Hospital Matara (Pvt) Ltd obtained lease hold right to land and building situated at No 37, Anagarika Dharmapala Mawatha, Matara for 20 years commencing from 04th October 2006.
- Asiri Hospital Holdings PLC has entered into a lease agreement with Urban Development Authority for a lease of the land situated at No 907, Peradeniya Road, Kandy for period of 50 years commencing from 18th January 2015.

NOTES TO THE FINANCIAL STATEMENTS

11. GOODWILL

	Group	
	2024	2023
	Rs.	Rs.
At the Beginning of the Year	609,654,071	609,654,071
At the End of the Year	609,654,071	609,654,071

The aggregate carrying amount of goodwill allocated to each unit is as follows:

	Group	
	2024	2023
	Rs.	Rs.
Asiri Surgical Hospital PLC	548,706,564	548,706,564
Asiri Hospital Galle (Pvt) Ltd	60,947,507	60,947,507
At the End of the Year	609,654,071	609,654,071

11.1 Impairment of Goodwill

Accounting Judgements, Estimates and Assumptions

The recoverable amount of all CGUs have been determined based on the higher of fair value less costs to sell and its Value in Use (VIU) calculation. VIU is determined by discounting the future cash flows generated from continuing use of the unit. The recoverability of quoted entities determined based on share price existed as at reporting date. The key assumptions used to determined VIU of the CGUs are given below:

- Business growth - Volume growth has been budgeted on a reasonable and realistic basis by taking into account the growth rates of one to five years immediately subsequent to the budgeted year, based on industry growth rates.
- Inflation - Budgeted cost inflation is the inflation rate, based on projected economic conditions.
- Discount rate - The discounting rate used is the risk free rate increased by an appropriate risk premium.
- Margin - Budgeted gross margins are the gross margins achieved in the year preceding, adjusted for projected market conditions and business plans.

12. INVESTMENT IN SUBSIDIARY COMPANIES

12.1 Quoted

Company	2024	2023	2024		2023	
	Direct Holding		Carrying Value	Market Value	Carrying Value	Market Value
	%	%	Rs.	Rs.	Rs.	Rs.
Asiri Surgical Hospital PLC	79.96	79.96	2,796,871,687	4,901,642,791	2,796,871,687	5,281,942,663
			2,796,871,687	4,901,642,791	2,796,871,687	5,281,942,663

12.2 Un-quoted

Company	2024	2023	2024	2023
	Direct Holding		Carrying Value	Carrying Value
	%	%	Rs.	Rs.
Asiri Diagnostics Services (Pvt) Ltd	66.54	66.54	2,691,400	2,691,400
Asiri Hospital Matara (Pvt) Ltd	100	100	261,780,971	261,780,971
Central Hospital Ltd	99.73	99.73	7,119,787,789	7,119,787,789
Asiri Central Hospitals Ltd	99.11	99.09	1,713,224,003	1,709,599,269
Asiri Laboratories (Pvt) Ltd	100	100	1,000,000	1,000,000
Asiri Hospital Galle (Pvt) Ltd	100	100	450,000,000	450,000,000
Asiri Diagnostic Services (Asia) Pte. Ltd	100	100	133	133
Asiri Myanmar Limited	-	100	-	1
Asiri Academy of Health Sciences (Pvt) Ltd	100	-	1	1
			9,548,484,297	9,544,859,564
Carrying Value of Investment in Subsidiaries			12,345,355,984	12,341,731,252

12.3 The Shares of Subsidiary Companies owned by Asiri Hospital Holdings PLC were pledged on behalf of the loans and overdraft facilities obtained by the Company. (Refer Note 23.5).

NOTES TO THE FINANCIAL STATEMENTS

12.4 Material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of Equity Interest held by Non-Controlling Interests:

	2024	2023
	%	%
Company Name		
Asiri Surgical Hospital PLC	20.04%	20.04%
Asiri Diagnostics Services (Pvt) Ltd	33.46%	33.46%

Summarised Statement of Total Comprehensive Income for year ended 31 March:

	Asiri Surgical Hospital PLC		Asiri Diagnostics Services (Pvt) Ltd	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Revenue	5,983,068,293	5,082,832,648	95,576,237	78,856,906
Cost of Services	(3,659,369,312)	(3,118,573,458)	(68,035,580)	(55,732,883)
Profit for the Year	479,350,521	458,098,591	22,696,579	42,950,568
Total Comprehensive Income for the Year	722,561,203	736,863,193	22,044,247	43,829,233
Attributable to Non-Controlling Interests	146,951,532	147,666,324	7,376,660	14,665,261

Summarised Statement of Financial Position as at 31 March:

	Asiri Surgical Hospital PLC		Asiri Diagnostics Services (Pvt) Ltd	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Current Assets	5,960,402,781	5,568,272,086	145,517,348	126,254,101
Non- Current Assets	7,305,488,132	7,435,656,549	310,381,344	316,041,641
Current Liabilities	4,446,228,135	4,571,348,864	52,388,374	63,413,803
Non- Current Liabilities	2,271,733,431	2,607,211,625	11,001,393	8,417,270
Total Equity	6,547,929,350	5,825,368,147	392,508,914	370,464,668
Attributable to:				
Equity Holders of Parent	5,235,733,725	4,657,972,748	261,175,431	246,507,190
Non-Controlling Interests	1,312,195,625	1,167,395,399	131,333,483	123,957,478

NOTES TO THE FINANCIAL STATEMENTS

14.2 Investment in Equity Securities-Quoted

	Group			
	2024	2023	2024	2023
	Number of	Number of	Fair	Fair
	Shares	Shares	Value	Value
			Rs.	Rs.
Seylan Bank PLC	-	2,099,988	-	69,929,600
National Development Bank PLC	3,812,063	5,601,105	259,955,091	251,489,610
Total Investment in Equity Securities-Quoted	3,812,063	7,701,093	259,955,091	321,419,210

	Company			
	2024	2023	2024	2023
	Number of	Number of	Fair	Fair
	Shares	Shares	Value	Value
			Rs.	Rs.
Seylan Bank PLC	-	2,099,988	-	69,929,600
	-	2,099,988	-	69,929,600

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
At the Beginning of the Year	321,419,210	356,326,932	69,929,600	63,200,000
Disposal Of Shares	(184,096,312)	(1,326,976)	(58,831,785)	(1,326,976)
Fair Value Gain /(Loss)	109,847,673	(63,262,454)	(11,097,815)	2,056,577
Share Allotment as Scrip Dividends	12,784,520	29,681,709	-	6,000,000
At the End of the Year	259,955,091	321,419,210	-	69,929,600

14.3 Investment in Equity Securities-Non Quoted

	Group/Company			
	2024	2023	2024	2023
	Number of Shares	Number of Shares	Fair Value Rs.	Fair Value Rs.
Digital Health (Pvt) Ltd	3,000,000	3,000,000	30,000,000	30,000,000
	3,000,000	3,000,000	30,000,000	30,000,000

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES**15.1 Financial Assets**

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.

Financial Assets at Fair value through OCI (Equity Instruments)

Non Current Financial Assets	289,955,091	351,419,210	30,000,000	99,929,600
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Financial Assets at Amortised Cost

Trade and Other Receivables	1,137,001,482	802,221,721	1,051,581,874	801,408,927
Loans Granted to Related Parties	11,367,200,566	10,811,295,087	367,780,445	328,265,517
Cash and Cash Equivalents	805,195,077	569,167,858	128,071,765	156,585,810
Carrying Value of Financial Assets	13,599,352,216	12,534,103,876	1,577,434,084	1,938,160,845
Fair Value of Financial Assets	13,599,352,216	12,534,103,876	1,577,434,084	1,938,160,845

NOTES TO THE FINANCIAL STATEMENTS

15.2 Financial Liabilities

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Financial Liabilities at Amortised Cost				
Interest Bearing Loans and Borrowings	14,148,886,819	17,524,507,790	13,651,177,607	13,974,929,334
Trade and Other Payables	3,947,228,688	3,653,043,000	1,612,249,784	1,747,169,460
Bank Overdraft	4,082,553,481	4,178,827,217	2,785,617,166	2,779,606,807
Carrying Value of Financial Liabilities	22,178,668,988	25,356,378,007	18,049,044,557	18,501,705,600
Fair Value of Financial Liabilities	22,178,668,988	25,356,378,007	18,049,044,557	18,501,705,600

The management assessed that, cash in hand and at bank, trade and other receivables, trade and other payables, interest bearing borrowings and bank overdrafts 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.

15.3 Fair Value of Financial Liabilities Not Carried at Fair Value

Carrying value of financial liabilities based on other methods of valuation approximates the fair value except for the below indicated loans and borrowing non-current balance,

15.4 Group

	Carrying Amount		Fair Value (Level 2)	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Financial Liabilities				
Loans and Borrowings- Non Current	6,235,655,212	4,715,755,743	6,235,655,212	4,715,755,743

15.5 Company

	Carrying Amount		Fair Value (Level 2)	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Financial Liabilities				
Loans and Borrowings- Non Current	8,651,060,490	5,220,707,512	8,651,060,490	5,220,707,512

The following describes the methodologies and assumptions used to determine the fair values for those financial instruments which are not recorded using fair value measurement basis in the Financial Statements.

For financial liabilities that have a short term maturity (original maturities less than a year), it is assumed that the carrying amounts approximate their fair values.

Financial liabilities with long term maturity and with the variable interest rates are also considered to be carried at fair value.

16. FAIR VALUE HIERARCHY

The Group 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.

16.1 Group

Assets Measured at Fair Value:

	31 March 2024 Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Financial Assets at Fair value through OCI	289,955,091	259,955,091	-	30,000,000
Land and Buildings	28,083,348,432	-	-	28,083,348,432

	31 March 2023 Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Financial Assets at Fair value through OCI	351,419,210	321,419,210	-	30,000,000
Land and Buildings	27,020,741,081	-	-	27,020,741,081

Company

Assets Measured at Fair Value:

	31 March 2024 Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Financial Assets at Fair value through OCI	30,000,000	-	-	30,000,000
Land and Buildings	12,054,604,279	-	-	12,054,604,279

	31 March 2023 Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Financial Assets at Fair value through OCI	99,929,600	69,929,600	-	30,000,000
Land and Buildings	11,973,970,050	-	-	11,973,970,050

NOTES TO THE FINANCIAL STATEMENTS

17. INVENTORIES

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Chemical and Test Materials	394,551,177	246,374,183	172,621,884	170,692,735
Pharmaceuticals and Surgical	747,462,604	888,868,197	359,221,227	274,978,114
Consumables	142,860,867	112,885,409	35,980,007	27,858,550
Write off during the period	(2,832,761)	(13,338,038)	(1,315,585)	(2,754,908)
Allowance for Obsolete Inventory	-	(1,835,241)	-	-
	1,282,041,887	1,232,954,509	566,507,533	470,774,491

18. TRADE AND OTHER RECEIVABLES

18.1 Trade and Other Receivables

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Trade Debtors	1,026,388,148	708,316,553	365,612,464	223,527,522
Related Parties (Note 18.2)	46,667,246	67,275,180	305,440,842	355,867,717
Less - Impairment of Trade Debtors (Note 18.1.1)	(41,260,170)	(45,296,606)	(22,345,120)	(18,301,990)
	1,031,795,224	730,295,127	648,708,186	561,093,250
Other Debtors - Related Parties (Note 18.3)	41,000,298	7,956,667	367,812,710	197,231,084
Staff Loans	21,486,919	45,924,025	15,443,413	41,124,715
Other Receivables	42,719,041	18,045,901	19,617,565	1,959,878
	1,137,001,482	802,221,721	1,051,581,874	801,408,927

18.1.1 Movement in Provision for Trade and Other Receivables

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
At the Beginning of the Year	45,296,606	54,229,151	18,301,990	11,331,327
Provision for Impairment of Trade and Other Receivables	8,382,179	22,928,988	4,403,347	10,198,283
Written offs During the Year	(12,418,616)	(31,861,533)	(360,218)	(3,227,620)
At the End of the Year	41,260,169	45,296,606	22,345,119	18,301,990

18.2 Trade Debtors - Related Parties

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Parent Company				
Softlogic Holdings PLC	-	7,830,499	-	-
Subsidiaries				
Central Hospital Ltd	-	-	192,463,205	88,336,369
Asiri Surgical Hospital PLC	-	-	6,323,432	212,521,950
Asiri Diagnostics Services (Pvt) Ltd	-	-	29,731,030	24,551,180
Asiri Hospital Matara (Pvt) Ltd	-	-	13,638,637	1,059,653
Asiri Hospital Galle (Pvt) Ltd	-	-	36,054,095	17,415,857
Companies under Common Control				
Softlogic Life Insurance PLC	34,213,052	47,871,196	15,737,209	11,683,268
Softlogic Retail (Pvt) Ltd	51,200	158,952	-	-
Softlogic Communication Services (Pvt) Ltd	32,000	-	-	-
Softlogic Pharmaceuticals (Pvt) Ltd	-	146,550	-	-
Softlogic Automobiles (Pvt) Ltd	117,000	117,000	-	-
Softlogic Information Technologies (Pvt) Ltd	6,500	-	-	-
Softlogic International (Pvt) Ltd	45,500	6,500	-	-
Softlogic Restaurants (Pvt) Ltd	203,060	2,713,500	-	-
Softlogic City Hotels (Pvt) Ltd	489,700	6,461,364	-	-
Softlogic Supermarkets (Pvt) Ltd	11,506,234	582,340	11,493,234	-
Softlogic Destination Management (Pvt) Ltd	1,000	1,000	-	-
Softlogic Mobile Distribution (Pvt) Ltd	-	6,500	-	-
Softlogic Brands (Pvt) Ltd	-	299,440	-	299,440
Ceysand Resorts (Pvt) Ltd	-	930,000	-	-
Odel PLC	2,000	150,340	-	-
	46,667,246	67,275,180	305,440,842	355,867,717

NOTES TO THE FINANCIAL STATEMENTS

18.3 Other Debtors - Related Parties

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Parent Company				
Softlogic Holdings PLC	18,792,424	3,982,314	3,365,463	3,982,314
Subsidiaries				
Asiri Hospital Matara (Pvt) Ltd	-	-	-	6,734,471
Central Hospital Ltd	-	-	116,891,756	67,840,023
Asiri Surgical Hospital PLC	-	-	109,873,909	16,170,636
Asiri Diagnostics Services (Pvt) Ltd	-	-	-	16,343,102
Asiri Hospital Galle (Pvt) Ltd	-	-	99,265,051	74,117,384
AOI Cancer Center (Pvt) Ltd	-	-	2,118,240	327,528
Asiri Diagnostic Services (Private) Limited	-	-	9,269,014	-
Asiri Academy Of Health Science (Pvt) Ltd	-	-	4,076,596	-
Asiri Diagnostic Services (Asia) Pte. Limited	-	-	10,432,078	7,741,272
Asiri Port City Hospital (Private)Limited	-	-	11,916,951	-
Companies under Common Control				
Softlogic Retail (Pvt) Ltd	107,752	-	-	-
Softlogic Restaurants (Pvt) Ltd	4,199,064	-	-	-
Softlogic Pharmaceuticals (Pvt) Ltd	271,925	-	-	-
Softlogic Capital PLC	126,125	-	-	-
Odel PLC	156,111	-	-	-
Ceysand Resorts (Pvt) Ltd	710,000	-	-	-
Softlogic Supermarkets (Pvt) Ltd	16,636,897	3,974,354	-	3,974,354
	41,000,298	7,956,667	367,812,710	197,231,084

19. OTHER CURRENT ASSETS

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Commercial Paper Investment (Note 19.1)	1,221,968,613	983,485,484	488,889,270	395,385,181
Advances, Deposits and Prepayments	645,889,927	439,650,225	132,754,217	129,522,783
Other Tax Receivables	48,803,963	42,853,327	-	-
	1,916,662,503	1,465,989,036	621,643,487	524,907,964

19.1 Commercial Paper Investment of the group amounting to Rs. 1,221,968,613 (2023 - 983,485,484) includes an amount of Rs. 488,889,270 (2023 - 395,385,181) relating to Asiri Hospital Holdings PLC (The 'Company'). These commercial papers have been issued by the Softlogic Group.

20. LOANS GRANTED TO RELATED PARTIES

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April	10,811,295,087	4,237,404,138	328,265,517	716,672,052
Loans Granted	1,870,000,000	11,818,079,912	420,000,000	1,310,522,038
Loans Settlement (Capital+ Interest)	(2,690,383,039)	(7,334,006,310)	(428,281,635)	(1,760,662,760)
Interest expense for the year	1,376,288,517	2,089,817,347	47,796,563	61,734,187
Net Carrying amount as at 31 March	11,367,200,565	10,811,295,087	367,780,445	328,265,517

Group	Relationship	2024			2023		
		Amount	Amount	Total	Amount	Amount	Total
		Repayable	Repayable		Repayable	Repayable	
		Within 1 Year	After 1 Year		Within 1 Year	After 1 Year	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Softlogic Holdings PLC	Parent Company	3,516,031,325	5,012,136,509	8,528,167,834	2,934,741,662	5,354,886,724	8,289,628,385
Softlogic Retails (Pvt) Ltd	Companies under Common Control	818,681,435	685,000,000	1,503,681,435	1,353,363,059	-	1,353,363,059
Softlogic Brands (Pvt) Ltd	Companies under Common Control	880,313,644	-	880,313,644	766,939,686	-	766,939,686
Softlogic Capital PLC	Companies under Common Control	-	-	-	5,760,903	-	5,760,903
Softlogic Supermarket (Pvt) Ltd	Companies under Common Control	28,180,146	-	28,180,146	26,340,973	-	26,340,973
Softlogic Communications (Pvt) Ltd	Companies under Common Control	426,857,507	-	426,857,507	369,262,082	-	369,262,082
		5,670,064,057	5,697,136,509	11,367,200,566	5,456,408,364	5,354,886,724	10,811,295,087

NOTES TO THE FINANCIAL STATEMENTS

Company	Relationship	2024			2023		
		Amount	Amount	Total	Amount	Amount	Total
		Repayable	Repayable		Repayable	Repayable	
		Within 1 Year	After 1 Year		Within 1 Year	After 1 Year	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Softlogic Brands (Pvt) Ltd	Companies under Common Control	339,600,299	-	339,600,299	296,163,642	-	296,163,642
Softlogic Capital PLC	Companies under Common Control	-	-	-	5,760,903	-	5,760,903
Softlogic Supermarket (Pvt) Ltd	Companies under Common Control	28,180,146	-	28,180,146	26,340,973	-	26,340,973
		367,780,445	-	367,780,445	328,265,517	-	328,265,517

Loans to related parties is made up of working capital loans which are given to Softlogic Group of Companies as per the agreements made. The interest for the Loans granted to Related Parties were charged based on borrowing cost Plus agreed Margin. Outstanding balances as at the year end were unsecured and settlement occurs in cash and dividends to be distributed.

21. STATED CAPITAL

	2024		2023	
	Number	Rs.	Number	Rs.
Balance at the Beginning of the Year	1,137,533,596	4,748,108,334	1,137,533,596	4,748,108,334
Balance at the End of the Year	1,137,533,596	4,748,108,334	1,137,533,596	4,748,108,334

22. OTHER COMPONENTS OF EQUITY

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Revaluation Reserve	10,592,574,929	9,525,855,899	3,943,767,585	4,102,982,572
Fair Value Reserve of Financial Assets at FVOCI	(101,877,871)	(233,532,076)	-	2,056,577
Other Reserve	(919,511,357)	(920,520,363)	-	-
Foreign Currency Translation Reserve	823,404	(3,274,609)	-	-
Balance at End of the Year	9,572,009,105	8,368,528,850	3,943,767,585	4,105,039,148

Revaluation Reserve

Revaluation reserve consists of the net surplus on the revaluation of Lands and Buildings.

Fair Value Reserve of Financial Assets at FVOCI

Fair value reserve of financial assets at FVOCI includes changes in fair value of financial instruments designated as financial assets at FVOCI.

Other Reserve

Other reserve is used to recognise goodwill or gains from purchases on subsequent acquisitions of further equity interests in subsidiaries and gains or losses arising from partial and deemed acquisitions/disposals in its subsidiaries.

23. INTEREST BEARING LOANS AND BORROWINGS

Group	2024			2023		
	Amount Repayable Within 1 Year	Amount Repayable After 1 Year	Total	Amount Repayable Within 1 Year	Amount Repayable After 1 Year	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Term Loans (Note 23.1)	1,486,297,548	3,573,399,580	5,059,697,128	2,497,042,325	4,422,321,522	6,919,363,847
Short Term Loans	5,870,413,789	-	5,870,413,789	6,275,774,681	-	6,275,774,681
Other External Borrowings	468,999,037	2,297,790,695	2,766,789,732	3,166,089,409	-	3,166,089,409
Loans obtained from Related Parties	-	-	-	751,988,827	-	751,988,827
Lease Liability (Note 23.2)	87,521,232	364,464,937	451,986,169	117,856,805	293,434,221	411,291,027
	7,913,231,606	6,235,655,212	14,148,886,819	12,808,752,047	4,715,755,743	17,524,507,790

23.1 Term Loans - Group

	2024	2023
	Rs.	Rs.
At the Beginning of the Year	6,921,113,329	7,779,539,923
Loan Obtained	586,156,082	1,026,926,727
Interest Charge	751,524,132	1,737,197,651
Repayments	(3,199,096,415)	(3,624,300,455)
At the End of the Year	5,059,697,128	6,919,363,847

NOTES TO THE FINANCIAL STATEMENTS

23.2 Lease Liability - Group

	2024			2023		
	Motor Vehicles	Leasehold Properties	Total	Motor Vehicles	Leasehold Properties	Total
	Rs.	Rs.	Rs.	Rs.		Rs.
At the Beginning of the Year	5,363,506	405,927,531	411,291,037	10,530,308	367,584,088	378,114,386
Facility Obtained	-	158,268,291	158,268,291	-	194,910,924	194,910,924
Interest Charge	-	91,984,941	91,984,941	538,866	58,619,830	59,158,696
Repayments	(5,363,506)	(204,194,594)	(209,558,100)	(1,980,000)	(218,912,977)	(220,892,978)
At the End of the Year	-	451,986,169	451,986,169	9,089,174	402,201,863	411,291,027

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

This includes leasehold right obtained from Board of Investment of Sri Lanka.

Asiri Surgical Hospital PLC obtained leasehold right to the land (extent of land is 2 Acres, 1 Rood and 11.6 perches) situated at No.21, Kirimandala Mawatha, Colombo 05 for 99 years from the Board of Investment of Sri Lanka by agreement dated 29th March 2000.

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, over a period of 25 years commencing from the financial year 2000/2001.

BOI reserves the right to revise the annual lease rent every five 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.

23.3 Long-Term Loan Details

Company	Lending institution	Nature of facility	Interest rate	Repayment term	Outstanding balance		Carrying value of collaterals	Security
					2024 Rs. '000	2023 Rs. '000		
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/- Loan Commences from 2015.	-	21,250	125	a) Concurrent Mortgage Bond No 3329/4687 with Hatton National Bank PLC over hospital property at No 181, Kirula Road, Narahenpitiya, owned by Asiri Hospital Holdings PLC b) Corporate Guarantee from Asiri Hospital Holdings PLC
		Term loan	AWPLR plus margin	59 equal monthly installments of Rs 5,833,000/-	275,755	344,167	350	Mortgage Bond for Rs.387.2 Mn
	DFCC Bank PLC	Term loan	AWPLR plus margin	72 equal monthly installments after a grace period of 12 months from the date of disbursement	683,110	882,075	1,200	Mortgage Bond over Credit/Debit card receivables of the card operations of Asiri Surgical Hospital PLC
	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 disbursement.	361,807	531,934	1,000	Assignment over all future debit/credit card and cash receivable of the company for 1,000 Mn
		Term loan	AWPLR	60 monthly installments commencing after 6 months of grace period.	97,843	140,558		
Asiri A O J 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.	17,500	77,500	300	Corporate Guarantee of Asiri Surgical Hospital PLC

NOTES TO THE FINANCIAL STATEMENTS

Company	Lending institution	Nature of facility	Interest rate	Repayment term	Outstanding balance		Carrying value of collaterals	Security
					2024	2023		
					Rs.'000	Rs.'000		
Central Hospitals Ltd	Bank of Ceylon	Term Loan	AWPLR plus margin	65 Equal monthly instalments Rs. 7,575,758/- Final Instalment Rs. 7,575,730/- (Seven years including six months grace period)	503,316	-	500	Primary mortgage over land and building at No114, Norris Canal Rd, Colombo 10.
	Sampath Bank PLC	Term Loan	AWPLR plus margin	95 equal monthly instalment each worth is Rs.3,396,000/- and final instalment is Rs.3,380,000/-.	-	6,776	326	Corporate guarantee from Asiri Hospital Holdings PLC for Rs. 326.00 Mn
		Term Loan	AWPLR plus margin	120 Equal monthly instalments of Rs: 9,600,000 and a final instalment of Rs: 7,600,000 commencing from the month following the disbursement of the loan to be served monthly	218,800	334,429	-	Securitisation of all future credit/debit card receivables of the Company and assignment over credit/debit card receivables of the Company and future credit/debit card receivables
		Term Loan	AWPLR	59 Equal monthly instalments Rs. 16,750,000/- Final Instalment Rs. 11,750,000/-	447,250	677,523	1,000	Loan agreement for Rs. 1,000Mn, Mortgage over all future Credit/Debit and cash receivables of the Company for Rs. 1,000Mn, Letter of Set off, Notice of Assignment
	Commercial Bank of Ceylon PLC	Term loan	AWPLR plus margin	53 Equal monthly instalments Rs. 23,150,000/- Final Instalment Rs. 23,050,000/- (Five years including Four months grace period)	132,274	431,323	691	Primary Mortgage Bond over leasehold right of Kandy Hospital situated at No.907, Peradeniya Road, Kandy.

Company	Lending institution	Nature of facility	Interest rate	Repayment term	Outstanding balance		Carrying value of collaterals	Security
					2024	2023		
					Rs.'000	Rs.'000		
					128,648	266,488	300	Corporate Guarantee from Asiri Surgical Hospital PLC for Rs. 300 Mn.
	Commercial Bank of Ceylon PLC	Term loan	AWPLR plus margin	26 Equal monthly instalments Rs. 11,100,000/- Final Instalment Rs. 11,400,000/- (Two and half years including Three months grace period)				
Asiri Hospital Matara (Pvt) Ltd	Nations Trust Bank PLC	Term loan	AWPLR plus margin	24 equal monthly instalments.	-	15,714	100	Assignment over AMEX receivables
Asiri Hospital Galle (Pvt) Ltd	Sampath Bank PLC	Term Loan	AWPLR plus margin	The capital repayment of the loan commences after a grace period of 12 months from the date of first disbursement and is payable in 108 equal monthly instalments (1st 24 months Rs.1,000,000/-, 2nd 24 months Rs.1,800,000/-, 3rd 36 months Rs.2,000,000/-, 4th 23 months Rs.2,500,000/- and a final instalment of Rs.3,300,000).	142,044	173,891	200	Additional mortgage bond for Rs. 200Mn over the property depicted as Lot no xx in the plan 19007 dated 04.06.2007 made by G.P.V.S. Kusumsiri (Licensed Surveyor), owned by Asiri Hospital Galle (Pvt) Ltd, with an extend of 2 R 24.83P
		Term Loan	AWPLR plus margin	The capital repayment of the loan commences after a grace period of 24 months from the date of first disbursement and is payable in 108 equal monthly instalments together with interest on 26th of each month.	196,688	229,731	328	Loan Agreement for - 244.35Mn, Primary Mortgage Bond - For 158Mn over Property (Lot No. 56) and for 84Mn Over Property (Lot No. 57), Additional Mortgage Bond For 86.35Mn Over Property (Plan No. 19007 Owned By AHG)

NOTES TO THE FINANCIAL STATEMENTS

Company	Lending institution	Nature of facility	Interest rate	Repayment term	Outstanding balance		Carrying value of collaterals	Security
					2024	2023		
					Rs.'000	Rs.'000		
	Seylan Bank PLC	Term Loan	AWPLR plus margin	60 months inclusive of a grace period of 12 months commencing from the date of grant. To be payable in 48 equal instalments of Rs. 3,125,000 together with interest	100,287	122,497	450	Corporate Guarantee of Asiri Hospital Holdings PLC for Rs. 450Mn

23.4 Company

	2024		2023		Total
	Amount	Amount	Amount	Amount	
	Repayable Within 1 Year	Repayable After 1 Year	Repayable Within 1 Year	Repayable After 1 Year	
Term Loans (Note 23.4.1)	247,690,380	1,506,683,465	1,754,373,845	1,681,659,383	2,636,205,725
Short Term Loans	2,573,574,519	-	2,573,574,519	2,777,714,208	2,777,714,208
Other External Borrowings	468,999,037	2,297,790,695	2,766,789,732	3,166,089,409	3,166,089,409
Loans due to Related Parties (Note 23.4.2)	1,652,142,114	4,511,940,329	6,164,082,443	1,770,572,008	3,263,553,810
	4,942,406,050	8,316,414,489	13,258,820,539	8,668,921,967	4,945,213,193
Lease Liability (Note 23.4.3)	57,711,067	334,646,001	392,357,068	85,299,855	275,494,318
	5,000,117,117	8,651,060,490	13,651,177,607	8,754,221,822	5,220,707,512
					13,974,929,334

23.4.1 Term Loans

	2024	2023
	Rs.	Rs.
At the Beginning of the Year	2,636,205,726	3,063,766,861
Loans Obtained	86,156,082	376,926,727
Interest Charge	387,132,339	700,327,303
Repayments	(1,355,120,302)	(1,504,815,164)
At the End of the Year	1,754,373,845	2,636,205,726

23.4.2 Loans Due to Related Parties

	As at 01.04.2023	Loan Obtained	Interest Charge	Repayments	As at 31.03.2024
	Rs.	Rs.	Rs.	Rs.	Rs.
Asiri Surgical Hospital PLC	2,280,277,387	-	296,182,842	(3,500,000)	2,572,960,229
Asiri Diagnostics Services (Pvt) Ltd	366,352,833	-	46,470,887	(12,157,895)	400,665,825
Asiri Central Hospitals Ltd	1,258,308,547	-	135,632,206	-	1,393,940,753
Central Hospital Limited	292,396,596	1,330,634,060	161,667,923	(85,448,606)	1,699,249,973
Asiri Hospital Matara (Pvt) Ltd	84,800,072	-	12,465,591	-	97,265,663
Softlogic Holdings PLC	626,988,827	-	30,966,588	(657,955,415)	-
Softlogic Mobile Distribution (Pvt) Ltd	125,000,000	-	-	(125,000,000)	-
	5,034,124,262	1,330,634,060	683,386,037	(884,061,916)	6,164,082,443

The interest for the Loans obtained from Related Parties were charged based on AWPLR Plus Margin. Outstanding balances as at the year end unsecured and repayment occurs in cash.

23.4.3 Lease Liability

	2024		2023	
	Leasehold Properties	Total	Leasehold Properties	Total
	Rs.	Rs.	Rs.	Rs.
At the Beginning of the Year	360,794,171	360,794,171	305,487,329	305,487,329
Facility Obtained	97,949,515	97,949,515	154,343,626	154,343,626
Interest Charge	81,137,829	81,137,829	50,113,386	50,113,386
Repayments	(147,524,447)	(147,524,447)	(149,150,170)	(149,150,170)
At the End of the Year	392,357,068	392,357,068	360,794,171	360,794,171

NOTES TO THE FINANCIAL STATEMENTS

23.5 Long Term Loan Details

Company	Lending institution	Nature of facility	Interest rate	Repayment term	Outstanding balance		Carrying value of collaterals	Security
					2024 Rs. '000	2023 Rs. '000		
Asiri Hospital Holdings PLC	Commercial Bank of Ceylon PLC	Term loan	AWPLR plus margin	96 monthly installments commencing from April 2015	-	179,845	3,961	74,454,026 shares of Central Hospitals Ltd owned by Asiri Hospital Holdings PLC
					-	40,121	550	Corporate guarantee from Asiri Surgical Hospital PLC for Rs. 550Mn
		Term loan	AWPLR plus margin	90 monthly installments after a grace period of 40 months from December 2015	252,276	349,979		Primary mortgage bond Rs. 2750.60 Mn over leasehold right of Asiri Kandy Hospital Property situated at 907 Peradeniya Road Kandy, more fully depicted as lot 1&2 in plan No 3856A owned by the company
					927,680	1,238,841	2,751	
		Term loan	AWPLR plus margin	48 monthly installments commencing from June 2023	24,083	-	30	Primary Mortgage bond over Medical Equipment - Rs. 30.4 Mn
					11,152	-	17	Primary Mortgage bond over Medical Equipment - Rs. 16.7 Mn
		Term loan	AWPLR plus margin	60 monthly installments commencing from June 2022	35,527	47,029	54	Primary Mortgage bond over Medical Equipment - Rs. 53.9 Mn
					41,283	55,996	64	Primary Mortgage bond over Medical Equipment - Rs. 64.2 Mn

Company	Lending institution	Nature of facility	Interest rate	Repayment term	Outstanding balance		Carrying value of collaterals	Security
					2024	2023		
					Rs. '000	Rs. '000		
		Term loan	AWPLR plus margin	60 monthly instalments commencing from January 2023	26,330	33,606	34	Primary Mortgage bond over Medical Equipment - Rs. 33.9 Mn
		Term loan	AWPLR plus margin	24 monthly instalments commencing from November 2023	31,296	-	39	Primary Mortgage bond over Medical Equipment - Rs. 39 Mn
	Sampath Bank PLC	Term loan	AWPLR plus margin	120 monthly instalments commencing from December 2015	127,028	194,763	127	Securitisation of all future credit/ debit card receivables of Asiri Hospital Holdings PLC
		Term loan	AWPLR plus margin	108 monthly instalments commencing after 12 months of grace period from March 2019	253,140	304,280	450	a) Third party primary mortgage bond for Rs. 450 Mn over hospital property at No. 10, Wackwella Road, Galle owned by Asiri Hospital Galle (Pvt) Ltd
	National Development Bank PLC	Term loan	AWPLR plus margin	06 equal Quarterly instalments commencing from January 2023	24,579	191,745	225	Corporate guarantee from Asiri Surgical Hospital PLC for Rs. 225 Mn

NOTES TO THE FINANCIAL STATEMENTS

24 DEFERRED TAX ASSETS AND LIABILITIES

24.1 Net Deferred Tax Liability

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
At the Beginning of the Year	4,573,039,094	2,042,325,097	2,212,227,860	923,941,783
Charge Recognised in Statement of Profit or Loss (Note 24.2)	159,179,336	458,263,758	128,158,289	220,417,393
Charge Recognised in Statement of Other Comprehensive Income (Note 24.2)	253,717,374	2,072,450,239	(83,198,459)	1,067,868,681
At the End of the Year	4,985,935,804	4,573,108,327	2,257,187,690	2,212,227,860

The closing deferred tax asset and liability balances relates to the following.

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Revaluation of Land and Buildings	4,052,376,363	3,721,005,687	1,635,134,109	1,703,369,101
Accelerated Depreciation for Tax Purpose	1,377,088,463	1,315,313,991	978,157,136	807,012,376
Employee Benefit Liabilities	(197,169,999)	(146,792,781)	(92,767,723)	(67,075,658)
Losses Available for off set against Future Taxable Income	(237,110,153)	(312,480,547)	(252,493,829)	(230,761,966)
Impairment of Trade Receivables	(944,611)	(537,241)	-	-
Net of ROU Assets & Liability	(8,304,259)	(3,400,781)	(10,842,004)	(315,993)
	4,985,935,804	4,573,108,327	2,257,187,689	2,212,227,860

24.2 Deferred Tax Charge/ (Release)

Deferred Tax Charge/(Reversal) recognised through

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Statement of Profit or Loss				
Charge Arising on During the Year Movement	159,179,336	280,219,943	128,158,289	59,291,140
Charge Due to Change in Tax Rates	-	178,043,816	-	161,126,253
	159,179,336	458,263,758	128,158,289	220,417,393
Other Comprehensive Income				
Charge/ (Reversal) Arising on During the Year Movement	253,717,374	932,621,993	(83,198,459)	341,832,357
Charge Due to Change in Tax Rates	-	1,139,828,246	-	726,036,324
	253,717,374	2,072,450,239	(83,198,459)	1,067,868,681

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.

Statement of Profit or Loss

Deferred tax Expense Arising From;

Accelerated Depreciation for Tax Purposes	143,437,029	834,786,776	171,144,764	506,252,163
Employee Benefit Liabilities	(27,590,645)	(97,748,021)	(10,728,602)	(55,535,494)
Benefit arising from Tax Losses	74,856,644	(279,296,754)	(21,731,863)	(230,761,966)
Others	(31,523,692)	521,756	(10,526,011)	462,690
	159,179,336	458,263,758	128,158,288	220,417,393

Other Comprehensive Income

Deferred Tax Expense Arising From;

Revaluation of Land and Building to Fair Value	277,954,852	2,020,294,495	(68,234,995)	1,040,664,016
Actuarial Gain on Employee Benefit Liabilities	(24,237,478)	52,155,744	(14,963,463)	27,204,668
	253,717,374	2,072,450,239	(83,198,458)	1,067,868,684

24.3 Tax Losses Carried Forward

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Tax Losses Brought Forward	1,237,613,717	364,657,325	948,015,696	-
Adjustments on Finalisation of Liability	4,062,793	1,159,867,585	7,540,636	-
Tax losses Arising During the Year	-	64,947,774	-	1,156,203,631
Utilisation of Tax Losses	(475,350,642)	(351,858,966)	(258,176,120)	(208,187,935)
	766,325,868	1,237,613,718	697,380,212	948,015,696

The Group has tax losses amounting to Rs. 766,325,868 available to offset against future taxable profits and same has been utilized for recognition of deferred tax asset.

With the introduction of the Inland Revenue Act no. 24 of 2017, which is effective from 01st April 2018, significant changes have been introduced to the income tax law of Sri Lanka. Further the Department of Inland Revenue has issued a Gazette notification no. 2064/53 on the transitional provisions that would be applicable in implementing the above Act.

As per the gazette notification issued in relation to the transitional provisions, any unclaimed loss as at 31st March 2018 is deemed to be a loss incurred for the year of assessment commencing on or after 01st April 2018 and shall be carried forward up to 6 years.

NOTES TO THE FINANCIAL STATEMENTS

25 EMPLOYEE BENEFIT LIABILITY

25.1 Retirement Benefit Obligations- Gratuity

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
At the Beginning of the Year	582,583,970	699,050,763	223,590,779	276,748,805
Employees Transferred in/(out)	(244,493)	(264,420)	3,643,379	793,342
Interest on Retirement Benefit Liability	132,442,106	97,867,107	50,481,883	38,744,833
Current Service Cost	75,227,731	76,986,287	31,230,714	30,450,483
Actuarial (Gain)/Loss for the Year	89,558,835	(199,974,696)	49,878,212	(90,682,227)
Benefit Paid During the Year	(94,551,256)	(91,081,071)	(49,599,224)	(32,464,456)
Defined Benefit Obligation at the End of the Year	785,016,893	582,583,970	309,225,743	223,590,779
Charge/(Reversal) for the period - Income Statement				
Interest Charge for the year	132,442,106	97,867,107	50,481,883	38,744,833
Current Service Cost	75,227,731	76,986,287	31,230,714	30,450,483
	207,669,838	174,853,394	81,712,597	69,195,315
Charge for the period - Other Comprehensive Income				
Actuarial (Gain)/Loss for the year	89,558,835	(199,974,696)	49,878,212	(90,682,227)
	89,558,835	(199,974,696)	49,878,212	(90,682,227)

25.2 Messrs. Actuarial and Management Consultants (Pvt) Ltd, Actuaries, carried out an actuarial valuation of the defined benefit plan gratuity as at 31st March 2024. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used are as follows:

	Group	
	2024	2023
Discount Rate	12% p.a	23% p.a
Salary Increase Rate	8% p.a	15% p.a
Staff Turnover Rate	22.0% across the board upto age 54 and thereafter zero.	22.0% across the board upto age 54 and thereafter zero.

The demographic assumptions underlying the valuation are retirement age of 60 years.

25.3 Sensitivity to Assumptions Used

If there is a one percentage point changes in the assumptions, it would have the following effect:

	Group		Company	
	2024	2023	2024	2023
Effect on the Defined Benefit Obligation Liability:				
Increase by one percentage point in discount rate	760,591,572	(16,738,380)	299,500,096	(7,660,565)
Decrease by one percentage point in discount rate	811,238,816	14,968,844	319,667,082	5,340,496
Effect on the Defined Benefit Obligation Liability:				
Increase by one percentage point in salary increment rate	815,594,057	18,609,668	321,378,012	6,558,939
Decrease by one percentage point in salary increment rate	756,098,995	(20,424,912)	297,735,757	(8,914,988)

25.4 The Following Payments are Expected Contributions to the Defined Benefit Plan in Future Years:

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Within the next 12 months	207,253,726	165,573,659	80,148,355	62,774,570
Between 1 to 2 years	236,367,023	186,092,626	93,701,717	72,392,800
Between 3 to 5 years	178,239,751	139,618,599	69,228,131	52,074,313
Between 6 to 10 years	129,585,014	74,939,178	52,725,451	29,598,880
Beyond 10 years	33,571,380	16,359,907	13,422,090	6,750,215
Total Expected Payments	785,016,894	582,583,970	309,225,744	223,590,779

25.5 Weighted Average Durations of Service

The Group's and the company's weighted average durations of service in is 3.8 years (2023-3.3 years) and 4 years (2023 - 3.8 years) respectively.

NOTES TO THE FINANCIAL STATEMENTS

26. TRADE AND OTHER PAYABLES

26.1 Trade and Other Creditors

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Trade Payables	2,616,321,814	2,290,909,193	941,504,229	764,715,417
Trade Payable - Related Parties (Note 26.3)	29,281,712	153,192,804	97,565,661	404,220,577
Other Payables (Note 26.2)	1,301,625,162	1,208,941,003	573,179,895	578,233,475
	3,947,228,688	3,653,043,000	1,612,249,784	1,747,169,469

26.2 Other Payables

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Sundry Creditors Including Accrued Expenses	1,135,781,569	1,069,294,437	308,580,046	311,479,306
Other Payable Related Parties (Note 26.4)	102,659,162	83,396,662	239,148,160	256,310,253
Other Tax Payables	37,646,259	30,207,352	25,451,689	10,443,916
Contract Liabilities	25,538,172	26,042,552	-	-
	1,301,625,162	1,208,941,003	573,179,895	578,233,475

26.3 Trade Payable - Related Parties

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Parent Company				
Softlogic Holdings PLC	-	18,174,128	-	-
Subsidiaries				
Asiri Surgical Hospital PLC	-	-	63,424,327	303,141,431
Asiri Diagnostics Services (Pvt) Ltd	-	-	21,926,005	36,326,254
Central Hospital Ltd	-	-	1,047,333	10,222,353
Asiri Hospital Matara (Pvt) Ltd	-	-	587,277	299,692
Asiri Hospital Galle (Pvt) Ltd	-	-	83,394	574,978
Companies under Common Control				
Softlogic Life Insurance PLC	6,737,640	2,944,768	-	-
Softlogic BPO Services (Pvt) Ltd	582,096	3,287,337	-	234,818
Softlogic Corporate Services (Pvt) Ltd	220,659	583,340	-	-
Softlogic Finance PLC	104,090	1,597,293	-	725,258
Softlogic Supermarkets (Pvt) Ltd	-	-	-	908,976
Softlogic Computers (Pvt) Ltd	654,606	34,644,356	-	19,419,085
Softlogic Information Technologies (Pvt) Ltd	531,657	27,674,807	48,000	12,586,065
Softlogic Retail (Pvt) Ltd	1,320,312	6,147,368	1,166,392	3,571,895
Softlogic Asset Management (Pvt) Ltd	520,000	295,000	-	-
Future Automobiles (Pvt) Ltd	-	2,356,899	-	321,792
Softlogic Automobiles (Pvt) Ltd	-	2,104,206	-	69,099
Softlogic Pharmaceuticals (Pvt) Ltd	18,605,914	50,023,509	9,282,934	15,818,881
Softlogic Rewards (Pvt) Ltd	4,738	893,827	-	-
Softlogic Supermarket (Pvt) Ltd	-	2,417,064	-	-
Softlogic Restuarants (Pvt) Ltd	-	48,900	-	-
	29,281,712	153,192,804	97,565,661	404,220,577

NOTES TO THE FINANCIAL STATEMENTS

26.4 Other Payable - Related Parties

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Parent Company				
Softlogic Holdings PLC	13,467,528	21,728,687	708,280	15,610,563
Subsidiaries				
Asiri Surgical Hospital PLC	-	-	158,052,278	145,717,861
Asiri Diagnostics Services (Pvt) Ltd	-	-	-	100,648
Asiri Central Hospital Ltd	-	-	139,752	-
Central Hospital Ltd	-	-	43,541,131	50,347,690
Asiri Hospital Matara (Pvt) Ltd	-	-	2,150,989	936,551
Asiri Academy Of Health Science (Pvt) Ltd	-	-	318,475	-
Asiri Hospital Galle (Pvt) Ltd	-	-	51,889	262,506
Companies under Common Control				
Softlogic Asset Management (Pvt) Ltd	610,006	-	610,006	-
Softlogic Automobiles (Pvt) Ltd	336,320	22,205	336,320	22,205
Future Automobiles (Pvt) Ltd	5,674,197	8,041,121	2,489,160	8,041,121
Softlogic Capital PLC	-	4,012,930	-	4,012,930
Softlogic BPO Services (Pvt) Ltd	8,954,851	15,688,393	-	11,444,961
Softlogic Communications (Pvt) Ltd	4,389	4,389	4,389	4,389
Softlogic Computers (Pvt) Ltd	1,814,650	5,085,286	1,679,666	5,029,321
Softlogic Corporate Services (Pvt) Ltd	4,404,473	3,459,569	1,056,504	1,614,990
Softlogic Finance PLC	1,429,238	314,713	684,697	280,635
Nextage (Pvt) Ltd	333,907	2,352	333,907	2,352
Softlogic Supermarkets (Pvt) Ltd	666,983	16,288	666,983	16,288
Softlogic Pharamaceuticals (Pvt) Ltd	4,201,180	1,140,412	-	-
Softlogic Information Technologies (Pvt) Ltd	9,216,018	10,920,530	7,749,704	9,282,515
Softlogic Restuarants (Pvt) Ltd	74,080	60,280	60,280	60,280
Softlogic Life Insurance PLC	39,452,861	2,714,529	9,763,433	1,818,072
Softlogic City Hotels (Pvt) Ltd	2,038,277	-	2,038,277	-
Softlogic Retail (Private) Ltd	7,794,661	9,824,632	6,004,337	1,352,429
Softlogic Rewards (Pvt) Ltd	2,185,545	360,345	707,705	351,946
	102,659,162	83,396,662	239,148,160	256,310,253

Outstanding balances with related parties as at the year end are unsecured, non-interest bearing and settlement occurs in cash.

27. INCOME TAX PAYABLE

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Balance at Beginning of the Year	521,814,063	348,485,366	7,140,625	231,862,481
Provision for Income Tax During the Year (Note 7)	988,276,817	903,288,816	26,700,000	-
(Over)/Under Provision and Adjustments (Note 7)	101,963,453	134,464,216	(13,683,909)	(5,000,000)
Payments made During the Year	(520,311,632)	(864,424,333)	(20,156,716)	(219,721,855)
Balance at the End of the Year	1,091,742,701	521,814,063	-	7,140,625

28. CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT**28.1 Favorable Cash and Cash Equivalents Balance**

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Cash in Hand and at Banks	805,195,077	569,167,858	128,071,765	156,585,810
	805,195,077	569,167,857	128,071,765	156,585,809

28.2 Unfavorable Cash and Cash Equivalents Balance

Bank Overdraft	(4,082,553,481)	(4,178,827,217)	(2,785,617,166)	(2,779,606,807)
Total Cash and Cash Equivalents for the Purpose of the Cash Flow Statement	(3,277,358,404)	(3,609,659,359)	(2,657,545,401)	(2,623,020,997)

29. COMMITMENTS AND CONTINGENCIES**29.1 Capital Expenditure Commitments**

There were no material commitments outstanding as at 31 March 2024 for future capital expenditure except for the below,

	Group	
	2024	2023
	Rs.	Rs.
Capital Expenditure Commitments	21,901,554	33,745,979
	21,901,554	33,745,979

NOTES TO THE FINANCIAL STATEMENTS

29.2 Contingent Liabilities

(a) Legal Claims

Pending litigations against Asiri Hospital Holdings PLC, Asiri Surgical Hospital PLC, Asiri Central Hospitals Ltd and Central Hospital Ltd with a maximum liability of Rs.27.2 Mn, Rs.66 Mn, Rs 74.7Mn and 133.1Mn respectively exist as at the reporting date. (2023 - Asiri Hospital Holdings PLC - Rs. 67.2Mn, Asiri Surgical Hospital PLC -Rs. 36 Mn, Asiri Central Hospitals Ltd - Ra. 74.7Mn, Central Hospital Ltd - Rs. 134.3Mn)

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 Company has signed Corporate Guarantee Bonds with Sampath Bank PLC, Hatton National Bank PLC, Bank of Ceylon, Seylan Bank PLC and DFCC Bank PLC securing the following banking facilities obtained by the Group entities.

	Company	
	2024	2023
	Rs.	Rs.
Guarantees Value	2,610,000,000	3,117,090,000
	2,610,000,000	3,117,090,000

Outstanding Banking Facilities as at 31st March 2024 is Rs.1,956,292,069 (2023 - 2,273,962,692)

29.3 Contingent Income Taxes

A dispute has arisen with the Department of Inland Revenue with regard to the applicability of the income tax exemption for the years of assessment 2005/06 to 2014/15, in terms of the agreement entered between Asiri Surgical Hospital PLC and the Board of Investment of Sri Lanka (BOI) in year 2000. With respect to the same we have received written notifications from the Tax Appeal Commission so far for the years of assessments 2005/06 to 2013/14 and the company is assessing the provisioning requirement based on the applicable tax laws during the period. We are also in the process of initiating legal action against these assessments in the Court of Appeal.

We also have a case in the Court of Appeal in CA (Writ) 386/ 2016 preventing the recoverability of tax for the same matter and this will be coming up for argument in December 2024. Since there is a litigation, 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.

30 EVENTS OCCURRING AFTER THE REPORTING DATE

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

31 RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows:

31.1 Transactions with Related Entities

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Subsidiaries				
At the beginning of the Year	-	-	(4,296,907,528)	(7,438,000,435)
Repayment of Temporary Finance Obtained and Fund Transfers	-	-	46,606,501	4,948,220,196
Temporary Finance Obtained	-	-	(1,330,634,060)	(1,050,480,657)
Interest Charged	-	-	(652,419,450)	(982,155,716)
Guarantee Income	-	-	20,888,681	23,217,950
Sale of Goods/Services/Intercompany Transfers	-	-	(212,024,033)	571,883,532
Sale/(Purchase) of Non-Current Assets	-	-	(3,176,585)	(402,514)
Channeling Fee Collected by Related Party/ (Company on Behalf of the Related Party)	-	-	(199,357,097)	(137,536,502)
Settlements	-	-	68,214,864	(886,611,138)
Expenses incurred by the Company on Behalf of Related Party/ Company on behalf of the Related Party	-	-	687,973,707	654,957,756
At the end of the Year	-	-	(5,870,835,000)	(4,296,907,528)
Parent Entity				
Opening Balance 01 April	7,655,480,096	3,506,691,544	(638,617,076)	444,264,881
Repayment of Temporary Finance Obtained, Fund Transfers	(27,611,303)	(4,905,775,091)	782,955,415	(2,096,498,607)
Temporary Finance Granted	-	7,407,031,287	-	1,061,473,413
Interest Charged	-	1,647,722,704	(30,966,588)	(52,429,452)
Sale/(Purchase) of Goods/Services	(281,293,400)	(43,039,152)	(84,702,636)	(97,009,263)
Settlements	341,020,810	104,459,153	194,418,800	157,922,637
Expenses incurred by the Company on Behalf of Related Party	(1,025,957)	(61,610,350)	3,449,874	(56,340,685)
At the End of the Year	7,686,570,246	7,655,480,096	226,537,788	(638,617,076)

NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Affiliate Companies				
At the beginning of the Year	2,242,468,547	680,696,330	122,232,273	234,326,596
Temporary Finance Granted/(Obtained)	1,573,621,226	1,310,385,313	5,751,458	(87,578,236)
Interest Charged	1,345,321,928	362,444,458	47,275,705	34,606,905
Sale/(Purchase) of Goods/ Services	618,129,488	483,529,318	531,336,371	113,821,365
Settlements	588,456,425	(411,015,544)	(526,810,441)	(94,824,350)
Acquisition of Shares	(2,690,383,044)	-	-	-
Expenses Incurred by the Company on behalf of Related Party/ (Related Party on behalf of the Company)	(41,257,582)	(183,571,328)	4,749,578	(78,120,006)
At the End of the Year	3,636,356,989	2,242,468,547	184,534,944	122,232,273
Transactions with Key Management Personnel and Their Close Family Members				
At the beginning of the Year	-	-	-	-
Sale/(Purchase) of Goods/ Services	-	-	-	-
At the end of the Year	-	-	-	-
Balance as at 31 March	11,322,927,235	9,897,948,643	(5,459,762,268)	(4,813,292,330)
Included Under Trade Receivables (Note 18.1)	46,667,246	67,275,180	305,440,842	355,867,717
Included Under Other Receivables (Note 18.3)	41,000,298	7,956,667	367,812,710	197,231,084
Included Under Loans granted to Related Parties (Note 20)	11,367,200,565	10,811,295,087	367,780,445	328,265,517
Included Under Interest Bearing Loans and Borrowings (Note 23.4)	-	(751,988,827)	(6,164,082,443)	(5,034,125,818)
Included Under Trade Payables (Note 26.3)	(29,281,712)	(153,192,804)	(97,565,661)	(404,220,577)
Included Under Other Payables (Note 26.4)	(102,659,162)	(83,396,662)	(239,148,160)	(256,310,253)
	11,322,927,235	9,897,948,643	(5,459,762,268)	(4,813,292,330)

31.2 The Company carried out transactions in the ordinary course of its business under relevant commercial terms and conditions with parties who are defined as related parties in Sri Lanka Accounting Standard LKAS 24 – Related party disclosure.

31.3 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 2024 Audited Financial Statements, which required additional disclosures in the 2023/24 Annual Report under Colombo Stock Exchange listing Rule 9.14.8 and Code of Best Practices on Related Party Transactions under the Security Exchange Commission Directive issued under Section 13 (c) of the Security Exchange Commission Act.

31.4 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 2024 audited financial statements, which required additional disclosures in the 2023/2024 Annual Report under Colombo Stock Exchange listing Rule 9.14.8 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

31.5 Compensation of Key Management personnel*

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Short Term Employee Benefits	50,311,200	58,875,350	27,168,048	28,763,208
	50,311,200	58,875,350	27,168,048	28,763,208

*Key management personnel include Board of Directors of Asiri Hospital Holdings PLC and its subsidiaries.

32. 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 Credit Risk, Market Risk including Currency Risk, Interest Rate Risk, Price Risk, and Liquidity 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.

NOTES TO THE FINANCIAL STATEMENTS

32.1 Credit Risk

The Group/Company admit patients on placement of a deposit or in an emergency, even without a deposit. Further, the hospital admit 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 Group/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 Group/Company evaluates credit worthiness of companies before granting credit facilities to corporate clients in order to minimize the non-collection of bills.

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Financial Assets at Amortised Cost				
Loans Granted to Related Parties	11,367,200,566	10,811,295,087	367,780,445	328,265,517
Trade and Other Receivables	1,137,001,482	802,221,721	1,051,581,874	801,408,927
Cash and Cash Equivalents	805,195,077	569,167,858	128,071,765	156,585,810
Total Credit Risk Exposure	13,309,397,125	13,166,170,148	1,547,434,084	1,286,260,254
Financial Assets Designated at Fair Value Through OCI (Equity Instruments)				
Investment in Quoted/Unquoted Equity Securities	289,955,091	351,419,210	30,000,000	99,929,600
Total Equity Risk Exposure	289,955,091	323,258,010	30,000,000	99,929,600
Total	13,599,352,216	13,517,589,358	1,577,434,084	1,386,189,855

Trade Receivables

Customer credit risk is managed by each business unit according to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on a credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and outstandings of major customers are, where feasible, covered by bank guarantees or other forms of credit insurance.

Group	Total	Neither Past Due nor Impaired	Past Due but not Impaired			Impaired > 365 days
			31 - 60 days	61 - 90 days	91 - 365 days	
2024						
Gross Trade Receivable Balance	1,114,055,691	681,919,978	155,824,409	73,742,206	117,534,455	85,034,644
Less - Impairment	(41,260,170)	-	-	-	-	(41,260,170)
	1,072,795,521	681,919,978	155,824,409	73,742,206	117,534,455	43,774,473
2023						
Gross Trade Receivable Balance	783,548,401	459,372,746	175,384,294	58,176,595	60,573,335	30,041,431
Less - Impairment	(45,296,606)	-	-	-	(15,255,175)	(30,041,431)
	738,251,795	459,372,746	175,384,294	58,176,595	45,318,159	-

Company	Total	Neither Past Due nor Impaired	Past Due but not Impaired			Impaired > 365 days
			31 - 60 days	61 - 90 days	91 - 365 days	
2024						
Gross Trade Receivable Balance	1,038,866,015	348,604,635	168,302,677	32,270,348	194,638,045	295,050,310
Less - Impairment	(22,345,120)	-	-	-	-	(22,345,120)
	1,016,520,895	348,604,635	168,302,677	32,270,348	194,638,045	272,705,190
2023						
Gross Trade Receivable Balance	776,626,323	218,435,695	216,214,573	118,547,574	187,856,675	35,571,807
Less - Impairment	(18,301,990)	-	-	-	-	(18,301,990)
	758,324,333	218,435,695	216,214,573	118,547,574	187,856,675	17,269,817

Gross Trade Receivable balance is consisted with External and Related parties trade and other debtors. The requirement for impairment is analysed at each reporting date on an individual basis for major clients. The calculation is based on actual historical data.

Cash and Cash Equivalents

Deposits with banks consist mainly of fixed and call deposits. Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed annually, and may be updated during the year subject to appropriate approval. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through the counterparty's failure to make payments. The Group's maximum exposure to credit risk for the components of the statement of financial position are the carrying amounts as shown.

Foreign Exchange Risk

Foreign Exchange Risk is the Group's/Company's exposure to adverse movement in foreign currency against the Sri Lankan Rupee.

NOTES TO THE FINANCIAL STATEMENTS

32.2 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 negotiate with banks and finance institutions to get the best interest rates and favorable terms for both long and short term borrowing facilities.

Exposure to Interest Rate Risk

The interest rate profile of the Group's/Company's interest bearing financial instruments is as follows:

As at 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Financial Assets at Variable Interest Rates	11,367,200,566	10,811,295,087	367,780,445	328,265,517
Financial Liabilities at Variable Interest Rates	(13,696,900,650)	(15,349,480,822)	(13,258,820,539)	(13,146,899,220)
Net Financial Assets/(Liabilities) at Variable Interest Rates	(2,329,700,084)	(4,538,185,734)	(12,891,040,094)	(12,818,633,702)

Interest Rate Sensitivity

The following table demonstrates sensitivity to a reasonably possible change in interest rates on net financial assets /(liabilities) at variable interest rates. Provided all other variables are held constant, the Group's/Company's profit before tax can be affected by changes on floating rate borrowings, as follows:

	Change in Interest Rate	Effect on Profit Before Tax	
		Group	Company
		Rs.	Rs.
2024	+ 100	(122,326,419)	(157,625,868)
	- 100	122,326,419	157,625,868
2023	+ 100	(131,911,576)	(142,687,884)
	- 100	131,911,576	142,687,884

32.3 Equity Price Risk

A common uncertainty associated with investments is that they may not provide the desired returns. The Group invests substantial sums in capital expenditure for expansion and new services in addition to investments in other companies. Returns on such investments are closely monitored and benefits are periodically evaluated.

The Group holds equity securities which are susceptible to market-price risk arising from uncertainties about future values of these securities. Periodic reports on equity investment portfolios are submitted to the Senior Management of individual business segments. These respective Boards of Directors review and approve all equity investment decisions.

	Note	Group	
		2024	2023
		Rs.	Rs.
Other Non Current Financial Assets			
Financial Assets at Fair Value Through OCI	14	289,955,091	351,419,210
		289,955,091	351,419,210

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:

	Change in Equity Price	Group	
		Effect on Fair Value Reserve of Financial Assets at FVOCI	Effect on Equity
	%	Rs.	Rs.
2024			
Quoted/Unquoted Equity Investments	+10	28,995,509	28,995,509
	-10	(28,995,509)	(28,995,509)
2023			
Quoted/Unquoted Equity Investments	+10	35,141,921	35,141,921
	-10	(35,141,921)	(35,141,921)

NOTES TO THE FINANCIAL STATEMENTS

32.4 Liquidity Risk

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

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases and that will always have sufficient liquidity to meet its liabilities when due under normal and stressed conditions. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficient and debt maturing within 12 months can be rolled over with existing lenders. This risk has been managed by maintaining a balance between bank overdrafts, bank loans, and inter company borrowings. The Company is in position to maintain the short term financial obligation through the roll over the short term maturity date by using funds provided by the Group Companies, roll over the Bank Overdrafts facilities and Deferment of Intercompany Payables.

The Company has signed Corporate Guarantee Bonds with Sampath Bank PLC, Hatton National Bank PLC, Bank of Ceylon, Seylan Bank PLC and DFCC Bank PLC securing the following banking facilities obtained by the Group entities. (Please refer Note 29.2).

As at 31 March	Group		Company	
	2024	2023	2024	2023
Cash in Hand and at Banks	805,195,077	569,167,858	128,071,765	156,585,810
Total Liquid Assets	805,195,077	569,167,858	128,071,765	156,585,810
Current Portion of Interest Bearing Borrowings	7,825,710,374	12,360,074,277	4,942,406,050	7,650,338,790
Bank Overdrafts	4,082,553,481	4,178,827,217	2,785,617,166	2,779,606,807
Total Liabilities	11,908,263,856	16,538,901,494	7,728,023,216	10,429,945,597
Net Debt	(11,103,068,778)	(15,969,733,637)	(7,599,951,451)	(10,273,359,787)

The maturity profile of the Group's and Company's financial liabilities are as follows :

	Group				Company			
	2024				2024			
	Interest Bearing Loans and Borrowings (External Borrowings)	Lease Liability	Trade and Other Payables	Total	Interest Bearing Loans and Borrowings (External Borrowings)	Lease Liability	Trade and Other Payables	Total
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
0-12 Months	7,825,710,374	87,521,232	3,947,228,688	11,860,460,294	4,942,406,050	57,711,067	1,612,249,784	6,612,366,901
1-5 years	5,804,640,276	222,516,706	-	6,027,156,981	8,316,414,489	192,697,770	-	8,509,112,259
>5 years	66,550,000	141,948,231	-	208,498,231	-	141,948,231	-	141,948,231
Total	13,696,900,650	451,986,169	3,947,228,688	18,096,115,507	13,258,820,539	392,357,068	1,612,249,784	15,263,427,390

	Group				Company			
	2023				2023			
	Interest Bearing Loans and Borrowings (External Borrowings) Rs.	Lease Liability Rs.	Trade and Other Payables Rs.	Total Rs.	Interest Bearing Loans and Borrowings (External Borrowings) Rs.	Lease Liability Rs.	Trade and Other Payables Rs.	Total Rs.
0-12 Months	12,690,895,242	117,856,805	3,653,300,685	16,462,052,732	8,668,921,968	85,299,855	1,747,169,460	10,501,391,283
1-5 years	4,330,771,508	289,277,937	-	4,620,049,445	3,313,436,288	271,338,021	-	3,584,774,309
>5 years	91,550,000	4,159,297	-	95,706,297	1,631,776,905	4,156,297	-	1,635,933,202
Total	17,113,216,749	411,294,039	3,653,300,685	21,177,808,473	13,614,135,161	360,794,173	1,747,169,460	15,722,098,794

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. No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March 2024. The Group monitors capital using a gearing ratio for the company to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. and subsidiaries, 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, trade and other payables less cash and cash equivalents.

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Net Debt	20,640,394,564	9,339,386,579	17,920,972,795	15,874,299,633
Equity	23,432,445,936	19,175,227,349	9,901,371,632	9,671,791,137
Capital and Total Net Debt	44,072,840,500	28,514,613,928	27,822,344,427	25,546,090,770
Gearing Ratio	47%	33%	64%	62%

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SHAREHOLDER INFORMATION

GENERAL

Stated Capital as at 31 March 2024 was Rs. 4,748,108,334/-

STOCK EXCHANGE LISTING

The ordinary shares of Asiri Hospital Holdings PLC were listed in the Colombo Stock Exchange of Sri Lanka since June 1986.

PUBLIC SHAREHOLDING

- Public Holding Percentage was 14.67% as at 31 March 2024.
- The number of public shareholders as at 31 March 2024 was 5,689.
- Float adjusted market capitalisation as at 31 March 2024 was Rs. 4,171,904,463.33
- The Company is in compliance with option 4 of the Listing Rules 7.13.1 (i) which requires 10% minimum public holding percentage and 500 minimum public shareholders.

DISTRIBUTION OF SHAREHOLDING

Number of shares held	31st March 2024			31st March 2023		
	Number of shareholders	Holding	Holding %	Number of shareholders	Holding	Holding %
1 – 1,000	3,007	827,299	0.07	2,949	827,026	0.07
1,001 – 10,000	1,713	6,901,564	0.61	1,716	6,901,176	0.61
10,001 – 100,000	774	27,116,668	2.38	790	27,456,750	2.41
100,001 – 1,000,000	179	48,027,075	4.22	181	47,788,905	4.20
Over 1,000,000	26	1,054,660,990	92.71	26	1,054,559,739	92.71
Total	5,699	1,137,533,596	100	5,662	1,137,533,596	100

COMPOSITION OF SHAREHOLDERS

Category	31st March 2024			31st March 2023		
	Number of shareholders	Holding	Holding %	Number of shareholders	Holding	Holding %
Individual	5,526	112,299,947	9.87	5,499	113,387,595	9.97
Institutional	173	1,025,233,649	90.13	163	1,024,146,001	90.03
Total	5,699	1,137,533,596	100	5,662	1,137,533,596	100
Resident	5663	772,413,405	67.90	5,626	772,813,493	67.94
Non Resident	36	365,120,191	32.10	36	364,720,103	32.06
Total	5,699	1,137,533,596	100	5,662	1,137,533,596	100

SHAREHOLDER INFORMATION

TWENTY LARGEST SHAREHOLDERS OF THE COMPANY AS AT 31 MARCH 2024 ARE AS FOLLOWS

No	Name	Shares	%
1	Softlogic Holdings PLC	627,025,050	55.12
2	Merrill Lynch Pierce Fenner & Smith-Tpg Growth Iii Sf Pte Ltd	328,258,328	28.86
3	Bbh-Tundra Sustainable Frontier Fund	30,000,000	2.64
4	Mr. Chaminda Dilantha Weerasinghe (Deceased)	9,375,000	0.82
5	Softlogic Life Insurance Plc-A/C No. 04 (Participating Fund)	9,000,000	0.79
6	Sri Lanka Insurance Corporation Ltd-Life Fund	7,851,792	0.69
7	Mr. Pujitha Punsiri Subasinghe	7,456,922	0.66
8	Softlogic Life Insurance PLC-A/C No. 05 (Non-Participating Fund)	5,956,877	0.52
9	Employees Trust Fund Board	4,245,693	0.37
10	Dr. Welagedara Mudiyansele Swarnamali Welagedara	3,375,000	0.30
11	Mr. Ahamed Umar Maniku	3,219,350	0.28
12	Sri Lanka Insurance Corporation Ltd-General Fund	2,807,417	0.25
13	Mr. Hewa Komanage Jayantha Dharmadasa	2,788,920	0.25
14	Dr. Luhubanduwaduge Don Abo Claudius Luvis	2,741,720	0.24
15	Mr. Mohamed Faizer Hashim	2,087,160	0.18
16	Miss Theja Thushari Weerasinghe	1,746,630	0.15
17	Mr. Uditha Harilal Palihakkara	1,208,493	0.11
18	Mrs. Laxmi Leela Jayasekera	1,199,297	0.11
19	Mr. Gajath Chrysantha Goonetilleke	1,133,260	0.10
20	Mrs. Yogeswari Wijyaratnam	1,074,010	0.09
	Other	84,982,677	7.47
	Total	1,137,533,596	100

SHARE TRADING INFORMATION

	23/24	22/23
Highest (26/03/2024)	28	40
Lowest (29/02/2024)	22.50	23.40
As at year end (31/03/2024)	25	24.90
Number of Trades	5,586	5,265
Number of shares traded	6,130,983	5,569,627
Value of the Shares Trades (LKR)	155,062,240	167,336,891
Market Capitalization (LKR)	28,438,339,900	28,324,586,540
Earnings per share (LKR)	2.54	1.29
Dividend per share (LKR)	-	-
Net assets per share (LKR)	19.08	15.57
P/E Ratio	9.84	19.30

FIVE YEAR SUMMARY

Year ended 31 March	2024	2023	2022	2021	2020
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Income Statement					
Revenue	28,571,487	24,785,716	22,324,121	15,784,523	15,510,422
Cost of Sales	(15,023,853)	(13,118,805)	(11,923,489)	(8,994,513)	(8,499,001)
Gross Operating Profit	13,547,634	11,666,911	10,400,632	6,790,010	7,011,421
Other Laboratory Income	66,992	64,784	61,132	59,799	75,264
Administration & Distribution Expenses	(7,476,212)	(5,981,792)	(4,828,232)	(4,183,026)	(4,232,558)
Profit from Operations	6,138,414	5,749,903	5,633,532	2,666,783	2,854,127
Other Income	165,365	158,288	165,448	135,246.36	154,140
Share of Profit / (Loss) of Associate/ Joint Venture	-	-	-	-	704
Profit Before Interest & Tax	6,303,779	5,908,191	5,798,979	2,802,029	3,008,972
Finance Income	1,649,711	2,439,181	247,210	242,331	191,700
Finance Expenses	(3,585,194)	(5,152,096)	(1,273,988)	(1,433,382)	(1,789,974)
Profit Before Tax	4,368,297	3,195,275	4,772,202	1,610,978	1,410,697
Tax Expense	(1,249,420)	(1,496,017)	(968,904)	133,640	(492,490)
Profit After Tax	3,118,877	1,699,258	3,803,298	1,744,618	918,207
Non-Controlling Interest	(231,977)	(230,309)	(299,359)	(213,381)	(110,211)
Profit after Non-Controlling Interest	2,887,040	1,468,949	3,503,939	1,531,236	807,996
Balance Sheet					
Property, Plant & Equipment	33,933,057	33,205,836	29,612,479	25,253,491	24,270,835
Right of Use Assets	1,143,016	1,175,011	1,280,844	1,309,860	1,367,469
Investment Property	-	-	-	-	215,000
Investment in Associate/Joint Venture	-	-	-	-	32,245
Intangible Assets	609,654	609,654	609,654	609,654	609,654
Non Current Assets	65,461	61,506	62,408	54,473	54,293
Other Non Current Financial Assets	289,955	351,419	386,327	323,258	360,695
Inventories	1,282,042	1,232,955	1,000,220	664,297	665,626
Trade and Other Receivables	1,137,001	802,222	707,746	789,099	902,178
Other Current Assets	1,916,663	1,465,989	507,544	401,696	538,201
Loans Granted to Related Parties	11,367,201	10,811,295	4,237,404	1,679,771	1,733,487
Cash and Cash Equivalents	805,195	569,168	838,746	985,681	1,448,291
Total Assets	52,549,245	50,285,055	39,243,373	32,071,279	32,197,975

FIVE YEAR SUMMARY

Year ended 31 March	2024	2023	2022	2021	2020
	Rs. '000				
Issued Share Capital	4,748,108	4,748,108	4,748,108	4,748,108	4,748,108
Revaluation Reserve	10,592,575	9,525,856	8,022,445	4,185,578	3,384,550
Fair Value Reserve of Financial Assets at FVOCI	(101,878)	(233,532)	(183,581)	(46,240)	7,800
Reserve on Consolidation	(919,511)	(920,520)	(920,572)	(920,571)	(863,977)
Retained Earnings	7,376,201	4,600,296	2,990,073	2,327,574	2,683,467
Foreign Currency Translation Reserve	823	(3,275)	(3,004)	(671)	-
Non-Controlling Interest	1,736,128	1,458,294	1,169,368	1,003,479	901,355
Total Equity	23,432,446	19,175,227	15,822,838	11,297,258	10,861,304
Amount due on Leasehold Property	451,986	411,291	378,114	405,386	476,813
Interest Bearing Borrowings & Bank Overdraft	15,012,664	21,292,044	16,504,664	16,522,817	16,054,493
Deferred Tax Liabilities	4,985,936	4,573,108	2,042,325	1,107,084	1,833,615
Employee Benefit Liability	785,017	582,584	699,051	666,290	555,611
Trade Creditors	3,947,229	3,653,301	1,938,262	1,909,338	1,996,831
Other Payables	1,167,177	597,500	1,858,118	163,107	419,309
Total Equity & Liabilities	49,782,455	50,285,055	39,243,373	32,071,279	32,197,975
Net Cash From Operating Activities	4,375,085	3,451,969	5,534,768	2,706,998	2,764,395
Net Cash Flows Used in Investing Activities	(982,231)	(5,573,663)	(3,744,825)	(1,182,351)	(4,330,673)
PBIT/Turnover (%)	22	24	26	18	19
GP Margin (%)	47	47	47	43	45
Return on Equity (%)	13	9	24	15	8
Return on Assets (%)	6	4	11	5	3
Dividend Pay Out (%)	-	-	81.16	118.86	-
Debts to Equity	0.66	1.13	1.07	1.50	1.52
Interest Cover	2.22	1.62	4.75	2.12	1.79
Quick Asset Ratio	0.91	0.64	0.44	0.36	0.39
Dividend Per Share	-	-	2.50	1.60	-
Net Assets Value per Share	19.07	15.57	12.88	9.05	8.76
Earnings per Share	2.54	1.29	3.08	1.35	0.71

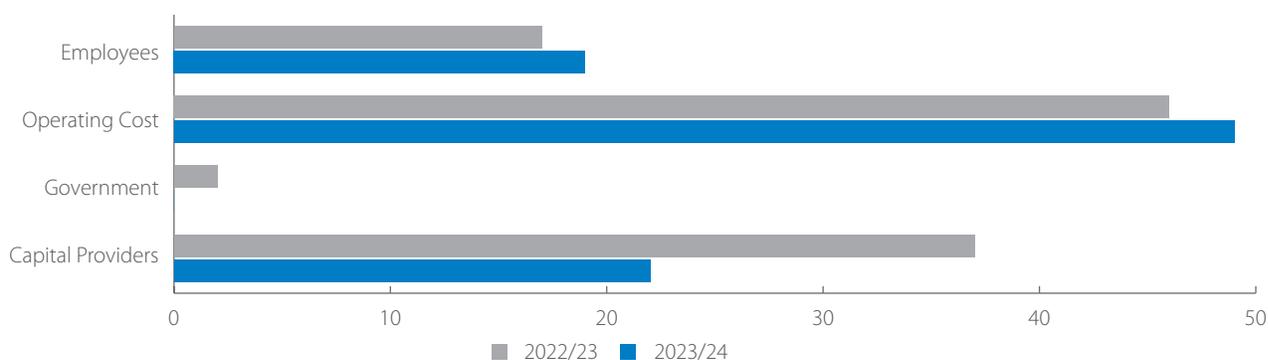
ECONOMIC VALUE ADDED STATEMENT

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.

	31-Mar-2024	%	31-Mar-2023	%
	Rs. '000		Rs. '000	
Direct Economic Value Generated				
Turnover	12,376,923	98%	10,477,629	78%
Finance Income	168,436	1%	178,648	2%
Dividend Income	-	0%	6,000	0%
Other Income	133,766	1%	124,923	1%
	12,679,126	100%	10,787,200	100%
Economic Value Distributed				
To Employees				
Employee wages & Benefits	2,354,898	19%	1,953,922	17%
Operating Cost				
Other Operating Expenses	6,181,015	49%	4,986,044	46%
	6,181,015		4,986,044	
To Government				
Taxes Paid	20,157	0%	219,722	2%
To Providers of Capital				
To lenders as Interest	2,809,453	22%	3,905,821	37%
To Shareholders as dividends	-	0%	-	0%
Expansion & Growth				
Depreciation	757,777	6%	707,733	7%
Retained Earnings	555,826	4%	(986,042)	-9%
	12,679,126	100%	10,787,200	118%
Economic Value Distributed	11,365,524		11,065,509	
Economic Value Retained (after payment of dividend to shareholders)	1,313,602		(278,309)	
	12,679,126		10,787,200	

DISTRIBUTION OF ECONOMIC VALUE ADDED (%)



NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the 44th ANNUAL GENERAL MEETING of ASIRI HOSPITAL HOLDINGS PLC will be held on Monday, the 30th September 2024 at 10.00 a.m. at Auditorium of Central Hospital Limited (4th Floor), No 114, Norries Canal Road, Colombo 10 for the following purposes:

1. Ordinary Business

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 2024 together with the Report of the Auditors thereon.
2. To re-elect Mr. V. Bali who retires by rotation in terms of Article 24(6) of the Articles of Association, as a Director of the Company.
3. To re-elect Mr. A. N. Thadani who retires by rotation in terms of Article 24(6) of the Articles of Association, as a Director of the Company.
4. To re-elect Dr. K.M.P Karunaratne who retires in terms of Article 24(6) of the Articles of Association, as a Director of the Company.
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 2025 and up to the date of the next Annual General Meeting.

2. Special Business

To consider and if thought fit, to pass the following resolution as a Special Resolutions:

- 2.1 IT IS HEREBY RESOLVED THAT Article 24(l) be deleted in its entirety and substituted with the following Article 24(l).

“24(l) Unless otherwise determined by ordinary resolution of the Company, the number of Directors of the Company shall not be less than Five (5) and not more than Fifteen (15).”

- 2.2 IT IS HEREBY RESOLVED that article 35(7) be deleted in its entirety and be substituted with the following new articles numbered 35(7)(i) to 35(7)(v)

“35(7) (i) Any Director may, at any time by notice left at the office appoint in writing sent either by facsimile transmission or by email to the Directors, any person approved by the Directors to be an alternate director of the Company to act in his/her place in exceptional circumstances and for a maximum period of one (01) year from the date of appointment and at any time remove the alternate director so appointed and the following provision of this Article shall apply to any person so appointed

35(7)(ii) A person appointed to be an alternate director shall not in respect of such appointment be entitled to receive any remuneration from the Company nor be required to hold any share qualification but the Board may repay an alternate director who is not a Director in his own right such reasonable expenses as he may incur in attending and returning from meetings of the Board which he is entitled to attend or as he may otherwise properly incur in or about the business of the Company or may pay such allowances as they may think proper in respect of these expenses.

35(7)(iii) An alternate director shall (on his giving an address for such notice to be served upon him) be entitled to receive notices of all meetings of the Board and to attend and vote as director at any such meeting at which the Director appointing him is not personally present and generally to perform all the functions of his appointor as a Director in the absence of such appointor.

35(7)(iv) An alternate director may be appointed for a specified period or until the happening of a specified event but he shall ipso facto cease to be an alternate director in any of the following events, that is to say;

- (a) upon the return to Sri Lanka of the Director in whose place he was appointed as an alternate if the appointment was for the purpose of acting as a Director during the appointor's absence abroad;
- (b) if the Director in whose place he was appointed an alternate ceases for any reason to be a director, provided that if any Director retires by rotation but is re-elected at the meeting at which such retirement took effect, any appointment made by him pursuant to this article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired
- (c) if the alternate director shall have a receiving order made against him or compounds with his creditors or is adjudicated an insolvent;
- (d) if the alternate director be lunatic or becomes of unsound mind;

NOTICE OF MEETING

- (e) if the appointment of the alternate director is revoked by his appointor by a notice in writing left at the office;
- (f) if the Board resolve that the appointment of the alternate director be terminated; provided that such termination shall not take effect until the expiration of thirty (30) days after the date of the resolution of the Board;
- (g) is disqualified by the Act or any other statute;

35(7)(v) A Director shall not vote on the question of the approval of an alternate director to act for him or on the question of the termination of the appointment of such an alternate director under sub-paragraph (f) of the last foregoing sub-clause (iv) of this Article and if he does so his vote shall not be counted."

By Order of the Board,

ASIRI HOSPITAL HOLDINGS PLC

Sgd.

SOFTLOGIC CORPORATE SERVICES (PVT) LTD.

Company Secretaries

5 September 2024

Colombo

Notes

- (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.
- (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 available on the Corporate Website of the Company and the Website of the Colombo Stock Exchange.

FORM OF PROXY

I/We.....
of
being * member/members of Asiri Hospital Holdings PLC , do hereby appoint
.....(holder of N.I.C No.) of
..... or (whom falling)

Mr. A.K.Pathirage	whom failing
Dr. K.M.P Karunaratne	whom failing
Mr. S.Ahangama	whom failing
Mr. V.Bali	whom failing
Mr. A.N Thadani	whom failing
Mr. H.K. Kaimal	whom failing

as *my/our Proxy to represent *me/us and to speak and vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held on 30th September 2024 at 10.00 a.m. at the Auditorium of Central Hospital Limited and at any adjournment thereof, and at every poll which may be taken in consequence thereof for the following purposes:

1. Ordinary Business

	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 2024 together with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
(2) To re-elect Mr. V. Bali 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"/>
(3) To re-elect Mr. A. N. Thadani 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 elect Dr. K. M. P Karunaratne who retires in terms of Article 24(6) of the Articles of Association, as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(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.	<input type="checkbox"/>	<input type="checkbox"/>
(6) To authorise the Directors to determine and make donations for the year ending 31st March 2025 and up to the date of the next Annual General Meeting.	<input type="checkbox"/>	<input type="checkbox"/>

2. Special Business

(2.1) To consider and if thought it to pass the Special Resolution set out under item 2.1 of the Notice of Meeting for the amendments to the Article of Association.	<input type="checkbox"/>	<input type="checkbox"/>
(2.2) To consider To consider and if thought it to pass the Special Resolution set out under item 2.2 of the Notice of Meeting for the amendments to the Article of Association.	<input type="checkbox"/>	<input type="checkbox"/>

.....
Signature

.....
Date

- 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 FOR 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, Softlogic Corporate Services (Pvt) Ltd, No.14, De Fonseka Place, Colombo 05, marked "ASIRI HOSPITAL HOLDINGS PLC – Annual General Meeting" or email corporateservices@softlogic.lk not later than 48 hours before the time appointed for the Meeting.
3. In forwarding the completed and duly signed Proxy to the Company, please follow the Guidelines and Attendance Registration Process for the Annual General Meeting available on the Corporate Website of the Company and the Website of the Colombo Stock Exchange.
4. 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 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)
5. Please indicate with a 'X' how the Proxy should vote on each resolution. If no indication is given, the Proxy in his/her discretion will vote as he/she thinks fit.

CORPORATE INFORMATION

NAME OF THE COMPANY

Asiri Hospital Holdings PLC

REGISTERED OFFICE

No 181, Kirula Road, Colombo 05, Sri Lanka

OFFICE AND ADMINISTRATIVE COMPLEX

Asiri Surgical Hospital PLC
No.21, Kirimandala Mawatha
Colombo 05, Sri Lanka
Telephone : 0114524400
Email : info@asiri.lk
Web : www.asirihealth.com

COMPANY REGISTRATION NUMBER

PQ204

LEGAL FORM

A quoted public company incorporated in Sri Lanka on 29 September 1980, under the Companies Act No.17 of 1982, with limited liability. Re-registered on 30 September 2008 under the Companies Act No. 07 of 2007.

STOCK EXCHANGE LISTING

The Ordinary Shares of the Company have been listed with the Colombo Stock Exchange since June 1986.

BOARD OF DIRECTORS

Mr. A. K. Pathirage - Chairman/Managing Director

Dr. K. M. P. Karunaratne - Group Chief Executive Officer

Dr. S. Selliah - Deputy Chairman
(resigned w.e.f 29th July 2024)

Mr. H K Kaimal

Mr. G. L. H. Premaratne

Mr. V. Bali

Mr. A. N. Thadani

Mr. S. Ahangama

AUDIT COMMITTEE

Chairman

Mr. S. Ahangama

Independent Non-Executive Director

Committee Members

Mr. G. L. H. Premaratne

Independent Non-Executive Director

Mr. H K Kaimal

Non 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 - resigned w.e.f 29th July 2024

Independent Non-Executive Director

FREQUENCY OF MEETINGS

Committee meets once a year

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Chairman

Mr. Sudarshan Ahangama

Independent Non-Executive Director

Committee Members

Mr. G. L. H. Premaratne

Independent Non-Executive Director

Mr. H K Kaimal

Non Independent Non-Executive Director

NOMINATION AND GOVERNANCE COMMITTEE

Chairman

Dr Selliah – Senior Independent Director

(Resigned w.e.f 29th July 2024)

Committee Members

Mr. S Ahangama – Independent Non-Executive Directors

Mr. V Bali – Non Executive Director

FREQUENCY OF MEETINGS

Committee meets at least once a quarter

SUBSIDIARY COMPANIES

Central Hospital Ltd

No. 114, Norris Canal Road, Colombo 10.

Asiri Central Hospitals Ltd

No. 114, Norris Canal Road, Colombo 10.

Asiri Surgical Hospital PLC

No. 21, Kirimandala Mawatha, Colombo 5.

Asiri Diagnostics Services (Pvt) Ltd

No. 181, Kirula Road, Colombo 05.

Asiri Hospital Matara (Pvt) Ltd

No. 26, Esplanade Road, Uyanwatte, Matara.

Asiri Laboratories (Pvt) Ltd

No. 181, Kirula Road, Colombo 5.

Asiri Hospital Galle (Pvt) Ltd

No. 10, Wackwella Road, Galle.

Asiri AOI Cancer Centre (Pvt) Ltd

No. 21, Kirimandala Mawatha, Colombo 5.

Asiri Port City Hospital (Pvt) Ltd.

No. 14, De Fonseka Place, Colombo 5.

Asiri Academy of Health Sciences (Pvt) Ltd.

No. 181, Kirula Road, Colombo 5.

Asiri Diagnostics Services (Asia) Pte Limited

No. 8, Temasek Boulevard, # 35-03 Suntec Tower 3, Singapore.

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 5.

STOCK CODE

ASIR.N0000

BANKERS

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

Designed & produced by



