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About Us

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

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

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

135

beds

260

consultants

24-hour

emergency treatment unit (ETU) and ambulance service

World-class

Heart Centre and Comprehensive Cancer Care Centre

Centres of Excellence

Cardiology, Oncology, Orthopedics, Urology and Gastroptry



Vision

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



Mission

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



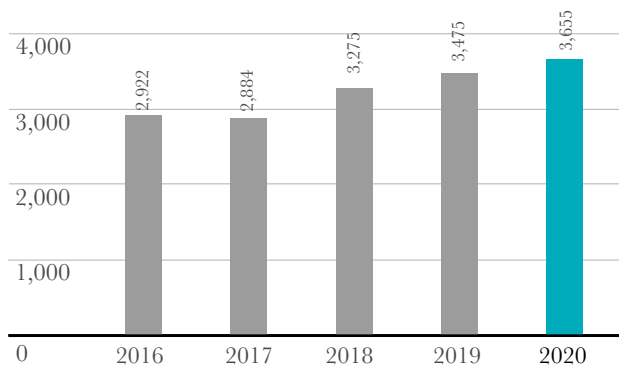
Values

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

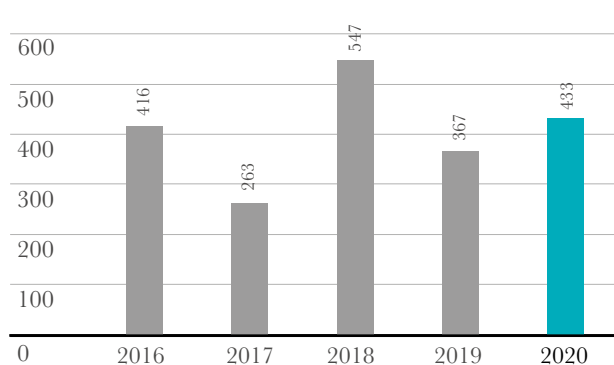
Highlights of the Year

Year ended 31 March		2020	2019
Operating Results			
Revenue	Rs. 000	3,654,663	3,475,047
Profit before Interest and Tax	Rs. 000	759,601	665,174
Profit after Tax	Rs. 000	433,111	366,515
Return on Equity	%	10.68	10.19
Return on Capital Employed	%	5.50	6.25
Balance Sheet Highlights			
Total Assets	Rs. 000	7,867,976	5,864,581
Total Equity	Rs. 000	4,056,605	3,596,437
Shareholder Information			
Earnings per Share	Rs.	0.82	0.69
Net Assets per Share	Rs.	7.68	6.81
Dividend per Share	Rs.	0.00	0.50
Share Price (31st March)	Rs.	9.00	9.50

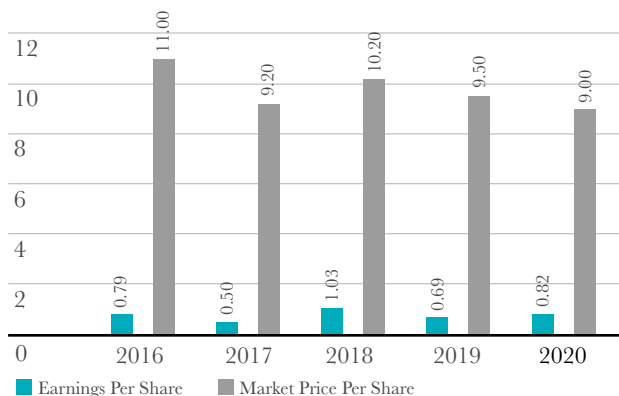
REVENUE (LKR Mn.)



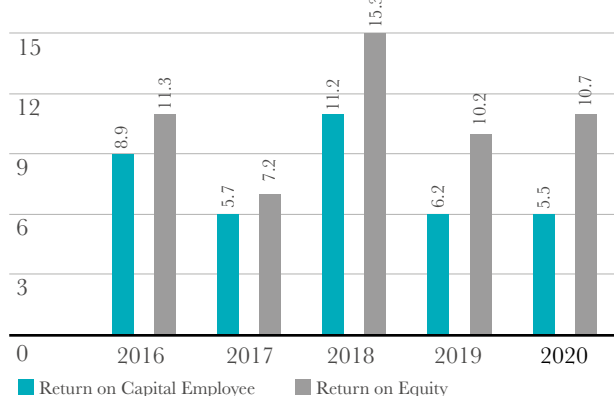
PROFIT AFTER TAX (LKR Mn)



EARNINGS AND MARKET PRICE PER SHARE (LKR)



PROFITABILITY (%)





LEADERSHIP

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Chairman's Review



Having emerged as a stronger and more resilient operation over this past year, I believe Asiri Surgical Hospital is well equipped to retain its solus, market-leading position as the only surgical hospital in the country, facilitating sustainable, long-term value creation for all stakeholders.

The year 2019/20 was a challenging one in more ways than one. However, I am pleased to announce that Asiri Surgical Hospital (ASH) never wavered from its core purpose. Keeping patients at the heart of all we do, we worked diligently throughout this past year to deliver on our mandate to create a world-class healthcare experience in Sri Lanka.

While ASH is known for its excellent track record in delivering high quality clinical outcomes, we believe continuous improvement is vital if we are to remain at the forefront of Sri Lanka's private healthcare sector. In 2019/20 we prioritized capacity building at our centres of excellence and also took some important steps to strengthen our infrastructure and enhance our core competencies in several other disciplines.

On a related note, it is very encouraging to see that all centres of excellence operated at full capacity throughout the year, which I believe testifies to our ability to provide a strong positive clinical outcomes and the best in-class patient experience. ASH's flagship Cardiac Care unit successfully completed 409 cardiac surgeries, while the newly established Cancer Care centre - possibly the only private sector cancer facility in the Country as a joint venture with American Oncology Institute specializing in the full gamut of cancer treatment services, continued to attract patients from across Sri Lanka as well as from overseas.

I am also pleased to report that during the year under review, the majority of patient safety and clinical effectiveness indicators also showed improvement. Much of the progress can be attributed to ongoing improvements made as part of the ACHSI (Australian Council on Healthcare Standards International) accreditation program which has allowed ASH to consistently realign its processes with world-class safety and quality benchmarks. Meanwhile further reinforcing our commitment to the ongoing improvement of patient care in all areas, we continued to undertake regular customer satisfaction surveys and formal feedback processes. The findings from the initiatives which we undertook in 2019/20 were instrumental in guiding our efforts to reduce delays in several front end processes.

DRIVING SUSTAINABILITY

As a one of the largest private sector healthcare providers in the Country, one of our key sustainability targets is to facilitate the Country's sustainable growth.

The work we do every day and our commitment to best practices gives ASH a clear advantage. For example we have often been instrumental in pioneering the latest healthcare technology to the Country, allowing Sri Lankans to benefit from the best possible clinical outcomes. Our Centres of Excellence meanwhile have been responsible for delivering high quality, integrated healthcare

solutions to improve quality of life for an increasing number of Sri Lankans. For the past 20 years ASH has also been serving the community through the provision of free healthcare services. I am proud to say that our flagship community effort - the free-heart surgery initiative has helped over 283 underprivileged children to receive free surgery and after-care at the Asiri Surgical Cardiac care unit. I am also very pleased to see that the free clinics we conduct addressing a range of healthcare needs, appear to be playing an increasingly important role in raising health awareness and providing real solutions for the broader community.

FUTURE PLANS

Having emerged as a stronger and more resilient operation over this past year, I believe ASH is well equipped to retain its solus, market-leading position as the only surgical hospital in the country, facilitating sustainable, long-term value creation for all stakeholders.

Furthermore given our credentials and long standing track record of excellence, I am confident that ASH is ideally placed to move quickly and decisively, keeping pace with the evolutions in global healthcare, thus continuing to lead the ongoing transformation of healthcare in Sri Lanka.

ACKNOWLEDGEMENTS

I wish to thank my colleagues on the Board for their strategic stewardship which has enabled ASH to continue to claim a leadership position within the Country's private healthcare sector.

Our people remain our greatest strength and I wish to take this opportunity to thank each and every one of them for their dedication and commitment towards realizing the ASH vision.

To our patients, thank you for making ASH your trusted healthcare partner. Rest assured that ASH remains committed to work even harder to earn and keep your trust in the future.

In conclusion I would like to thank our shareholders and business partners for their trust and confidence. I look forward to your continued support in the years ahead as well.

Sgd.

Ashok Pathirage

Chairman/Managing Director

10th August 2020

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 of Softlogic Group, one of Sri Lanka's leading conglomerates. He manages over 50 companies with a pragmatic vision providing employment to more than 10,000 employees. Mr. Pathirage gives strategic direction to the Group which has a leading market presence in four vertical sectors – Retail and Telecommunications, Healthcare Services, Financial Services and IT, Leisure and Automotive. The Asiri Hospital chain is the country's leading private healthcare provider which has achieved technological milestones in medical innovation in Sri Lanka's private healthcare. He is the Chairman/Managing Director of Softlogic Holdings PLC, Asiri Hospital Holdings PLC, and Odel PLC. He also serves as the Chairman of Softlogic Capital PLC and Softlogic Life Insurance PLC in addition to the other companies of the Group. He is also the Chairman of NDB Capital Holdings Limited, SriLankan Airlines Limited and Sri Lankan Catering Limited.

DR. SIVAKUMAR SELLIAH

MBBS, M Phil

Deputy Chairman

Dr. Selliah holds an MBBS Degree and a Master's Degree (M Phil.), and has over two decades of experience in many diverse fields. Dr. Selliah is currently the Deputy Chairman of Asiri Hospital Holdings PLC and Central Hospital Ltd. He is a Director of Lanka Tiles PLC, HNB Assurance PLC, Softlogic Holdings PLC, Odel PLC, Lanka Walltiles PLC, Lanka Ceramic PLC, ACL Cables PLC, Swisstek (Ceylon) PLC and Swisstek Aluminium (Pvt) Ltd. Dr. Selliah is also the Chairman of JAT Holdings (Pvt) Ltd., Vydexa (Lanka) Power Corporation (Pvt) Ltd. and Cleanco Lanka (Pvt) Ltd. Dr. Selliah serves on the Audit Committee, Investment Committee, Strategic Planning Committee, Related Party Transactions Review Committee and Human Resource and Remuneration Committee which are subcommittees of the Board, of some of the companies listed above.

DR. MANJULA KARUNARATNE

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

Group Chief Executive Officer

Dr. Karunaratne was appointed to the Board of Asiri Hospital Holdings PLC and Asiri Surgical Hospital PLC in 2006, and currently serves as the Chief Executive Officer of the Asiri Group. He also serves on the Boards of Central Hospital Ltd., Asiri Central Hospitals Ltd., Asiri Hospital Matara (Pvt) Ltd., Asiri Hospital Galle (Pvt) Ltd. and Asiri Diagnostic Services (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 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.

MR. HARRIS PREMARATNE

Director

Mr. Premaratne was appointed to the Board in March 2008 after 40 years of banking experience with Commercial Bank. He is specialized in Corporate Banking, and is an Associate of the Chartered Institute of Bankers of London. He served as the Managing Director of Sampath Bank 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 Bank in the year 2017, and Deputy Chairman of Softlogic Finance PLC during 2015-2017. He is a Director of Softlogic Holdings PLC and Softlogic Capital PLC and also serves on the Boards of Asiri Hospital Holdings PLC, and Central Hospital Limited. He functions as the Chairman of the Remuneration Committee and also a member of the Audit Committee of all three hospitals.

MR. SAMANTHA RAJAPAKSA**Director**

Mr. Rajapaksa is a Fellow member of The Institute of Chartered Accountants of Sri Lanka, the Chartered Institute of Management Accountants of UK and the Chartered Institute of Marketing of UK. He also holds an MBA from the University of Sri Jayewardenepura. He began his career at Messrs Ernst & Young. He went on to serve as Director/General Manager at Informatics International. Thereafter, he took on the appointment of Director/Chief Executive Officer of CF Venture Fund Ltd. He was also appointed as a Group Director of Central Finance Co. PLC during the same period. He thereon took a post overseas as Senior Project Manager at AT&T Inc. USA. He returned to Sri Lanka in 2008 to take up the appointment as Group Director of Kshatriya Holdings PLC, and thereafter joined as a Group Director of the Softlogic Group responsible for Group business development initiatives and as Director/Chief Executive Officer of Softlogic Communications Ltd. handling the Nokia operations in Sri Lanka and the Maldives. Mr. Rajapaksa thereafter in 2012 took up the position of Group Managing Director of Associated Motorways (Pvt) Ltd. Mr. Rajapaksa currently serves as the Group Executive Director of the Informatics Group of Companies, Chairman of Kitra Holdings (Pvt) Ltd. and the Rakuen Group of Hotels. He also currently serves as a Director of Asiri Hospital Holdings PLC and as President of the Sri Lanka - USA Business Council. He is also the recipient of the Platinum Honours Award in recognition of Professional Excellence in the field of Management from the Postgraduate Institute of Management from the University of Sri Jayewardenepura.



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Corporate Governance

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

BOARD OF DIRECTORS

The Board comprises two Executive Directors and three Non-Executive Directors. Their profiles appear on page 6-7 of the Annual Report. The Board of Executive Directors generally has a responsibility for making and implementing operational decisions and running the Company's business. The Non-Executive Directors support the skills and experience of the Executive Directors, contributing to the formulation of policy and decision-making through their knowledge and experience of other business sectors.

BOARD MEETINGS AND ATTENDANCE

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

THE CHAIRMAN AND MANAGING DIRECTOR

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

APPRAISAL OF THE MANAGING DIRECTOR

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

TIME COMMITMENT

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

APPOINTMENT TO THE BOARD

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

RE-ELECTION OF DIRECTORS

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

INDEPENDENCE OF THE DIRECTORS

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

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

ACCESS TO INDEPENDENT PROFESSIONAL ADVICE

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

Corporate Governance

REMUNERATION OF THE DIRECTORS

The remuneration of the Directors is determined by the Board and disclosed on page 50 of the Annual Report.

COMPANY SECRETARY

Messrs. Softlogic Corporate Services (Pvt) Ltd. acts as the Company Secretaries. The role of the secretary is dealing with Directors at Board meetings and with shareholders. The Company Secretary attends Board meetings and ensures that minutes are kept of all proceedings at the Board meetings. The Company

Secretary advises the Board and ensures that proper procedures and applicable rules and regulations are followed by the Board.

BOARD COMMITTEES

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

AUDIT COMMITTEE

Duties and responsibilities	Composition
Review the Group's Annual and Interim Financial Statements and Compliance Reports.	<p>Chairman Mr. S A B Rajapaksa Independent Non-Executive Director</p>
Review the performance of the internal audit function.	<p>Mr. R A Ebell Independent Non-Executive Director (Asiri Hospital Holdings PLC) (Resigned w.e.f 30th June 2020)</p>
Review the effectiveness of the Group's internal controls.	<p>Committee members Mr. G L H Premaratne Independent Non-Executive Director</p>
Periodically approve and review the appointment and retirement of External Auditors and their relationship with the Group.	<p>The Group Manager - Audit and the Chief Financial Officer of Asiri Group of Hospitals were permanent attendees at these meetings, as were the Group Head of Risk & Audit and the Group Finance Director of Softlogic Group. The External Auditors attended meetings by invitation when required and the Company Secretary, Softlogic Corporate Services (Pvt) Ltd. served as secretary to the committee.</p>
	<p>Frequency of meetings Committee meets quarterly</p>

REMUNERATION COMMITTEE

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

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Duties and responsibilities	Composition
<ul style="list-style-type: none"> Review in advance all the related party transactions carried out by the Company and its listed companies in the Group except related party transactions set out in Rule 9.5 of the Listing Rules of the Colombo Stock Exchange Formulating policies and procedure to review related party transactions of the Company and of the Group and overseeing existing policies and procedures Determining whether the relevant related party transactions are fair to, and in the best interest of the Company and/or Companies in the Group and its stakeholders Determining whether the related party transactions that are to be entered into by the Company or companies of the Group require the approval of the shareholders Where necessary, the Committee may request the Board to approve related party transactions, which are under review by the Committee Ensure that immediate market disclosures and disclosures in the Annual Report as required by the applicable rules and regulations are made appropriately 	<p>Chairman Mr. S A B Rajapaksa Independent Non-Executive Director</p> <p>Committee members Mr. G L H Premaratne Independent Non-Executive Director</p> <p>Mr. R A Ebell Independent Non-Executive Director (Asiri Hospital Holdings PLC) (Resigned w.e.f 30th June 2020)</p> <p>Frequency of meetings Committee meets quarterly</p>

RESPONSIBILITIES

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

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

Corporate Governance

INVESTOR RELATIONS

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

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

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

Section	Criteria	Composition
7.10.1	Non-Executive Directors	<p>Complied with.</p> <p>Out of five Directors three are Non-Executive Directors.</p>
7.10.2	Independent Directors	<p>Complied with.</p> <p>All three Non-Executive Directors are independent. Please refer page 9.</p> <p>All Non-Executive Directors have submitted the declaration with regard to their independence/non-independence.</p>
7.10.3	Disclosures relating to Directors	<p>Mr. S A B Rajapaksa meets all the criteria except one and Dr. S. Selliah and Mr. G L H Premaratne meet all the criteria except two.</p> <p>Please refer to page 9</p>
7.10.5	Remuneration Committee	<p>Complied with.</p> <p>Comprises two Independent Non-Executive Directors. The Remuneration Committee of Asiri Hospital Holdings PLC (parent company) acts as the Remuneration Committee of Asiri Surgical Hospital PLC.</p> <p>The names of the members of the Committee are given on page 10 of the Annual Report.</p>
7.10.6	Audit Committee	<p>Complied with.</p> <p>Comprises three Non-Executive Directors all of whom are Independent Directors.</p> <p>The Audit Committee of Asiri Hospital Holdings PLC (parent company) acts as the Audit Committee of Asiri Surgical Hospital PLC.</p> <p>The Chief Financial Officer attends all the meetings.</p> <p>The report of the Committee is given on page 19.</p>

Risk Management Report

INTEGRATED RISK MANAGEMENT

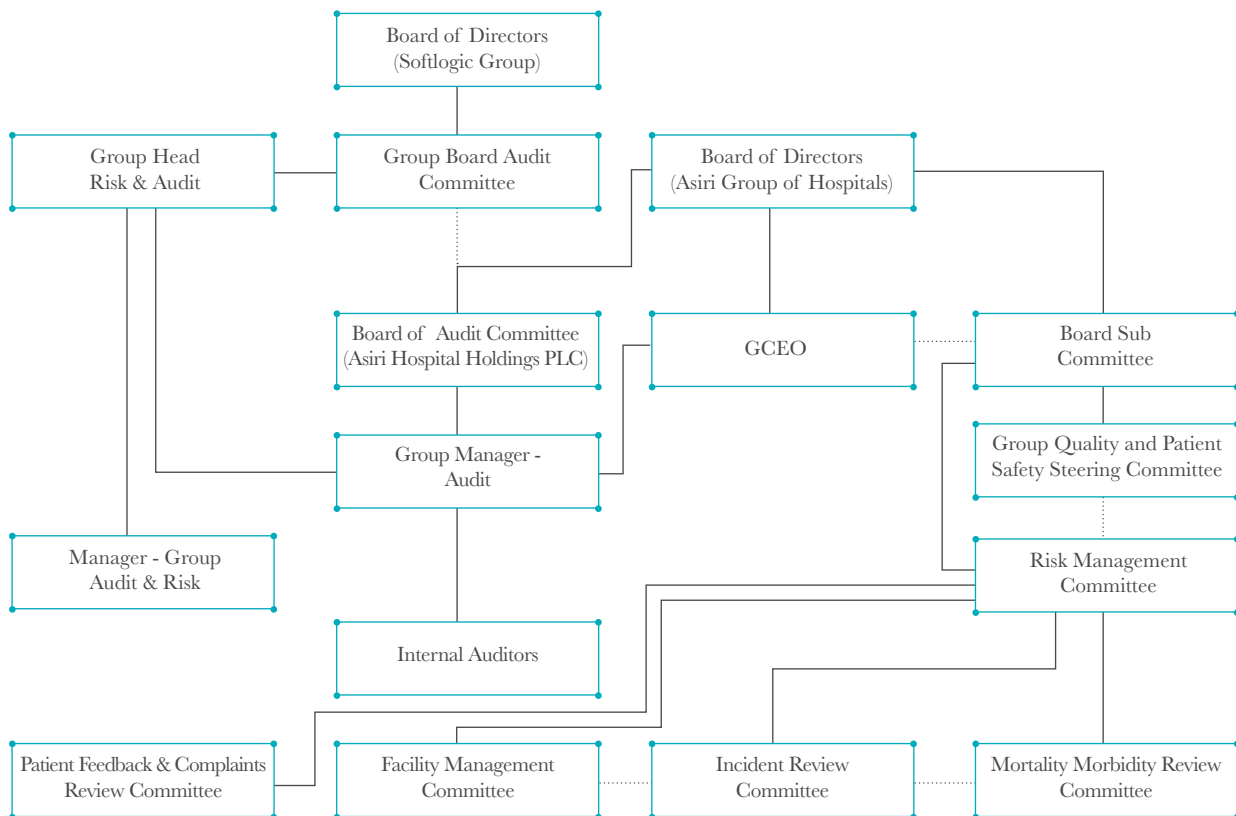
While recognizing that risk management is a prime responsibility of the Board of Directors of the group, Asiri Group of Hospitals has established an effective Risk management framework which empowers all employees of the group to engage in day-today risk management activities. Being the key player in the private Healthcare industry in Sri Lanka, our main focus is on health & safety of patients and employees by improving the quality of human life, through the provision of ethical healthcare solutions together with cutting-edge technology. The management is dedicated to review the adequacy of controls with defined risk appetite and assess the operational & clinical compliances on a regular basis.

Driving towards a culture of safety, Risk assessments have provided greater insights on the areas of improvements while the Risk scoring matrix has facilitated to recognize priorities. Asiri Group of Hospitals is keen on emerging Risks that are inherent to the business and has adopted number of Risk mitigation

strategies to ascertain the resilience. Highest level of industry standards and best practices are followed to eliminate expensive lawsuits and undue damages to the reputation.

The Risk Management framework of the group is developed to identify, assess, prioritize the significant risks and manage those with appropriate risk mitigation actions. The Risk Management Committee is strengthened and resourced by specialized sub-committees those focus on Quality & Patient safety, Facility management, Incidents review and Mortality & Morbidity review. Heads of the business unit are acting as the first line of defence and finance controls, Information Security practices and Compliance functions are devoted as the second line of defence. Being the third line of defence, Assurance services and internal controls are rest with Internal & External Auditors. Adequacy and effectiveness of the Risk management framework is been periodically reviewed by the Board Audit Committee and required changes are recommended to Board of Directors.

THE FUNCTIONAL STRUCTURE OF RISK MANAGEMENT



Risk Management Report

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>CLINICAL RISK</p> <p>Any event or incident that occurs in our daily operations that will affect the quality of patient care, thus; we have prioritized most of the clinical risks and new events are promptly identified through patient feedbacks, incident and complaint review and industry analysis.</p>	<p>As a hospital, Risks associated with patient care are extremely imperative. Clinical Risks can mediate other risks including reputation and legal risk while causing financial losses.</p> <p>Likelihood and consequences of Clinical Risks may vary time to time and it has become the most significant and vulnerable area to Asiri Group of Hospitals in terms of Risk.</p>	<p>We continuously provide training programs feedback and reviews to all our employees and encourage to maintain better communication all the time. Asiri Group of Hospitals has provided stringent guidelines for incident reporting, digital feedback system for admitted patients with over 80% response rate and utilization of informed consent documents and related defensible documentation.</p> <p>The management consistent on preventive maintenance and proper upkeep of Bio-medical equipment & instruments which plays a vital role for patient safety.</p> <p>Subcommittee on Clinical Risk Management fully operates within its sphere to ensure that all clinical Risks that are reported been addressed adequately and controls are in place to prevent additional Clinical Risk events. Frequent monitoring and review of Clinical Risks are performed to ensure that the organization's Clinical Risk Management plan is adequate and effective.</p> <p>The Group has already obtained multiple accreditations including Joint Commission International (JCI) and Australian Council on Health Care Standards International (ACHSI) for all aspects of its operations, including patients care, health and safety, quality management and allied health services, supportive functions and corporate governance..</p> <p>The specialist doctors and medical officers who join Asiri group are subjected to a credentialing and privileging process to ensure they possess required skill and competence to deliver good clinical care to our patients. Similarly, the nursing professionals as well as the para medical staff are recruited with careful evaluation of their skill and competencies and there after encouraged on continuous professional development to keep up with evolving trends in technology.</p>
<p>HOSPITAL ACQUIRED INFECTIONS RISK</p> <p>Healthcare-acquired infections (HAIs) would be critical to healthcare industry and mostly for the clinical staff of the hospitals as well to patients and would affect the operational effectiveness in long-term as well as incremental costs.</p>	<p>The Hospital acquired infections due to cross contamination would lead to prolong stay for some patients or undue complications with escalation of treatment costs. HAI may affect the smooth operation of the hospital if healthcare professionals get affected with infectious diseases.</p>	<p>Asiri Group of Hospitals has initiated comprehensive infection control strategies. Among many solutions, the group ensures all sanitation systems are up to date, operational and ensure that staff understands how to use the systems properly to keep patients safe. These initiatives continue to remind staff and visitors about basic infection control techniques. In addition, hospital invests to ensure proper sterilization and disinfection facilities for all treatment procedures and responsible disposal of infectious clinical waste.</p>

Risk	Potential Impact	Mitigation Strategy
STRATEGIC RISK		
<p>Strategic Risk is inherent in business strategy, strategic objectives, and strategy execution. 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 company'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>All strategic decisions are scrutinized by the Board of Directors who have expertise knowledge and vast experience in the industry. Recommended decisions are reviewed by the Softlogic Holdings Group Executive Board of Directors and thorough evaluations and assessments are been carried out prior to execution.</p>
REPUTATIONAL RISK		
<p>Reputational risk refers to the potential for negative publicity, public perception or uncontrollable events to have an adverse impact on a Asiri Group of Hospital's reputation thereby affecting its revenue.</p>	<p>In healthcare industry, consumer trust and reputation are the most influential factors that distinguish players in the same industry. Therefore maintaining consumer's perception on trust in medical care, accuracy and reliability of services play and integral part in the retention of market share as well as future growth of the business.</p>	<p>Nursing and other staffs undergo extensive training on clinical management and customer service on a continuous basis.</p> <p>Asiri Group of Hospitals maintain constructive relationships with its stakeholders by developing trust, confidence and win-win relationships while conforming to the international best practices.</p> <p>Well established complaint handling process is in place to address the issues expeditiously socially sensitive incidents and adverse events are escalated and handled efficiently with SOP's. The Ethics Committee, comprising of industry specialists, provides an advisory role on matters relating to research and clinical trials.</p>
OPERATIONAL RISK		
<p>These are the Risk of losses resulting from inadequate or failed internal processes, people and systems or from external events.</p>	<p>Operational risk exists in the natural course of business activity. Failure to manage operational risks can expose the Group to significant losses.</p>	<p>The Group is promoting and enhancing the effectiveness of Operational Risk Management process which includes identification, assessment, treatment, monitoring and controlling.</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, reputation and performance.</p> <p>Further, robust policies for IT Security were implemented and frequent IT audits and reviews are performed to ensure the adequacy of controls and areas of improvements.</p>

Risk Management Report

Risk	Potential Impact	Mitigation Strategy
INTERNAL PROCESSES		
<p>Internal processes are predominant in achieving business objectives and ineffectiveness of which will lead to severe financial or business losses.</p>	<p>Inadequate internal controls may adversely affect the continuity or effectiveness of internal processes.</p> <p>The impact is specific to each process and its contribution to the continuity of the service. When several processes failed, the cumulative impact might be greater than what is expected.</p>	<p>Internal processes have been standardized in accordance with JCI, ACHSI and other accreditation requirements.</p> <p>Asiri Group of Hospitals maintains proper internal control systems and initiates prompt responses to evolving Risks. All the processes are continually reviewed by the Internal Audit department to ensure that all the risks been attended. Audit trails are checked in an appropriate manner and red flags (if any) are raised to draw the attention and ensure proper action is been taken and implemented on a timely manner.</p>
HUMAN RESOURCES (PEOPLE)		
<p>Service industry, in which the Group operates, is heavily depending 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>The human capital may affect by failure to attract, develop and retained skilled workforce.</p>	<p>Failures in human resource could affect the continuity of business operations. The consequences could be serious, when loss of key executives without suitable replacement.</p> <p>Thus ability to recruit and retain qualified and skilled healthcare professionals are crucial for the success of the organization.</p>	<p>The group has introduced a comprehensive recruitment and retention process. Qualified people are recruited after a proper screening. Employee requirements and satisfaction levels are efficiently and effectively monitored through surveys. The gaps are addressed promptly.</p> <p>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>
EXTERNAL EVENTS		
<p>External events including natural disasters and other similar types of emergencies that confront organizations on a daily basis which affects the Continuity of Business.</p>	<p>Some extreme events can interrupt the entire service function whilst keeping the alternate options limited.</p> <p>Unlike other industries, due to the necessity of business continuity in a disaster situation, stretched disaster recovery time may incur more financial and business losses.</p>	<p>Events are identified by analysing historical data and conducting proper assessments based on the real time information from external sources. Adequate business continuity measures have been taken to ensure that an uninterrupted service is provided. Additionally the revenue has been insured against uncontrollable events.</p> <p>Regular reviews are undertaken to ensure that adequate insurance covers are available to compensate revenue losses.</p>

Risk	Potential Impact	Mitigation Strategy
CYBER AND INFORMATION SECURITY RISK		
<p>The Healthcare industry increasingly relies on technology that is connected to the internet including patient records and lab results. This has emerged new privacy concerns as these records are targeted by cyber criminals.</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. It will affect the business continuity of the hospitals and will incur both monetary and non-monetary damages.</p> <p>These attacks are more complex in nature than ever before due to use of Artificial Intelligence (AI).</p> <p>Financial and business losses arise due to failure of IT systems are difficult to predict.</p>	<p>Our Information Security policies & procedures have been developed based on ISO 27000 and we have deployed numerous controls at both database and application levels. Information security incident reporting and monitoring have been given prominence while Independent third party reviews and vulnerability assessments are carried out frequently.</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. Regular IT disaster recovery testing are carried out to ensure the resilience.</p>
TECHNOLOGICAL RISK		
<p>Healthcare industry is exposed to frequent technological revolutions and failure to adopt latest technologies will drive the company towards technological obsolescence.</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 Healthcare industry are regularly perused and we are intense on adopting most innovative & advance technologies for diagnostics and treatments.</p> <p>Our Group makes regular investments in pioneering technology and training of staff for optional application of existing technology.</p>
CREDIT RISK		
<p>The Risk of default on receivables may arise from a patient failing to make required payments at the time of discharge.</p>	<p>In the first resort, Credit risk will cause disruption to cash flows and will increase collection costs which will ultimately affect the liquidity position.</p>	<p>We evaluate credit worthiness of corporates before granting extended credit facilities, educate customers of the services, associate cost and Insurance policies of in-patients are validated at the time of patient registration.</p> <p>Interim bills are issued for in-patients to facilitate periodic bill settlements.</p>

Risk Management Report

Risk	Potential Impact	Mitigation Strategy
INTEREST RATE RISK		
<p>Interest rate risk exists in interest bearing liabilities, such as loans and overdrafts where the financial expenses will increase due to increased interest rates.</p>	<p>The Company has obtained multiple facilities from various banks for working capital, capital expenditure and investments.</p> <p>Fluctuations of interest rates will adversely affect the business by increasing financial costs and affect the capital structure and strategic decisions adversely.</p>	<p>Close monitoring and supervision of macroeconomics trends are done to understand the market behaviour and to enable firm decision making.</p> <p>To mitigate the impact of Interest rate risk, more consideration is given to maintain minimum interest spreads during the rates are declining while fixed rates are encouraged during rising periods.</p>
LEGAL AND COMPLIANCE RISK		
<p>In a highly regulated, high Risk industry like 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>Our team is committed to address the wide range of legal and compliance issues that must be considered in identifying, managing, minimizing, and avoiding adverse legal risks, and to attain and maintain compliance with healthcare statutory and regulatory obligations.</p> <p>We are engaged in good corporate practices which ensure the transparency, compliance with laws & regulation and ethical business in all affairs with stakeholders. Related Party Transaction Review committee has been established to assure the highest level of integrity and transparency.</p>

Audit Committee Report

SCOPE OF THE COMMITTEE

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

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

COMPOSITION OF THE COMMITTEE AND MEETINGS

The Audit Committee is appointed by the Board of Directors and comprises three independent Non-Executive Directors. Their names are stated in the Corporate Governance Report on Page 10.

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

The attendance at Audit Committee meetings was as follows:

Name of Director	Attendance
Mr. R A Ebell	5/5
Mr. S A B Rajapaksa	3/5
Mr. G L H Premaratne	4/5

The committee discharges the following responsibilities:

Financial Statements, Financial Reporting Process and Accounting Policies

The Audit Committee reviews:

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

Internal Controls and Risk Management

The Audit Committee reviews and assesses:

- The internal control environment and areas of significant risk.
- The effectiveness of internal control systems.
- Policies and practices directed towards ensuring a sound system of internal control is in place.
- Internal and external auditors' reviews of internal control over financial reporting and their reports on significant findings and recommendations, alongside management's responses.

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

DUTIES AND RESPONSIBILITIES

The duties of the Audit Committee include:

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

Audit Committee Report

Internal Auditing	<p>The Audit Committee reviews and approves:</p> <ul style="list-style-type: none"> • The internal audit charter. • The internal audit budget and resource plan including staffing and organizational structure of the function. • The annual audit plan, major changes to the plan and the internal audit activity's performance against the plan, ensuring there are no unjustified restrictions or limitations on their activity.
External Audit	<p>The Audit Committee:</p> <ul style="list-style-type: none"> • Reviews the external auditors' audit scope and approach, including coordination of audit effort with internal audit. • Reviews the performance, independence & objectivity of the external auditors. • Makes recommendations to the Board pertaining to the appointment, re- appointment and removal of external auditors and their remuneration and terms of engagement. Recommendations for re- appointment of external auditors consider their independence and performance & objectivity, which are assessed by reference to declarations made by them, to management views and to the Audit Committee's observations in their interactions with the external auditors.
Compliance	<p>The Audit Committee reviews:</p> <ul style="list-style-type: none"> • The effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigations. • The findings of examinations by regulatory agencies, and auditors' observations. • Updates from management and company legal counsel regarding compliance.

The Audit Committee recommends to the Board of Directors that M/s Ernst & Young be re-appointed as auditors of the Company for the financial year ending 31st March 2021, subject to the approval of the shareholders at the Annual General Meeting.

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

Mr. R A Ebell served as Chairman of the Board Audit Committee from 01st April 2020 to 30th June 2020.

Sgd.

S A B Rajapaksa

Chairman – Board Audit Committee

10th August 2020

Colombo

Remuneration Committee Report

The Remuneration Committee is a subcommittee of the Board constituted under the Company's Corporate Governance policies for the purpose of recommending the remuneration of Senior Management. The members of the Committee comprise two Independent Non-Executive Directors. The names of the Committee members are stated in the Corporate Governance Report on page 10.

The remuneration policy is designed to reward, motivate, and retain the Company's executive team, with market competitive remuneration and benefits, to support the continued success of the business and creation of shareholder value. Accordingly, salaries and other benefits are reviewed periodically taking into account the performance of the individual and industry standards.

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

The Directors' emoluments are disclosed on page 50.

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

Sgd.

GLH Premaratne

Chairman – Remuneration Committee

10th August 2020

Colombo

Related Party Transactions Review Committee Report

PURPOSE

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

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

COMPOSITION

The Related Party Transactions Review Committee is appointed by the Board of Directors of the Company and the following Directors were served on the Committee as at 31 March 2020:

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

The Chief Financial Officer attends all meetings by invitation.

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

ATTENDANCE AT MEETINGS

Name	Attended/Eligible to attend
Mr. S A B Rajapaksa	2/3
Mr. G L H Premaratne	3/3
Mr. R A Ebell	3/3

ROLES AND RESPONSIBILITIES

1. Reviewing in advance all proposed related party transactions of the Company and its listed companies in the Group in compliance with the Code.
2. Adopting policies and procedures to review related party transactions of the Company and its subsidiaries and reviewing and overseeing existing policies and procedures.

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

REVIEW OF THE RELATED PARTY TRANSACTIONS DURING THE YEAR

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

The Committee on behalf of the Board of Directors has given the following statement in respect of the related party transactions.

The related party transactions of the Company during the financial year have been reviewed by the Committee and are in compliance with Section 9 of the Rules.

Sgd.

S A B Rajapaksa

Chairman – Related Party Transactions Review Committee

10th August 2020
Colombo

Statement of Directors' Responsibilities

The responsibilities of the Directors, in relation to the Financial Statements of the Company differ from the responsibilities of the Auditors, which are set out in the Report of the Auditors on pages 28 to 30.

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

The Directors consider that, in preparing Financial Statements set out on pages 31 to 72 of the Annual Report, appropriate accounting policies have been selected and applied in a consistent manner and supported by reasonable and prudent judgements and estimates, and that all applicable accounting standards have been followed. The Directors confirm that they have justified in adopting the going concern basis in preparing the Financial Statements since adequate resources are available to continue operations in the foreseeable future. The Directors are responsible for keeping proper accounting records, which disclose reasonable accuracy, at any time, the financial position of the Company and to enable them to ensure the Financial Statements comply with the Companies Act No. 07 of 2007 and are prepared in accordance with Sri Lanka Accounting Standard (SLFRS/LKAS).

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

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

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

COMPLIANCE REPORT

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

COMPLIANCE WITH RELATED PARTY TRANSACTIONS RULES

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

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

Sgd.
Secretaries
Softlogic Corporate Services (Pvt) Ltd.

10th August 2020
Colombo

Annual Report of the Board of Directors

The Directors of Asiri Surgical Hospital PLC have pleasure in presenting to the members their report together with the Audited Financial Statements of the Company for the year ended 31 March 2020.

PRINCIPAL ACTIVITIES AND NATURE

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

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

REVIEW OF OPERATIONS

A review of the operations of the Company and its performance during the year is contained in the Chairman's Review on pages 4 to 5 of the Annual Report. This review together with the Financial Statements reflects the state of affairs of the Company. These reports form an integral part of the Directors' Report.

FINANCIAL STATEMENTS

The Financial Statements of the Company which include the Statement of Profit or Loss, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flow and Notes to the Financial Statements are given on pages 31 to 72.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statements of the Company to reflect a true and fair view of the state of affairs. The Directors are of the view that these Financial Statements have been prepared in conformity with the requirements of the Companies Act No. 07 of 2007 and the Sri Lanka Financial Reporting Standards. A statement in this regard is given on page 23.

AUDITOR'S REPORT

The Auditor's Report on the Financial Statements is given on pages 28 to 30.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the Financial Statements are given on pages 36 to 47. There was no change in the accounting policies adopted other than those disclosed in Note 2.3 to the Financial Statements.

PROPERTY, PLANT AND EQUIPMENT

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

CAPITAL EXPENDITURE

The capital expenditure of the Company during the year amounted to LKR 235,980,283/- (2018/19 – LKR 678,287,885/-) details of which are given in Note 9 to the Financial Statements.

RESERVES

The total reserves of the Company as at 31 March 2020 amounted to LKR 2,663,277,097/-. The composition of reserves is shown in the Statement of Changes in Equity in the Financial Statements.

In terms of Article 24 (6) of the Articles of Association of the Company, Dr. K M P K arunaratne retires by rotation and being eligible offer himself for re-election with the unanimous support of the Board.

The Directors have recommended the reappointment of Mr. G L H Premaratne who is 72 years of age, as a Director of the Company; and accordingly a resolution will be placed before the shareholders in terms of Section 211 of the Companies Act in regard to the reappointment of Mr. G L H Premaratne.

DONATIONS

The Company did not make any donations during the year under review. (2018/19 – LKR 116,000/-).

STATED CAPITAL

The stated capital of the Company as at 31 March 2020 was LKR 1,393,327,565/-. There was no change in the stated capital of the Company during the year under review.

STATUTORY PAYMENTS

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

MATERIAL ISSUES PERTAINING TO THE EMPLOYEES AND INDUSTRIAL RELATIONS

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

EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

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

INTERNAL CONTROL

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

DIRECTORATE

The following Directors held office during the year under review:

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

DIRECTORS' SHAREHOLDING

Name of Director	Number of shares as at 31 March 2020	Number of shares as at 31 March 2019
Mr. A K Pathirage		
Dr. S Selliah	17,000	17,000
Dr. K M P Karunaratne	133	133
Mr. G L H Premaratne		
Mr. S A B Rajapaksa		

DIRECTORS' REMUNERATION

Directors' remuneration in respect of the Company for the financial year 2019/20 are given in Note 5 to the Financial Statements on page 50.

INTERESTS REGISTER

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

DIRECTORS' INTERESTS IN CONTRACTS AND PROPOSED CONTRACTS WITH THE COMPANY

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

AUDITORS

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

The following payments were made to them during the year:

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

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

SHAREHOLDERS' INFORMATION

The twenty largest shareholders of the Company as at 31 March 2020 are given on page 75 together with an analysis of the shareholding. There were 3,305 registered shareholders as at 31 March 2020.

SHARE INFORMATION

Information on share trading is given on page 75 of the Annual Report.

GOING CONCERN

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

Annual Report of the Board of Directors

ANNUAL GENERAL MEETING

The Twentieth Annual General Meeting of the Company will be held at Auditorium of Central Hospital Limited (4th Floor), No. 114, Norris Canal Road, Colombo 10 on Monday the 28th September 2020 at 10am. The Notice of the 20th Annual General Meeting is on page 82 of the Annual Report.

For and on behalf of the Board,

Sgd.

Ashok Pathirage

Chairman/Managing Director

Sgd.

Dr Manjula Karunaratne

Group Chief Executive Officer

Sgd.

Secretaries

Softlogic Corporate Services (Pvt) Ltd.

10th August 2020

Colombo

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FINANCIAL CALENDER

Financial Year End 31 March 2020

Announcement of Quarterly Financial Performance	
1st Quarter	13-Aug-2019
2nd Quarter	14-Nov-2019
3rd Quarter	13-Feb-2020
4th Quarter	30-Jun-2020
Notice of Annual General Meeting	10-Aug-2020
Annual General Meeting	28-Sep-2020

Independent Auditor's Report



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TO THE SHAREHOLDERS OF ASIRI SURGICAL HOSPITAL PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of the Asiri Surgical Hospital PLC, (“the Company”) which comprise the statement of financial position as at 31 March 2020, and the statement of profit or loss, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2020 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of

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

Key audit matters

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

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

Principals: G B Goudian ACMA A A J R Perera ACA ACMA T P M Ruberu FCMA FCCA

A member firm of Ernst & Young Global Limited

Key audit matters

Key audit matter	How our audit addressed the key audit matter
<p>Revaluation of freehold building of the Company</p> <p>The Company carries free hold buildings under Property, Plant and Equipment and Investment Property at fair value. As of reporting date, such buildings within Property, Plant and Equipment and Investment Property amounted to Rs. 2.4 Bn & Rs. 215 Mn respectively, representing 33% of the Company's total assets. The fair value of such property was determined by external valuer engaged by the Company.</p> <p>The valuation of freehold buildings was considered a key audit matter due to the use of significant estimates and assumptions, including the Management's judgments relating to possible effects of the COVID-19 outbreak on those significant assumptions and estimates disclosed in notes 9.5 and 11.1 to the financial statements.</p>	<p>Our audit procedures focused on the valuation performed by the external valuer engaged by the Company, and included the following;</p> <ul style="list-style-type: none"> • We assessed the competency, capability and objectivity of the external valuer engaged by the Company. • We read the external valuer's report and understood the key estimates made and approach taken by the valuer in determining the valuation of the property. • We engaged our internal specialised resources to assist us in assessing the appropriateness of the valuation technique and reasonableness of value per square foot, also taking into consideration the possible effects of the COVID-19 outbreak on the valuations performed. • We also assessed the adequacy of the related disclosures made in notes 9.5 and 11.1 to the financial statements relating to the valuation technique and estimates used by the external valuers.

Other information included in The Company's 2019/20 Annual Report

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

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

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

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation

of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

Independent Auditor's Report



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

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

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

We also provide those charged with governance with a statement that we have complied with 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, related safeguards.

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

Report on other legal and regulatory requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 1697.

10 August 2020
Colombo

Statement of Profit or Loss

Year ended 31 March	Note	2020 Rs.	2019 Rs.
Revenue	3.1	3,654,663,091	3,475,046,720
Cost of Services		(2,265,592,297)	(2,122,762,350)
Gross Profit		1,389,070,794	1,352,284,370
Other Income	3.4	63,881,207	45,585,273
Administrative Expenses		(817,357,539)	(764,421,178)
Selling and Distribution Costs		(112,500,210)	(98,436,510)
Finance Cost	4.1	(151,700,378)	(54,952,053)
Finance Income	4.2	216,398,311	130,069,213
Change in Fair Value of Investment Property	11	19,211,705	-
Share of Profit of Joint Venture (net of tax)	12.2	896,803	92,734
Profit Before Tax	5	607,900,693	610,221,849
Tax Expense	6	(174,789,921)	(243,707,118)
Profit For the Year		433,110,772	366,514,731
Earnings Per Share - Basic	7	0.82	0.69
Earnings Per Share - Diluted	7	0.82	0.69
Dividend Per Share	8.1	0.00	0.50

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 36 to 72 form an integral part of these Financial Statements.

Statement of Comprehensive Income

Year ended 31 March	Note	2020 Rs.	2019 Rs.
Profit for the year		433,110,772	366,514,731
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods (net of tax):			
Revaluation Surplus on Building		82,234,813	51,163,310
Actuarial Gain/(Loss) on Employee Benefit Liability	24	9,396,262	(193,590)
Share of Joint Venture Other Comprehensive Income (net of tax)		(84,001)	(7,497)
Net Gain/(Loss) on Equity Instrument at Fair Value through Other Comprehensive Income		18,813,872	(106,121,634)
Net Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods (net of tax):		110,360,946	(55,159,411)
Deferred Tax Charge on Other Comprehensive Income	6.2	(25,656,701)	(14,271,522)
Other Comprehensive Income for the Year, Net of Tax		84,704,245	(69,430,933)
Total Comprehensive Income for the Year, Net of Tax		517,815,017	297,083,798

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 36 to 72 form an integral part of these Financial Statements.

Statement of Financial Position

As at 31 March	Note	2020 Rs.	2019 Rs.
ASSETS			
Non-current Assets			
Property, Plant and Equipment	9	3,542,698,046	3,481,426,103
Right-of-use Asset	10	23,177,155	-
Leasehold Property	10.3	-	83,127,513
Investment Property	11	215,000,000	193,724,248
Investment In Joint Venture	12	33,800,105	32,987,303
Loans Granted to Related Parties	19	1,409,900,000	873,000,000
Non Current Financial Assets	13	347,038,900	311,681,428
		5,571,614,206	4,975,946,595
Current Assets			
Inventories	16	135,369,823	116,332,105
Trade and Other Receivables	17	461,050,231	320,247,866
Other Current Assets	18	202,556,218	182,572,298
Loans Granted to Related Parties	19	1,336,672,230	209,100,000
Cash In Hand and at Bank	26.1	160,713,046	60,382,569
		2,296,361,548	888,634,838
Total Assets		7,867,975,754	5,864,581,433
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	20	1,393,327,565	1,393,327,565
Other Components of Equity	21	1,138,964,194	1,060,941,256
Retained Earnings		1,524,312,903	1,142,167,890
Total Equity		4,056,604,662	3,596,436,711
Non-current Liabilities			
Lease Liability	22	12,689,886	17,984,666
Interest Bearing Loans and Borrowings	23	1,311,143,333	191,746,000
Employee Benefit Liability	24	131,931,111	126,826,884
Deferred Tax Liability	6.2	618,568,561	578,287,336
		2,074,332,891	914,844,886
Current Liabilities			
Lease Liability	22	2,856,712	4,072,000
Interest Bearing Loans and Borrowings	23	896,529,883	63,936,000
Trade and Other Payables	25	450,771,635	496,166,906
Tax Payable		196,812,291	171,023,018
Dividend Payable		3,816,276	273,140,022
Bank Overdraft	26.2	186,251,404	344,961,890
		1,737,038,201	1,353,299,836
Total Equity and Liabilities		7,867,975,754	5,864,581,433

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

Sgd.

Ajith Karunarathne

Chief Financial Officer

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

Sgd.

Ashok Pathirage

Director

Sgd.

Dr. Manjula Karunaratne

Director

The Accounting Policies and Notes on pages 36 to 72 form an integral part of these Financial Statements.

10th August 2020

Colombo

Statement of Changes in Equity

Year ended 31 March	Stated Capital	FV Reserve of Financial Assets at FVOCI	Revaluation Reserve	Retained Earnings	Total
Note	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1 April 2018	1,393,327,565	(18,903,472)	1,149,128,779	1,044,199,365	3,567,752,237
Fair Value Adjustment -					
Guarantees	-	-	-	(4,170,551)	(4,170,551)
Profit for the Year	-	-	-	366,514,731	366,514,731
Other Comprehensive Income for the Year	-	(106,121,634)	36,837,583	(146,882)	(69,430,933)
Total Comprehensive Income for the Year	-	(106,121,634)	36,837,583	366,367,849	297,083,798
Dividend Paid - Ordinary Shares	8	-	-	(264,228,773)	(264,228,773)
Balance as at 31 March 2019	1,393,327,565	(125,025,106)	1,185,966,362	1,142,167,890	3,596,436,711
Balance as at 1 April 2019	1,393,327,565	(125,025,106)	1,185,966,362	1,142,167,890	3,596,436,711
Adjustment due to initial application of SLFRS 16	-	-	-	(57,210,804)	(57,210,804)
Adjusted balance as at 1 April 2019	1,393,327,565	(125,025,106)	1,185,966,362	1,084,957,086	3,539,225,907
Fair Value Adjustment -					
Guarantees	-	-	-	(436,262)	(436,262)
Profit for the Year	-	-	-	433,110,772	433,110,772
Other Comprehensive Income for the Year	-	18,813,872	59,209,066	6,681,307	84,704,245
Total Comprehensive Income for the Year	-	18,813,872	59,209,066	439,792,079	517,815,017
Balance as at 31 March 2020	1,393,327,565	(106,211,234)	1,245,175,428	1,524,312,903	4,056,604,662

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 36 to 72 form an integral part of these Financial Statements.

Statement of Cash Flow

Year ended 31 March	Note	2020 Rs.	2019 Rs.
Cash Flows From Operating Activities			
Profit Before Tax		607,900,693	610,221,849
Adjustments for			
Amortization of Right of use asset	10	236,502	1,036,933
Depreciation	9.2	244,744,220	231,214,780
Profit on Disposal of Property, Plant and Equipment	3.4	10,336,580	(4,805,590)
Share Of Joint Venture Profit	12.2	(896,803)	(92,734)
Finance Income	4.2	(216,398,311)	(130,069,213)
Finance Costs	4.1	151,700,378	54,952,053
Provision for Gratuity		26,783,109	24,259,105
Provision for Bad Debt	5	3,273,367	4,111,058
Change in Fair Value of Investment Property	11	(19,211,705)	-
Operating Profit Before Working Capital Changes		808,468,030	790,828,241
(Increase)/ Decrease in Inventories		(19,037,718)	51,569,299
Increase in Trade and Other Receivables		(144,075,732)	(168,255,310)
Increase in Other Current Assets		(24,132,173)	(86,507,939)
(Decrease) / Increase in Trade and Other Payables		(50,490,245)	236,533,636
Cash Generated From Operations		570,732,162	824,167,927
Income Tax Paid		(132,364,426)	(109,571,217)
Finance Costs Paid		(131,787,203)	(52,988,030)
Employee Benefit Paid	24	(12,282,620)	(13,337,146)
Net Cash From Operating Activities		294,297,913	648,271,534
Cash Flows From/(Used in) Investing Activities			
Acquisition of Property, Plant and Equipment	9.1	(235,980,283)	(678,287,885)
Additions of Investment Property	11	(2,064,047)	-
Proceeds from Sale of Property, Plant and Equipment		1,862,354	5,446,800
Investment in Financial Assets		-	(66,992,415)
Finance Income Received		12,923,035	105,794,663
Loans granted to Related Parties		(1,478,800,000)	(614,100,000)
Net Cash Flows From/ (Used in) Investing Activities		(1,702,058,941)	(1,248,138,837)
Cash Flows From / (Used in) Financing Activities			
Payment of Lease Liability	22	(5,033,236)	(4,072,000)
Repayment of Interest Bearing Loans and Borrowings	23.1	(80,936,000)	(63,936,000)
Proceeds From Interest Bearing Loans and Borrowings	23.1	2,017,000,000	-
Dividend Paid		(264,228,773)	-
Net Cash Flows From/(Used in) Financing Activities		1,666,801,991	(68,008,000)
Net Increase/(Decrease) in Cash and Cash Equivalents		259,040,963	(667,875,303)
Cash and Cash Equivalents at the beginning of the year	26	(284,579,321)	383,295,982
Cash and Cash Equivalents at the end of the year	26	(25,538,358)	(284,579,321)

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 36 to 72 form an integral part of these Financial Statements.

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1 General

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

1.2 Principal Activities and Nature of Operations

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

1.3 Parent Enterprise and Ultimate Parent Enterprise

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

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

1.4 Date of Authorization for Issue

The Financial Statements of Asiri Surgical Hospital PLC for year ended 31 March 2020 was authorized for issue in accordance with a resolution of the Board of Directors dated 10th August 2020.

2. BASIS OF PREPARATION AND OTHER SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

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

Each material class of similar items is presented cumulatively in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard - LKAS 1 ‘Presentation of Financial Statements’.

Going concern

Management has assessed the existing and potential impact of COVID 19 in determining the basis of preparing financial statements for the year ended 31st March 2020. The Company evaluated its resilience considering factors such as expected revenue streams, cost management, profitability, ability to defer non-

essential capital expenditure etc. and due to the nature of healthcare operations, the Board of Directors is satisfied and confident that the Company will be able to continue in operation for the foreseeable future. In addition, the directors are not aware of any material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern. Accordingly, these Financial statements have been prepared on a going concern basis.

Presentation and functional currency

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

Statement of Compliance

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

Comparative information

The presentation and classification of the Financial Statements of the previous years have been amended, where relevant for better presentation and to be comparable with those of the current year.

Summary of significant accounting policies

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

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

Other significant accounting policies not covered with individual notes

The following accounting policies, which have been applied consistently by the Company, are considered significant and are not covered in any other sections.

Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on a current/ non-current classification.

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when it is:

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

The Company classifies all other liabilities as non-current.

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

Foreign Currency Translation

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

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

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

New and Amended Standards and Interpretations

The Company applied SLFRS 16 for the first time. The nature and effect of the changes as a result of the adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in 2019/20, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

SLFRS 16

The Company adopted SLFRS 16 using the modified retrospective method of adoption, without restating comparative information. Instead, it has recognised the cumulative effect of initially applying this standard as an adjustment to the opening balance of Retained earnings at the date of initial application, as permitted under the specific transitional provisions in the standard. The impact on adoption of SLFRS 16 is reflected in Note 10 to the financial statements.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of LKAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of LKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company operates in a complex environment, it assessed whether the Interpretation had an impact on its consolidated financial statements.

Notes to the Financial Statements

Upon adoption of the Interpretation, the Company considered whether it has any uncertain tax positions and Company determined that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Interpretation did not have a significant impact on the financial statements of the Company.

2.2 Summary of Significant Accounting Judgments, Estimates and Assumptions

In preparing these Financial Statements of the Company, the management has made judgements, estimates and assumptions that affect the application of Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and its disclosure of contingent liabilities. Judgements and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual results may differ from these judgements and estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised prospectively.

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

Fair Value of Property, Plant and Equipment

The Company measures buildings at revalued amounts with changes in fair value being recognized in other comprehensive income. The Company engaged an independent valuation specialist to assess fair value of such assets as at 31 March 2020. Refer Note 9.5 to these financial statements for Significant unobservable valuation input.

Fair Value of Investment Property

The Company measures building which are recognised as investment property at fair value amount with change in value being the open market approach in determining the fair value of the building. Further details on fair value of investment property are disclosed in Note 11 and Note 15 to the financial statements.

Taxes

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

Since the Company was in the tax exemption period of Board of Investment of Sri Lanka, Company recognised deferred tax in their financial statements for temporary differences which will reverse after the expiry of the tax holiday period. Significant management judgment is required to determine the future tax implications arising from particularly property, plant and equipment after the expiration of the tax holiday.

Post-Employment Benefit Plan

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

Impairment of Non-Financial Assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Lease

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates. (Refer Note 2.3.4)

Provision for expected credit losses of financial assets

The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. (Refer Note 2.3.6)

2.3 Summary of Significant Accounting Policies Applied

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

2.3.1 Fair Value Measurement

Fair value related disclosures for non-financial assets and financial instruments that are measured at fair value or

where fair values are disclosed are summarised in Note 9.5, 11, 13 and 15 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 Company 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 Company 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 Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.3.2 Property, Plant and Equipment

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

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

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

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

Notes to the Financial Statements

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

2.3.3 Investment Properties

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

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

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.3.4 Leases

SLFRS 16 supersedes LKAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. The Company has adopted SLFRS 16 using the modified retrospective method from 1 April 2019, without restating comparatives for the 2018/19 reporting period, as permitted under the specific transitional provisions in the standard.

Nature of the effect of adoption of SLFRS 16

Upon adoption of SLFRS 16, the Company applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The Company recognized lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company has lease contracts for various items such as land, medical staff quarters. Property leases are the major asset included in the right of use assets category, typically for 99 years of lease term. On adoption of SLFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of LKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as of the transition date.

Leases previously accounted for as operating leases

The Company recognised right of use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right of use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

Estimating the incremental borrowing rate

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

Right of use assets

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

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

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

Company as a lessor

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

the same basis as rental income. Contingent rents are recognised as in the period in which they are earned.

Leases (Policy Applicable before 31 March 2019)

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee:

Finance leases that transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit or Loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the Statement of Profit or Loss on a straight-line basis over the lease term.

2.3.5 Borrowing Costs

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

2.3.6 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

Notes to the Financial Statements

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 Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company 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 company has applied the practical expedient are measured at the transaction price determined under SLFRS 15. Refer to the accounting policies in section 2.3.14 Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company'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 recognized on the trade date, i.e., the date that the Company 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 Company 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 Company. The Company 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 Company'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 Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as Finance income in the statement of profit or loss when the right of payment has been established, except when the Company 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 Company elected to classify irrevocably its listed 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 Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired,
- Or
- The Company 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Impairment of Financial Assets

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

The Company considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Company may also consider a

financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

- Trade receivables Note 30.1.1 to the financial statement

ii) Financial Liabilities

Initial Recognition and Measurement

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

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

The Company'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 Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortized 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 Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the

Notes to the Financial Statements

specified debtor fails to make a payment in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

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

Derecognition

Financial liability is 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 recognized in the statement of profit or loss.

2.3.7 Equity accounted investees

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

The considerations made in determining significant influence or joint control is similar to those necessary to determine control over subsidiaries.

The Company's investments in its joint venture is accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The Statement of Profit or Loss reflects the Company's share of the results of operations of the joint venture. Any change in Other Comprehensive Income of those investees is presented as part of the Company's Other

Comprehensive Income. In addition, when there has been a change recognized directly in the equity of the joint venture, the Company recognizes its share of any changes, when applicable, in the Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Company and joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Company's share of profit or loss of a joint venture is shown on the face of the Statement of Profit or Loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of joint venture.

The Financial Statements of joint venture are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investment in its joint venture. At each reporting date, the Company determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit or loss of equity accounted investees' in the Statement of Profit or Loss.

Upon loss of significant influence over the or joint control over the joint venture, the Company measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in the Statement of Profit or Loss.

2.3.8 Inventories

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

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

2.3.8.1 Contract Assets

Contract assets are Company's right to consideration in exchange for goods or services that the Company has transferred to a customer, with rights that are conditioned on some criteria other than the passage of time. Upon satisfaction of the conditions, the amounts recognised as contract assets are reclassified to trade receivables. Contract assets of the Company have been disclosed in trade and other receivable Note 17 to the financial statements.

2.3.9 Impairment of Non-Financial Assets

The Company 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 Company estimates the asset's recoverable amount. An asset's recoverable amount is higher of asset's fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

2.3.11 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss net of any reimbursement.

2.3.12 Post-Employment Benefits

a. Defined Benefit Plan – Gratuity

The Company 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.

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

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

The Gratuity liability is not externally funded.

b. Defined Contribution Plans

Employees' Provident Fund and Employee' Trust Fund

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

2.3.12.1 Contract Liabilities

Contract liabilities are Company's obligation to transfer goods or services to a customer for which the Company 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 Company have been disclosed in trade and other payable Note 25 to the financial statements.

2.3.13 Dividend Payable

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

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2.3.14 Revenue

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

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

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

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

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

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

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

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

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as

principal or agent. The Company has concluded that the service revenues are presented net of doctor fees in cases where the Company is not the primary obligor and does not have the pricing latitude.

2.3.15 Other Income

Rental income is recognised in the statement of profit or loss as it accrues.

2.3.16 Dividend Income

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

2.3.17 Finance Income

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

2.3.18 Finance Expense

Finance costs comprise interest expense on borrowings and guarantee cost.

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

2.3.19 Expenditure

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

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

2.3.20 Taxation

Current Taxes

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

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

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

Deferred Taxation

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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

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

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

2.3.21 Earnings Per Share

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

2.3.22 Segment Reporting

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

2.4 Standards Issued but not yet Effective

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

2.4.1 Amendments to LKAS 1 and LKAS 8

Amendments to LKAS 1 Presentation of Financial Statements and LKAS 8 Accounting policies, Changes in accounting Estimates and Errors are made to align the definition of "material" across the standard and to clarify certain aspects of the definition. The new definition states that, "information is material if omitting or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments are applied prospectively for the annual periods beginning on or after 1 January 2020 with early application permitted. Pending the completion of detailed review of such amendments, the extent of the probable impact is not yet reasonably estimable.

Notes to the Financial Statements

3. REVENUE AND OTHER INCOME

3.1 Revenue

	2020 Rs.	2019 Rs.
Healthcare Services	3,497,050,538	3,347,400,653
Sales of Goods	157,612,553	127,646,067
	3,654,663,091	3,475,046,720

3.2 Segment Information

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

The Company 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, channelling revenue and OPD lab investigation services
- Post care which include all IPD revenue including inpatient drugs and lab investigation
- Pharmaceutical which includes OPD pharmacy revenue

The following table presents the revenue generated by the Company's segments for the year ended 31 March 2020 and comparative figures for the year ended 31 March 2019.

	2020 Rs.	2019 Rs.
Pre care	965,505,101	1,014,561,943
Post Care	2,531,545,437	2,332,838,710
Pharmaceutical	157,612,553	127,646,067
	3,654,663,091	3,475,046,720

3.3 Timing of Revenue Recognition

	2020 Rs.	2019 Rs.
Services and Goods Transferred at a Point In Time	1,123,117,654	1,142,208,010
Services Transferred Over Time	2,531,545,437	2,332,838,710
	3,654,663,091	3,475,046,720

3.4 Other Income

	2020 Rs.	2019 Rs.
Rental Income	57,716,320	38,816,320
Sundry Income	17,107,453	1,980,684
(Loss) / Profit on Disposal of Property, Plant and Equipment	(10,336,580)	4,805,590
Exchange Loss	(605,986)	(17,321)
	63,881,207	45,585,273

4. FINANCE COST AND INCOME**4.1 Finance Cost**

	2020 Rs.	2019 Rs.
Interest Expense on Overdrafts	35,426,406	13,303,348
Interest Expense on Borrowings	107,031,677	35,158,994
Interest on Guarantees	4,080,901	1,964,022
Bank Charges on Interest Bearing Loans	5,161,394	4,525,689
	151,700,378	54,952,053

4.2 Finance Income

	2020 Rs.	2019 Rs.
Interest Income	187,195,232	101,088,524
Guarantee Income	6,042,039	6,134,573
Dividend Income on Financial assets	23,161,040	22,846,116
	216,398,311	130,069,213

Notes to the Financial Statements

5. PROFIT BEFORE TAX

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

	2020 Rs.	2019 Rs.
Included in Cost of Sales		
Depreciation	145,196,638	137,721,533
Staff Expenses including the following:	745,673,271	733,896,639
Defined Contribution Plan Costs - EPF and ETF	57,578,996	53,853,063
Included in Administrative Expenses		
Depreciation	99,547,582	93,493,247
Staff Expenses including the following:	278,642,662	280,922,075
Defined Benefit Plan Costs - Gratuity	26,783,109	24,259,105
Defined Contribution Plan Costs - EPF and ETF	21,927,901	21,130,451
Directors' Fees and Remuneration	9,904,120	11,318,904
Amortisation of Right-of-use Asset	236,502	-
Amortisation of Leasehold Property	-	1,036,933
Donations	-	116,000
Legal Fees	8,908,923	5,576,864
Audit Fees and Reimbursable Expenses	935,316	1,323,789
Included in Selling and Distribution Costs		
Advertising Costs	18,566,474	17,821,889
Provision for Bad Debts	3,273,367	4,111,058

6. TAX EXPENSE

	2020 Rs.	2019 Rs.
Current Income Tax		
Current Income Tax Charge (Note 6.1)	231,127,774	195,532,721
Under/(Over) Provision in Respect of Previous Years	(68,825,821)	-
	162,301,953	195,532,721
Deferred Income Tax		
Deferred Taxation Expense (Note 6.2)	12,487,968	48,174,397
Income Tax Expenses Reported in the Statement of Profit or Loss	174,789,921	243,707,118
Deferred Income Tax		
Deferred Tax Expenses Reported in the Other Comprehensive Income (Note 6.2)	25,656,701	14,271,522
Income Tax Expenses Reported in the Statement of Total Comprehensive Income	200,446,622	257,978,640

6.1 Reconciliation between Current Tax Expense and Accounting Profit

	2020 Rs.	2019 Rs.
Accounting Profit before Income Tax	607,900,693	610,221,849
Disallowable Expenses	416,482,930	385,472,471
Allowable Expenses	(161,196,218)	(268,741,472)
Profit Exempt from Income Tax	(26,150,548)	(28,621,703)
Assessable Income	837,036,857	698,331,145
Taxable Income	837,036,857	698,331,145
Income Tax Expense - 14%	3,242,545	-
Income Tax Expenses - 28%	227,885,229	195,532,721
	231,127,774	195,532,721

6.2 Deferred Tax (Assets) / Liabilities

	Statement of Financial Position		Statement of Profit or Loss		Statement of Other Comprehensive Income	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Deferred Tax Liability						
Investment Property	1,921,171	-	1,921,171	-	-	-
Revaluation of Building	423,457,543	409,182,875	(8,751,080)	(8,439,652)	23,025,748	14,325,727
Right-of-use Assets	2,136,556	-	-	-	-	-
Accelerated Depreciation for Tax Purposes	227,994,002	204,615,988	23,378,014	59,562,104	-	-
	655,509,272	613,798,863	16,548,105	51,122,452	23,025,748	14,325,727
Deferred Tax Assets						
Defined Benefit Obligation	(36,940,711)	(35,511,527)	(4,060,137)	(2,948,055)	2,630,953	(54,205)
	(36,940,711)	(35,511,527)	(4,060,137)	(2,948,055)	2,630,953	(54,205)
Deferred Tax Expense	-	-	12,487,968	48,174,397	25,656,701	14,271,522
Net Deferred Tax Liability	618,568,561	578,287,336				

Company is liable to pay income tax at 28% on its profits in accordance with New Inland Revenue Act No. 24 of 2017 which was made effective from 1 April 2018. The Inland Revenue Department Circular No. PN/IT/2020-03 (Revised) has not been enacted as of the reporting date hence the Company have not used the income tax rate stipulated in the said circular to calculate the last quarter income tax provision of the 2019/20 financial year of the Company. Accordingly, the Company has computed deferred tax at 28% which is the substantively enacted rate as of the reporting date.

Notes to the Financial Statements

7. EARNINGS PER SHARE

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

Diluted 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 after adjustment for the effect of all diluted potential ordinary shares. There were no potentially diluted ordinary shares outstanding at any time during the year/previous year.

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

	2020 Rs.	2019 Rs.
Profit for the Year	433,110,772	366,514,731
Profit Attributable to Ordinary Shareholders	433,110,772	366,514,731

Number of Ordinary Shares used as the Denominator	2020 Rs.	2019 Rs.
Weighted Average number of Ordinary Shares in Issue Applicable to Basic/ Diluted Earnings Per Share	528,457,545	528,457,545

8. DIVIDENDS PAID AND PROPOSED

8.1 Equity Dividends on Ordinary Shares :

Declared and Paid During the Year	2020 Rs.	2019 Rs.
Interim Dividend for 2018/2019: 0.50 per share	-	264,228,773
	-	264,228,773

9. PROPERTY, PLANT AND EQUIPMENT

9.1 Gross Carrying Amounts

	Balance as at 01.04.2019 Rs.	Additions Rs.	Valuation Rs.	Disposals Rs.	Transfers Rs.	Balance as at 31.03.2020 Rs.
At Valuation						
Building on Leasehold Land	2,264,496,000	38,228,451	82,234,813	-	15,238,673	2,400,197,937
	2,264,496,000	38,228,451	82,234,813	-	15,238,673	2,400,197,937
At Cost						
Medical Equipment	1,910,206,773	114,737,786	-	(24,966,253)	-	1,999,978,306
Furniture and Fittings	142,754,804	8,574,876	-	(2,236,570)	-	149,093,110
Motor Vehicles	48,653,180	-	-	-	-	48,653,180
Sundry Equipment	565,740,375	74,439,170	-	(27,765,628)	20,796,042	633,209,959
	2,667,355,132	197,751,832	-	(54,968,451)	20,796,042	2,830,934,556
Capital Work in Progress						
Work-in-Progress	86,174,189	-	-	-	(86,174,189)	-
	86,174,189	-	-	-	(86,174,189)	-
Total Value of Depreciable Assets	5,018,025,321	235,980,283	82,234,813	(54,968,451)	(50,139,474)	5,231,132,493

9.2 Accumulated Depreciation

	Balance as at 01.04.2019 Rs.	Charge for the Year Rs.	Valuation Rs.	Disposals Rs.	Transfers Rs.	Balance as at 31.03.2020 Rs.
At Valuation						
Building on Leasehold Land	-	50,139,474	-	-	(50,139,474)	-
	-	50,139,474	-	-	(50,139,474)	-
At Cost						
Medical Equipment	1,002,965,006	145,196,639	-	(14,620,633)	-	1,133,541,012
Furniture and Fittings	93,438,456	8,080,098	-	(2,236,019)	-	99,282,535
Motor Vehicles	22,161,409	6,363,434	-	-	-	28,524,843
Sundry Equipment	418,034,347	34,964,575	-	(25,912,865)	-	427,086,057
	1,536,599,218	194,604,746	-	(42,769,518)	-	1,688,434,447
Total Accumulated Depreciation	1,536,599,218	244,744,220	-	(42,769,517)	(50,139,474)	1,688,434,447

Notes to the Financial Statements

9.3 Net Book Values

	2020 Rs.	2019 Rs.
At Valuation		
Building on Leasehold Land	2,400,197,937	2,264,496,000
At Cost		
Medical Equipment	866,437,295	907,241,767
Furniture and Fittings	49,810,575	49,316,348
Motor Vehicles	20,128,337	26,491,771
Sundry Equipment	206,123,902	147,706,028
	1,142,500,109	1,130,755,914
Capital Work in Progress		
Work-in-Progress	-	86,174,189
Total Carrying Amount of Property, Plant and Equipment	3,542,698,046	3,481,426,103

9.4 During the year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 235,980,283 (2019 -Rs. 678,287,885). Cash payments amounting to Rs. 235,980,283 (2019 - Rs. 678,287,885) were made during the year for purchase of Property, Plant and Equipment.

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

Location	Extent	Independent Valuer	Effective Date of Valuation	Valuation Details	Significant Unobservable Input (Level 3)		Correlation to Fair Value
					Building Value Per Square Feet		
					2020	2019	
No 21, Kirimandala Mawatha, Narahenpita	368,123 Sq. ft	G W G Abeygunawardene	29 February 2020	Direct Capital Comparison Method using Depreciated Replacement Cost	Rs. 3,250/- to Rs.10,000/-	Rs. 3,000/- to Rs.8,400/-	Positive

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

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

9.6 Depreciation

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

	2019/2020
Buildings on Leasehold Land	Over 60 Years
Medical Equipment	Over 10 Years
Furniture and Fittings	Over 10 Years
Motor Vehicles	Over 5-8 Years
Sundry Equipment	Over 2- 20 Years

9.7 Company's property, plant and equipment include fully depreciated assets, the cost of which at the reporting date amounted to Rs. 1,034 Mn (2019 - Rs. 911 Mn).

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

Class of Asset	Cost Rs.	Cumulative Depreciation If assets were carried at cost Rs.	Net Carrying Amount 2020 Rs.	Net Carrying Amount 2019 Rs.
Building on Leasehold Land	1,157,644,568	262,003,378	895,641,190	815,669,472
	1,157,644,568	262,003,378	895,641,190	815,669,472

10. RIGHT-OF-USE ASSET

	2020 Rs.
At the Beginning of the Year	-
Effect of initial application of SLFRS 16	23,413,657
Amortization for the Year	(236,502)
At the End of the Year	23,177,155

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

Notes to the Financial Statements

10.2 The effect of adoption of SLFRS 16 as at 1st April 2019 is as follows:

	Rs.
Assets	
Right-of-Use Asset	23,413,657
Prepaid Lease Rental	(83,127,513)
Total Assets	(59,713,856)
Equity and Liabilities	
Retained Earnings	(57,210,804)
Lease Obligation	(4,004,180)
Deferred Tax Liability	1,501,128
Total Equity and Liabilities	(59,713,856)
Weighted average incremental borrowing rate as at 1 April 2019	14%
The following is the amount recognised in profit or loss:	
Expense relating to short-term leases and low-value assets	13,562,830

10.3 Leasehold Property

	2020 Rs.	2019 Rs.
At the Beginning of the Year	83,127,513	84,164,446
Transfer due to initial application of SLFRS 16	(83,127,513)	-
Amortization for the Year	-	(1,036,933)
At the End of the Year	-	83,127,513

11. INVESTMENT PROPERTY

	2020 Rs.	2019 Rs.
At the Beginning of the Year	193,724,248	-
Additions	2,064,047	-
Transferred from Capital Work-in-progress	-	193,724,248
Change in Fair Value during the Year	19,211,705	-
At the End of the Year	215,000,000	193,724,248

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

	2020 Rs.	2019 Rs.
Rental income derived from investment properties	28,800,000	12,000,000
Direct operating expenses	-	-
Profit arising from investment properties carried at fair value	28,800,000	12,000,000

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

11.1 Fair Value measurement disclosure for investment property

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

Location	Extent	Independent Valuer	Effective Date of Valuation	Valuation Details	Significant Unobservable Input (Level 3) Building Value Per Square Feet		Correlation to Fair Value
					2020	2019	
No 21, Kirimandala Mawatha, Narahenpita	6,710 Sq. ft	G W G Abeygunawardene	29 February 2020	Direct Capital Comparison Method using market construction cost	Rs. 32,042/-	Rs. 28,871/-	Positive

12. INVESTMENT IN JOINT VENTURE

12.1 Asiri AOI Cancer Centre (Private) Limited started its operation on 01st September 2017 and as intended at the inception of the project, Asiri Surgical Hospital divested 50% stake of Asiri AOI Cancer Centre (Private) Limited to the joint venture partner 'Cancer Treatment Services Hyderabad Private Limited' on 29th September 2017.

Asiri AOI Cancer Centre (Private) Limited is a company incorporated in Sri Lanka and principal place of business is located at No. 21, Kirimandala Mawatha, Colombo 05. The Company is principally engaged in providing comprehensive oncology services.

12.2 Summarised Financial Information of Joint Venture Investees

	2020 Rs.	2019 Rs.
Non-Current assets	342,736,666	389,776,815
Current Assets	41,295,334	33,633,556
Non-Current Liabilities	(179,012,509)	(138,059,889)
Current Liabilities	(137,419,281)	(219,375,875)
Net Assets	67,600,210	65,974,607
Company's Share of Net Assets (Share in Equity - 50%)	33,800,105	32,987,303
Carrying amount of interest in Joint Venture	33,800,105	32,987,303
Revenue	260,083,605	150,610,333
Cost of Sales	(141,861,893)	(92,199,873)
Company Share of Profit	896,803	92,734
Company Share of Other Comprehensive Income	(84,001)	(7,497)
Company's share of Total Comprehensive Income	812,802	85,237
Summarised Statement of Cash Flow		
Cash Flows from Operating Activities	(102,630,044)	217,331,264
Cash Flows from Investing Activities	(8,669,728)	(368,174,302)
Cash Flows from Financing Activities	118,055,051	150,000,000

The Joint Venture had no contingent liability or capital commitments as at 31 March 2020 and 2019.

Notes to the Financial Statements

13. NON CURRENT FINANCIAL ASSETS

	Number of Shares		Fair Value	
	2020	2019	2020 Rs.	2019 Rs.
Investment in Quoted Equity Securities at Fair Value through OCI				
National Development Bank PLC	3,470,389	3,308,720	347,038,900	311,681,428
	3,470,389	3,308,720	347,038,900	311,681,428

14. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

14.1 Financial Assets

	2020 Rs.	2019 Rs.
Financial Assets at Fair value through OCI		
Non Current Financial Assets	347,038,900	311,681,428
Financial Assets at Amortised Cost		
Loans Granted to Related Parties	2,746,572,230	1,082,100,000
Trade and Other Receivables	461,050,231	320,247,866
Cash In Hand and at Bank	160,713,046	60,382,569
Carrying value of Financial Assets	3,715,374,407	1,774,411,863
Fair Value of Financial Assets	3,715,374,407	1,774,411,863

14.2 Financial Liabilities

	2020 Rs.	2019 Rs.
Financial Liabilities at Amortised Cost		
Lease Liability	15,546,598	22,056,666
Interest Bearing Loans and Borrowings	2,207,673,216	255,682,000
Trade and Other Payables	450,771,635	496,166,906
Dividend Payable	3,816,276	273,140,022
Carrying value of Financial Liabilities	2,677,807,725	1,047,045,595
Fair Value of Financial Liabilities	2,677,807,725	1,047,045,595

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

15. FAIR VALUE HIERARCHY

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

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

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

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

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

	31 March 2019	Level 1	Level 2	Level 3
Assets Measured at Fair Value:	Rs.	Rs.	Rs.	Rs.
Non Current Financial Assets	311,681,428	311,681,428	-	-
Building on Leasehold Land	2,264,496,000	-	-	2,264,496,000
Investment Property	193,724,248	-	-	193,724,248

Due to closure of the Colombo Stock Exchange with the outbreak of COVID 19, Management has assessed and determined the fair value of non current financial assets as at 31 March 2020 based on the closing traded price that existed as at 31 December 2019. Accordingly, non current financial asset was transferred from level 1 to level 2 as at 31 March 2020 as it indicates an inactive market.

16. INVENTORIES

	2020	2019
	Rs.	Rs.
Finished goods		
Chemical and Test Materials	21,099,574	22,152,639
Pharmaceuticals and Surgical Inventory	100,267,143	87,869,493
Consumables	14,003,106	6,309,973
	135,369,823	116,332,105

During 2019/20, Rs.781,499,080 (2019: Rs.700,690,286) was recognized as an expense for inventories carried at net realizable value and included in 'cost of sales'. In addition, inventories have been reduced by Rs. 4,423,530 (2019: Rs.4,633,231) as a result of the write-down to net realisable value. The write-down was recognised as an expense and included in 'cost of sales'.

Notes to the Financial Statements

17. TRADE AND OTHER RECEIVABLES

	2020 Rs.	2019 Rs.
Trade Debtors	193,099,827	145,747,714
Less: Impairment	(3,191,892)	(6,726,774)
	189,907,935	139,020,940
Trade Debtors - Related Parties (Note 17.2)	271,142,296	179,626,878
Other Debtors - Related Parties (Note 17.3)	-	1,600,048
	461,050,231	320,247,866

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

17.2 Trade Debtors - Related Parties

	2020 Rs.	2019 Rs.
Ultimate Parent Company		
Softlogic Holdings PLC	9,092,714	9,092,713
Parent Company		
Asiri Hospital Holdings PLC	184,007,783	107,353,808
Joint Venture Company		
Asiri AOI Cancer Centre (Private) Limited	13,824,899	40,854,937
Companies Under Common Control		
Central Hospital Limited	45,770,691	6,174,311
Asiri Diagnostic Services (Private) Limited	498,370	212,088
Asiri Hospital Matara (Private) Limited	425,098	226,939
Asiri Hospital Kandy (Private) Limited	-	147,954
Asiri Hospital Galle (Private) Limited	1,748,645	119,303
Digital Health (Private) Limited	3,484,960	7,664,783
Softlogic Life Insurance PLC	12,121,480	7,780,042
Softlogic Retail (Private) Limited	826	-
Jendo Innovations (Private) Limited	166,830	-
	271,142,296	179,626,878

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

17.3 Other Debtors - Related Parties

	Relationship	2020 Rs.	2019 Rs.
Asiri Hospital Kandy (Private) Limited	Company Under Common Control	-	1,600,048
		-	1,600,048

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

18. OTHER CURRENT ASSETS

	2020 Rs.	2019 Rs.
Advances and Prepayments	184,937,951	165,463,055
Other Tax Receivables	17,618,267	17,109,243
	202,556,218	182,572,298

19. LOANS GRANTED TO RELATED PARTIES

	Relationship	2020 Rs.	2019 Rs.
Long Term Loans			
Asiri Hospital Holdings PLC	Parent Company		
Amount payable within one year		161,552,068	-
Amount payable after one year		1,409,900,000	873,000,000
		1,571,452,068	873,000,000
Short Term Loans			
Softlogic Holdings PLC	Ultimate Parent Company	1,115,139,816	209,100,000
Central Hospital Limited	Companies Under Common Control	56,832,800	-
Asiri Hospital Galle (Private) Limited	Companies Under Common Control	3,147,546	-
		1,175,120,162	209,100,000

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

20. STATED CAPITAL

Assets Measured at Fair Value:	2020		2019	
	Rs.	Rs.	Rs.	Rs.
Fully Paid Ordinary Shares				
At the Beginning of the Year	528,457,545	1,393,327,565	528,457,545	1,393,327,565
At the End of the Year	528,457,545	1,393,327,565	528,457,545	1,393,327,565

Notes to the Financial Statements

21. OTHER COMPONENTS OF EQUITY

	2020 Rs.	2019 Rs.
Revaluation Reserve	1,245,175,428	1,185,966,362
Fair Value Reserve of Financial Assets at FVOCI	(106,211,234)	(125,025,106)
	1,138,964,194	1,060,941,256

22. LEASE LIABILITY

	2020 Rs.	2019 Rs.
At the Beginning of the Year	22,056,667	26,128,667
Effect of initial application of SLFRS 16	(4,004,180)	-
Interest Charged	2,527,347	-
Repayments	(5,033,236)	(4,072,001)
At the End of the Year	15,546,598	22,056,666
Repayable within one year	2,856,712	4,072,000
Repayable within two to five years	12,689,886	17,984,666
	15,546,598	22,056,667

22.1 Terms of Repayment - Board of Investment of Sri Lanka (BOI)

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

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

23. INTEREST BEARING LOANS AND BORROWINGS

	2020 Amount Repayable Within 1 Year Rs.	2020 Amount Repayable After 1 Year Rs.	2020 Total Rs.	2019 Amount Repayable Within 1 Year Rs.	2019 Amount Repayable After 1 Year Rs.	2019 Total Rs.
Short Term Loans (Note 23.2)	803,481,967	-	803,481,967			
Long Term Loans (Note 23.2)	93,047,916	1,311,143,333	1,404,191,249	63,936,000	191,746,000	255,682,000
	896,529,883	1,311,143,333	2,207,673,216	63,936,000	191,746,000	255,682,000

23.1 A reconciliation of liabilities arising from financing activities is as follows:

	As at 01.04.2019	Loans Obtained	Repayment of borrowings	Other changes	As at 31.03.2020
	Rs.	Rs.	Rs.	Rs.	Rs.
Short Term Loans	-	817,000,000	(17,000,000)	3,481,967	803,481,967
Long Term Loans					
current	63,936,000	-	(63,936,000)	93,047,916	93,047,916
non-current	191,746,000	1,200,000,000	-	(80,602,667)	1,311,143,333
	255,682,000	2,017,000,000	(80,936,000)	15,927,216	2,207,673,216

23.2 Security and Repayment Terms;

Lending Institution	Nature of Facility	Repayment Terms	Security	Security Amount	Outstanding Balance	
					2020	2019
				Rs.	Rs.	Rs.
Commercial Bank of Ceylon PLC	Term Loan	95 equal monthly instalments of Rs. 5,328,000/- each and a final instalment of Rs. 5,266,000/-.	Concurrent Mortgage Bond No 3329/4687 with Hatton National Bank PLC over hospital property at No181, Kirula Road, Narahenpitiya, owned by Asiri Hospital Holdings PLC.	125Mn	191,746,000	255,682,000
			Corporate Guarantee of Asiri Hospital Holdings PLC	148.4Mn		
Hatton National Bank PLC	Term Loan	12 equal monthly instalments.	Clean	-	800,000,000	-
DFCC Bank PLC	Term Loan	72 equal monthly instalments after a grace period of 12 months from the date of first disbursement.	Corporate guarantee of Asiri Hospital Holdings PLC	1.2Bn	1,200,000,000	-

24. EMPLOYEE BENEFIT LIABILITY

	2020	2019
	Rs.	Rs.
At the Beginning of the Year	126,826,884	116,104,526
Transfers	-	(393,191)
Interest Cost	13,989,005	11,571,134
Current Service Cost	12,794,104	12,687,971
Actuarial (Gain) / Loss	(9,396,262)	193,590
Benefit Paid	(12,282,620)	(13,337,146)
At the End of the Year	131,931,111	126,826,884

Notes to the Financial Statements

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

Principal Actuarial Assumptions

The principal financial assumptions underlying the valuation are as follows:

	2020	2019
Discount Rate	9% p.a	11.03% p.a
Salary Increase Rate	7%p.a	7.5%p.a

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

24.2 Sensitivity to Assumptions used

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

Discount Rate	2020 Rs.	2019 Rs.
Increase by one percentage point	(2,892,934)	(3,517,187)
Decrease by one percentage point	3,048,035	3,758,670

Salary Increase Rate	2020 Rs.	2019 Rs.
Increase by one percentage point	3,693,839	4,430,494
Decrease by one percentage point	(3,565,686)	(4,212,036)

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

	2020 Rs.	2019 Rs.
within the next 12 months	44,550,447	36,309,716
between 1 to 2 years	50,434,919	43,207,379
between 3 to 5 years	24,189,772	28,022,420
between 6 to 10 years	11,892,054	14,478,973
beyond 10 years	863,919	4,808,396
	131,931,111	126,826,884

The average duration of the defined benefit plan obligation at the end of the reporting period is 2.41 years (2019 - 3.51 years).

25. TRADE AND OTHER PAYABLES

	2020 Rs.	2019 Rs.
Trade Payables	216,406,653	149,530,562
Trade Payable - Related Party (Note 25.1)	70,003,897	112,902,907
Sundry Creditors Including Accrued Expenses	163,902,085	233,448,304
Contract Liabilities (Note 25.2)	459,000	285,133
	450,771,635	496,166,906

25.1 Trade Payable - Related Party

	2020 Rs.	2019 Rs.
Ultimate Parent Company		
Softlogic Holdings PLC	1,802,304	-
Parent Company		
Asiri Hospital Holdings PLC	731,027	66,630,113
Joint Venture Company		
Asiri AOI Cancer Centre (Private) Limited	5,845,120	9,910,966
Companies Under Common Control		
Central Hospital Limited	55,928,379	14,877,687
Asiri Hospital Matara (Private) Limited	2,925,081	1,864,566
Asiri Hospital Galle (Private) Limited	70,580	3,653
Softlogic Automobiles (Private) Limited	109,288	109,288
Softlogic BPO Services (Private) Limited	124,761	66,260
Softlogic Computers (Private) Limited	40,000	9,780,000
Softlogic Corporate Services (Private) Limited	1,870	1,870
Softlogic Information Technologies (Private) Limited	448,320	684,222
Softlogic Mobile Distribution (Private) Limited	89,766	-
Softlogic Retail (Private) Limited	1,530,908	8,973,664
Softlogic Supermarkets (Private) Limited	355,875	-
Nextage (Private) Limited	618	618
	70,003,897	112,902,907

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

Notes to the Financial Statements

25.2 Contract Liabilities

	2020 Rs.	2019 Rs.
Advance Received from Patients	459,000	285,133
	459,000	285,133

26. CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT

Components of Cash and Cash Equivalents

	2020 Rs.	2019 Rs.
26.1 Favourable Cash and Cash Equivalents Balance		
Cash and Bank Balances	160,713,046	60,382,569
	160,713,046	60,382,569
26.2 Unfavourable Cash and Cash Equivalents Balance		
Bank Overdraft	(186,251,404)	(344,961,890)
Total Cash and Cash Equivalents for the Purposes of the Cash Flow Statement	(25,538,358)	(284,579,321)

27. COMMITMENTS AND CONTINGENCIES

27.1 Capital Expenditure and Other Commitments

The Company does not have significant capital and other commitments as at 31 March 2020 (2019 - Nil)

27.2 Contingent Liabilities

a. Legal Claims

Pending litigations against the Company with a Maximum liability of Rs. 13.2 Mn exist as at the reporting date. (2019 - Rs. 105 Mn)

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

b. Guarantees

The Directors of the Company have signed Corporate Guarantee Bonds with the following banks securing the following banking facilities obtained by Asiri Hospitals Holding PLC.

	2020 Rs. Mn	2019 Rs. Mn
Sampath Bank PLC	463	463
Hatton National Bank PLC	180	180
Commercial Bank of Ceylon PLC	550	550
	1,193	1,193

27.3 Contingent Income Taxes

A dispute has arisen with the Department of Inland Revenue with regard to the applicability of the income tax exemption in terms of the agreement entered between Asiri Surgical Hospital PLC and the Board of Investment of Sri Lanka (BOI) in 2000. Since there is litigation in the Court of Appeal in CA (Writ) 386/ 2016 with regard to this matter, in accordance with Paragraph 92 of LKAS 37, we are unable to provide further information on this and associated risks, in order not to impair the outcome and/or prejudice the Company's position in this matter. The aforesaid matter is coming up for argument in October 2020 at the Court of Appeal.

28. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

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

29. RELATED PARTY DISCLOSURES

29.1 Transactions with Related Parties

The Company carried out transactions in the ordinary course of its business on an arm's length basis with the following related parties.

	2020 Rs.	2019 Rs.
Ultimate Parent Company - Softlogic Holdings PLC		
Loans Granted	1,070,000,000	209,100,000
Interest Income	14,139,816	9,092,713
Sale/(Purchase) of Goods/ Services including Staff Related Items	(21,073,198)	(14,575,393)
Repayment of Loans Granted and Fund Transfers	(158,829,105)	-
Immediate Parent Company - Asiri Hospital Holdings PLC		
Loans Granted	536,900,000	405,000,000
Interest Income	161,552,069	86,888,295
Sale/(Purchase) of Goods/ Services including Staff Related Items	(258,705,260)	(273,595,918)
Repayment of Loans Granted and Fund Transfers	368,790,753	227,876,547
Channelling Fee Collected by Related Party/ (Company on behalf of the Related Party)	30,420,084	35,899,778
Expenses Incurred by the Company on behalf of Related Party/ (Related Party on behalf of the Company)	2,047,483	(18,857,267)
Joint Venture Company - Asiri AOI Cancer Centre (Private) Limited		
Sale/(Purchase) of Goods/ Services including Staff Related Items	16,906,132	11,768,191
Repayment of Temporary Finance Obtained and Fund Transfers	(88,575,245)	(62,756,848)
Expenses Incurred by the Company on behalf of Related Party/ (Related Party on behalf of the Company)	48,704,921	84,214,489
Companies under common control		
Loans Granted	139,900,000	-
Interest Income	11,493,939	-
Sale/(Purchase) of Goods/ Services including Staff Related Items	33,136,309	162,645,556
Repayment of Loans Granted and Fund Transfers	(77,695,638)	(160,463,406)
Channelling Fee Collected by Related Party/ (Company on behalf of the Related Party)	(299,562)	(263,865)
Expenses Incurred by the Company on behalf of Related Party/ (Related Party on behalf of the Company)	(31,526,888)	(22,887,730)
Key Management Personnel	-	-
Close Family Members of KMP	-	-

Notes to the Financial Statements

29.1.1 Non-recurrent related party transactions

Other than the transaction disclosed underneath, 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 31 March 2019 audited financial statements, which required additional disclosures in the 2019/20 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Security Exchange Commission Directive issued under Section 13 (c) of the Securities and Exchange Commission of Sri Lanka Act.

Name of the related party	Relationship	Nature of the transactions	Value of related party transactions entered into during the financial year	Value of related party transactions as a % of equity and as a % of total assets	Terms and conditions of the related party transactions
Softlogic Holdings PLC	Ultimate Parent Company	Short term loan granted	1,070,000,000	29.75% of Total Equity 18.25% of Total Assets	Arms length transaction for which the interest is charged based on AWPLR% .
Asiri Hospital Holdings PLC	Immediate Parent Company	Long term loan granted	536,900,000	14.93% of Total Equity 9.15% of Total Assets	Arms length transaction for which the interest is charged based on AWPLR% .

29.1.2 Recurrent related party transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the revenue of the Company as per 31 March 2019 audited financial Statements, which required additional disclosures in the 2019/20 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission of Sri Lanka Act.

29.2 Off Balance Sheet Items

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

29.3 Transactions with Key Management Personnel of the Company

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

29.3.1 Key Management Personnel Compensation

	2020 Rs.	2019 Rs.
Short Term Employment Benefits	9,904,120	11,318,904
Total Compensation paid to Key Management Personnel	9,904,120	11,318,904

29.3.2 Share Transactions

The directors of the company hold 17,133 shares of Asiri Surgical Hospital PLC as at 31 March 2020.(2019- 17,133 shares)

29.4 Other Transactions

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

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

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

30.1 Credit Risk

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

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

The following table shows the maximum risk positions;

	2020 Rs.	2019 Rs.
Loans Granted to Related Parties	2,746,572,230	1,082,100,000
Trade and Other Receivables (Note 30.1.1)	461,050,231	318,647,818
Other Debtors - Related Parties	-	1,600,048
Cash In Hand and at Bank (Note 30.1.2)	160,713,046	60,382,569
	3,368,335,507	1,462,730,435

Notes to the Financial Statements

30.1.1 Trade and Other Receivables

	Total Rs.	Neither past due nor Impaired Rs.	Past due but not Impaired					Past due Impaired
			31-60 Days Rs.	61-90 Days Rs.	91-180 Days Rs.	181-365 Days Rs.	Over 365 Days Rs.	Over 365 Days Rs.
2020								
Gross Trade Receivables	464,242,123	139,139,163	51,508,229	39,132,137	65,905,636	84,007,896	81,357,169	3,191,892
Less: Impairment	(3,191,892)	-	-	-	-	-	-	(3,191,892)
	461,050,231	139,139,163	51,508,229	39,132,137	65,905,636	84,007,896	81,357,169	-
2019								
Gross Trade Receivables	325,374,592	196,416,317	56,639,488	18,878,325	39,025,824	7,886,932	-	6,527,706
Less: Impairment	(6,726,774)	-	-	-	-	(199,068)	-	(6,527,706)
	318,647,818	196,416,317	56,639,488	18,878,325	39,025,824	7,687,864	-	-

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

30.1.2 Cash In Hand and at Bank

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

30.2 Market Risk

30.2.1 Interest Rate Risk

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

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

Interest Rate	2020 Rs.	2019 Rs.
Interest Rate		
Increase by 200 basis points	7,383,080	16,528,360
Decrease by 200 basis points	(7,383,080)	(16,528,360)

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

30.2.2 Foreign Exchange Risk

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

30.2.3 Equity Price Risk

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

At the reporting date, the exposure to unlisted equity securities was Rs.33,800,105 and analyses of these investments have been provided in Note 12.

At the reporting date, the exposure to listed equity securities at fair value listed on the CSE was Rs.347,038,900. The company has determined that a decrease in market price by 10% on equity shares held by the company could have a negative impact of Rs.34,703,890 on OCI an equal change in the opposite direction could have a positive impact of Rs.34,703,890 on OCI.

30.3 Liquidity Risk

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

The maturity profile of the company's financial liabilities are as follows :

	0-6 Months Rs.	6-12 Months Rs.	2-5 years Rs.	>5 years Rs.
2020				
Interest Bearing loans and borrowings	144,440,743	965,830,796	1,325,803,084	426,514,840
Trade and other payables	265,004,902	185,766,733	-	-
Lease Liability	-	5,033,236	16,796,376	-
Corporate Guarantees Granted on loans obtained by Parent Company	-	45,138,000	167,456,000	-
2019				
Interest Bearing loans and borrowings	47,423,526	45,317,968	229,366,526	-
Trade and other payables	288,751,650	207,415,256	-	-
Lease Liability	-	4,275,600	17,102,400	1,781,499

Notes to the Financial Statements

30.4 Capital management

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

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

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2020.

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

As at 31 March	2020 Rs.	2019 Rs.
Net Debt	2,248,758,172	562,317,987
Net Equity	4,056,604,662	3,596,436,711
Capital and total net debt	6,305,362,834	4,158,754,698
Gearing ratio (X)	0.36	0.14

30.5 Legal Risk

Legal risks are those risks resulting from legal consequences of transactions, with inadequate documentation, legal or regulatory issues and other factors that may result in contracts with counter parties becoming unenforceable causing unexpected financial losses. In addition to complying with the Sri Lanka Medical Ordinance, Cosmetics, Devises & Drugs Authority (Act No.28 of 1984), Colombo Stock Exchange, Securities and Exchange Commission and Companies Act disclosure requirements, the Company also complies with Sri Lanka Accounting Standards.

30.6 Investment Risk

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



ANNEXES

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Shareholder Information

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

The Audited Financial Statements of the Company for the year ended 31 March 2020 and copies of this Annual Report have been submitted to the Colombo Stock Exchange.

The float-adjusted market capitalisation as at 31 March 2020 is LKR 1,020,662,902/41 and the Company is in compliance with option 5 of the Listing Rules 7.13.1 (a) which requires 20% minimum public holding percentage and 500 minimum public shareholders.

DISTRIBUTION OF SHAREHOLDERS

Number of Shares held	31 March 2020			31 March 2019		
	Number of shareholders	Holding	Holding %	Number of shareholders	Holding	Holding %
1 - 1,000	1,917	466,951	0.09	1,894	467,253	0.09
1,001 - 10,000	820	3,394,276	0.64	811	3,367,055	0.64
10,001 - 100,000	463	14,098,536	2.67	469	14,332,026	2.71
100,001 - 1,000,000	93	27,585,074	5.22	97	28,320,498	5.36
Over 1,000,000	12	482,912,708	91.38	12	481,970,713	91.20
Total	3,305	528,457,545	100.00	3,283	528,457,545	100.00

Category	31 March 2020			31 March 2019		
	Number of shareholders	Holding	Holding %	Number of shareholders	Holding	Holding %
Individual	3,223	108,903,867	20.61	3,199	109,739,408	20.77
Institutional	82	419,553,678	79.39	84	418,718,137	79.23
Total	3,305	528,457,545	100.00	3,283	528,457,545	100.00
Resident	3,287	527,338,860	99.79	3,267	527,604,663	99.84
Non-resident	18	1,118,685	0.21	16	852,882	0.16
Total	3,305	528,457,545	100.00	3,283	528,457,545	100.00

MAJOR SHAREHOLDINGS

	31 March 2020	
	No. of Shares	%
1. Asiri Hospital Holdings PLC	415,055,398	78.54
2. Mr D K Subasinghe/Mrs S N Subasinghe	40,014,806	7.57
3. Mr P P Subasinghe	7,955,542	1.51
4. Mrs Neetha Weerasinghe	7,500,015	1.42
5. Mr D M Rajapaksa/Dr M D B D Rajapaksa	3,080,250	0.58
6. Mr M D N Jayaratne/Mrs H C D Jayaratne	2,249,998	0.43
7. Mr M R Weerasinghe	2,000,000	0.38
8. Mrs Chandani Vishaka Ariyaratne	1,333,333	0.25
9. Mr D M Rajapaksa/Dr D S D Rajapaksha	1,301,088	0.25
10. Mrs. Menaka Priyadharshani Rajapakse	1,283,333	0.24
11. Mr Uditha Harilal Paliakkara/Mrs D S Paliakkara/ Mr K D H Paliakkara	1,138,958	0.22
12. Bank of Ceylon - NO2 A/C	1,000,000	0.19
13. Dr Dammearachchi Anuja Somaratne	862,499	0.16
14. Mr Chaminda Dilantha Weerasinghe (Deceased)	833,333	0.16
15. Dr. Kalutara Korallalage Don Gamini Jayaweera	826,035	0.16
16. Mr. Muhammad Jaffar Ismail	811,028	0.15
17. Dr. Himali Rangika Jayasekera	802,322	0.15
18. Mr. Mohamed Faizer Hashim	751,664	0.14
19. Mrs. Sithy Jazeema Badurdeen	749,999	0.14
20. Dr. Welagedara Mudiyansele Swarnamali Welagedara	749,999	0.14
Total of the top 20 shareholders	38,157,945	7.22
Shares Held by the Other Shareholdings	490,299,600	92.78
Total Number of shares issued	528,457,545	100.00
Public shareholdings	113,385,014	21.46

SHARE TRADING

	2019/20		2018/19	
Market price (LKR)				
– Highest	11.00	05/08/2019	10.80	(23/04/2018)
– Lowest	8.50	16/05/2019	8.90	(28/03/2020)
As at year-end	9.00	20/03/2020	9.50	(29/03/2020)
Number of trades	1,675.00		1,381.00	
Number of shares traded	2,713,050.00		1,709,869.00	
Value of the shares traded (LKR)	26,276,771.80		17,076,689.00	
Earnings per share (LKR)	0.82		0.69	
Dividends per share (LKR)	0.00		0.50	
Net assets per ordinary share (LKR)	7.68		6.81	

STATED CAPITAL

	2020		2019	
	Number	LKR	Number	LKR
Fully Paid Ordinary Shares	528,457,545	1,393,327,565	528,457,545	1,393,327,565

STATED CAPITAL

	2020		2019	
	Number	LKR	Number	LKR
Balance at the beginning of the year	528,457,545	1,393,327,565	528,457,545	1,393,327,565
Balance at the end of the year	528,457,545	1,393,327,565	528,457,545	1,393,327,565

Five Year Summary

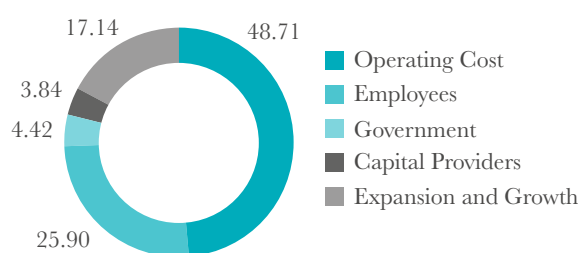
Year ended 31 March	2020 Rs. '000	2019 Rs. '000	2018 Rs. '000	2017 Rs. '000	2016 Rs. '000
Statement of Profit or Loss					
Revenue	3,654,663	3,475,047	3,275,349	2,884,316	2,922,313
Cost of Services	(2,265,592)	(2,122,762)	(2,013,869)	(1,885,576)	(1,753,568)
Gross Profit	1,389,071	1,352,285	1,261,479	998,740	1,168,745
Other Income and Gains	83,093	45,585	232,249	30,006	14,122
Administration and Distribution Expenses	(929,858)	(862,858)	(795,608)	(760,140)	(712,104)
Finance Cost	(151,700)	(54,952)	(45,472)	(52,337)	(68,554)
Finance Income	216,398	130,069	93,759	114,181	97,487
Share of Profit/(Loss) of Associate	897	93	5,902	0	0
Profit before Tax	607,901	610,222	752,310	330,449	499,696
Income Tax (Expense)/ Reversal	(174,790)	(243,707)	(205,707)	(67,660)	(83,293)
Net Profit for the year	433,111	366,515	546,603	262,789	416,403
Statement of Financial Position					
Property Plant & Equipment	3,565,875	3,564,554	3,261,720	3,102,457	2,852,207
Investment Property	215,000	193,724	0	0	0
Non Current Financial Assets	347,039	311,681	332,671	336,704	1,373
Investment In Joint Venture	33,800	32,987	32,902	0	0
Inventories	135,370	116,332	167,901	181,293	170,852
Receivables	3,410,179	1,584,920	720,168	893,234	1,505,419
Cash and Bank balance	160,713	60,383	383,767	135,868	132,855
Total Assets	7,867,976	5,864,581	4,899,129	4,649,555	4,662,706
Stated Capital	1,393,328	1,393,328	1,393,328	1,393,328	1,393,328
Other Components of Equity	1,138,964	1,060,941	1,130,225	1,301,768	1,171,672
Retained Earnings	1,524,313	1,142,168	1,044,199	951,923	1,104,544
Shareholders' Funds	4,056,605	3,596,437	3,567,752	3,647,019	3,669,544
Lease Liability - Non-Current	12,690	17,985	22,057	26,129	30,200
Interest Bearing Long Term Liabilities	1,311,143	191,746	255,682	319,618	383,554
Deferred Tax Liability	618,569	578,287	515,841	192,535	156,536
Employee Benefit Liability	131,931	126,827	116,105	100,623	81,806
Trade Creditors	450,772	496,167	261,107	282,711	235,083
Other Payables	200,629	444,163	92,106	12,912	34,294
Lease Liability - Current	2,857	4,072	4,072	4,072	4,072
Interest Bearing Short Term Borrowings	1,082,781	408,898	64,407	63,936	67,617
Total Equity & Liabilities	7,867,976	5,864,581	4,899,129	4,649,555	4,662,706
Cash Flow					
Net Cash Flow from operating activities	294,298	648,272	884,132	556,415	300,966
Net Cash Flow used in Investing activities	(1,702,059)	(1,248,139)	(119,506)	(104,274)	21,747
PBIT/Turnover	21%	19%	24%	13%	19%
GP Margin	38%	39%	39%	35%	40%
Debts to Equity	0.59	0.17	0.10	0.11	0.13
Quick Asset ratio	1.24	0.57	1.51	1.18	2.21

Economic Value Added Statement

As at 31 March	2019/20 Rs.'000	2018/19 Rs.'000
Direct economic value generated		
Revenue	3,654,663	3,475,047
Other Income	83,093	45,585
Finance Income	216,398	130,069
Share of profit of Joint Venture	897	93
	3,955,051	3,650,794

As at 31 March	2019/20 Rs.'000	%	2018/19 Rs.'000	%
Operating Cost	1,926,390	48.71	1,739,586	47.65
Employees				
Employee Wages & Benefits	1,024,316	25.90	1,014,819	27.80
Government				
All Taxes	174,790	4.42	243,707	6.68
Capital Providers				
Finance Cost	151,700	3.84	54,952	1.51
Shareholders	0	-	264,229	7.24
Expansion and Growth				
Depreciation	244,744	6.19	231,215	6.33
Retained Profit	433,111	10.95	102,286	2.80
	3,955,051	100.00	3,650,794	100.00

ECONOMIC VALUE ADDED (LKR '000)



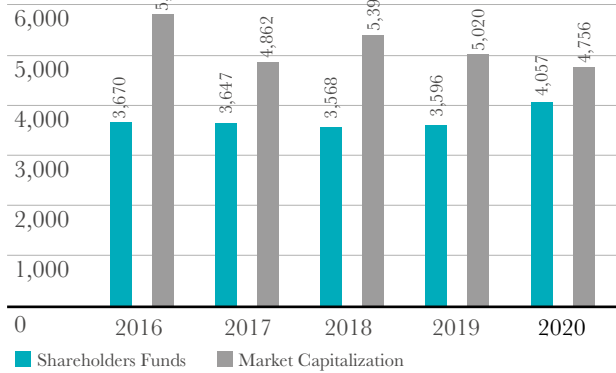
The creation of wealth is the main purpose of existence of any commercial organisation.

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

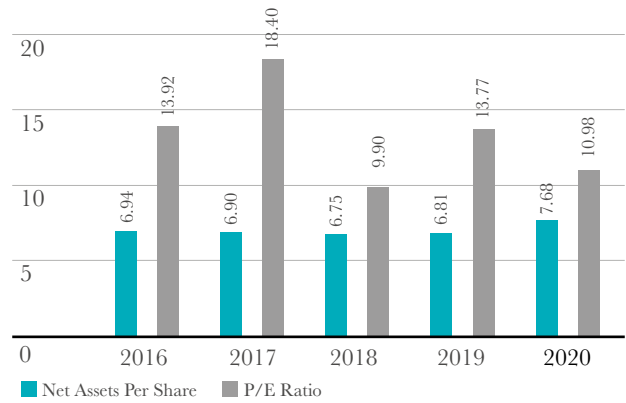
Through its operations during the financial year 2019/20, the company created a total wealth of Rs.3.95 billions, which was a 8% growth compared to previous year.

Graphical Review

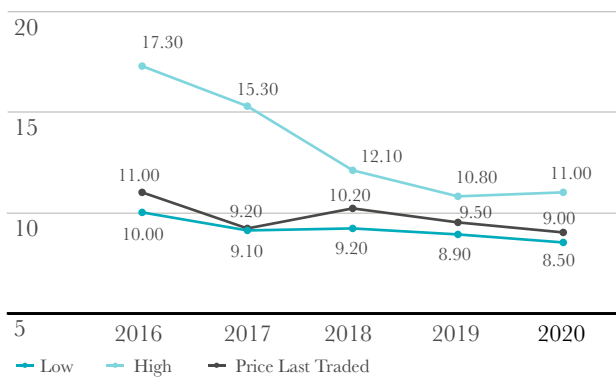
TOTAL EQUITY VS. MARKET CAPITALIZATION
(LKR Mn.)



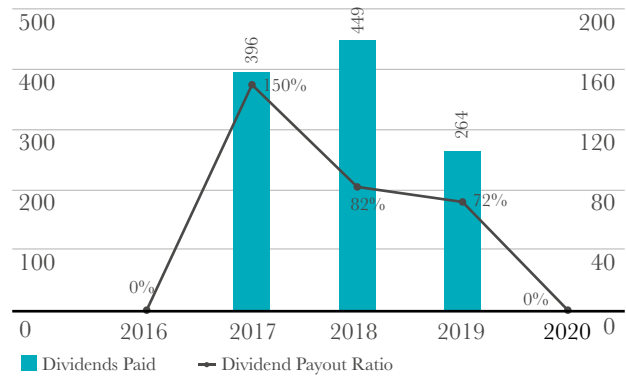
SHARE VALUE (LKR)



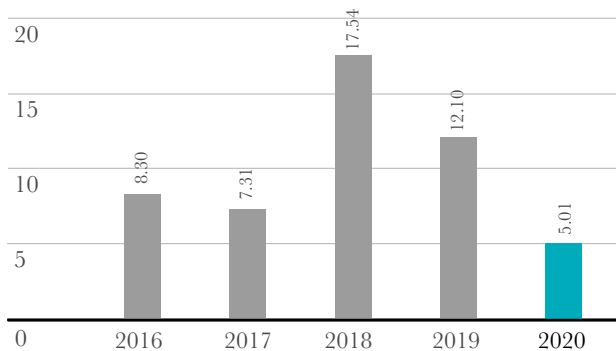
SHARE PRICE (LKR)



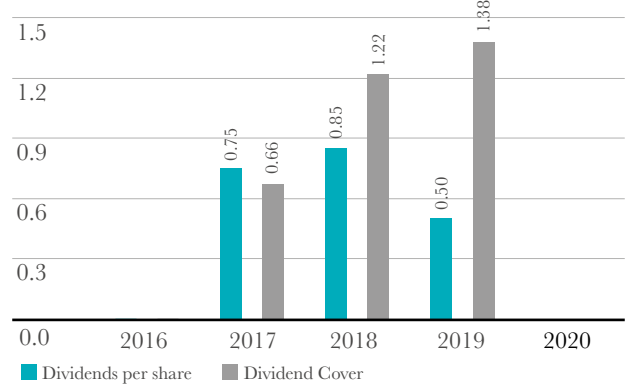
DIVIDENDS PAID & DIVIDEND PAYOUT RATIO
(LKR Mn.) (%)



INTEREST COVER (Times)



DIVIDENDS (LKR)



Notice of Meeting

NOTICE IS HEREBY GIVEN that the 20th Annual General Meeting of Asiri Surgical Hospital PLC will be held at the Auditorium of Central Hospital Limited (4th Floor), No. 114, Norris Canal Road, Colombo 10 on Monday the 28th September 2020 at 10.00am for the following purposes:

- (1) To receive and consider the Annual Report of the Board of Directors and Financial Statements of the Company for the year ended 31 March 2020 together with the Report of the Auditors thereon.
- (2) To re-elect Dr. K M P Karunaratne who retires by rotation in terms of Article 24 (6) of the Articles of Association, as a Director of the Company.
- (3) To pass the ordinary resolution set out below to re-appoint Mr. G L H Premaratne who is 72 years of age, as a Director of the Company.

“IT IS HEREBY RESOLVED THAT the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. G L H Premaratne who is 72 years of age and that he be and is hereby re-appointed a Director of the Company in terms of Section 211 of the Companies Act No. 07 of 2007”.

- (4) To re-appoint Messrs Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.
- (5) To authorise the Directors to determine and make donations for the year ending 31 March 2021 and up to the date of the next Annual General Meeting.

By Order of the Board,

SOFTLOGIC CORPORATE SERVICES (PVT) LTD.



Secretaries

Colombo
10th August 2020

Note:

A member entitled to attend and vote at the meeting is entitled to appoint a Proxy who need not be a member, to attend instead of him/her.

A form of Proxy is enclosed in this Report.

The completed Form of Proxy should be deposited at the Registered Office of the Company, No. 21, Kirimandala Mawatha, Colombo 05, not less than 48 hours before the time for holding the Meeting.

Form of Proxy

*I/We of
 being* a member/

members of ASIRI SURGICAL HOSPITAL PLC, do hereby appoint

..... of or failing *him/her

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

as *my/our Proxy to represent me/us and to speak and vote for *me/us on *my/our behalf at the 20th Annual General Meeting of the Company to be held at the Auditorium of Central Hospital Limited (4th Floor), No. 114, Norris Canal Road, Colombo 10 at 10.00am on Monday the 28th September 2020 and at any adjournment thereof, and at every poll which may be taken in consequence thereof.

	For	Against
(1) To receive and consider the Annual Report of the Board of Directors and Financial Statements of the Company for the year ended 31 March 2020 together with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
(2) To re-elect Dr. K M P Karunaratne 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 pass the ordinary resolution set out below to re-appoint Mr. G L H Premaratne who is 72 years of age, as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
“IT IS HEREBY RESOLVED THAT the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. G L H Premaratne who is 72 years of age and that he be and is hereby re-appointed a Director of the Company in terms of Section 211 of the Companies Act No. 07 of 2007”.	<input type="checkbox"/>	<input type="checkbox"/>
(4) To re-appoint retiring Auditors Messrs Ernst & Young and to authorise the Directors to fix their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
(5) To authorise the Directors to determine and make donations for the year ending 31 March 2021 and up to the date of the next Annual General Meeting.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day of Two Thousand and Twenty.

.....
 *Signature/s

Note:

- (1) *Please delete the inappropriate words.
- (2) Instructions as to completion are noted on the reverse hereof.
- (3) The shareholders/proxy holders are requested to bring their National Identity Card or Passport when attending the meeting.

Form of Proxy

INSTRUCTIONS AS TO COMPLETION

- (1) Kindly perfect the Form of Proxy after filling in legibly your full name and address and sign in the space provided. Please fill in the date of signature.
- (2) A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy who need not be a member, to attend and vote instead of him. Please indicate with an “X” in the boxes provided how your Proxy is to vote on each resolution. If no indication is given, the Proxy in his discretion will vote as he thinks fit.
- (3) In the case of a corporate member, the Form of Proxy must be completed under its common seal, which should be affixed in the manner prescribed by the Articles of Association.
- (4) If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should also accompany the completed Form of Proxy, in the manner prescribed by the Articles of Association.
- (5) The completed Form of Proxy should be deposited at the Registered Office of the Company, No. 21, Kirimandala Mawatha, Colombo 05, not less than forty – eight (48) hours before the time appointed for holding of the Meeting.

Please provide the following details:

Shareholder's N.I.C./Passport/ Company registration number	Shareholder's folio number	Number of shares held	Proxy Holder's N.I.C. number (if not a Director)

Corporate Information

NAME OF THE COMPANY

Asiri Surgical Hospital PLC

REGISTERED OFFICE

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

LEGAL FORM

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

STOCK EXCHANGE LISTING

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

COMPANY REGISTRATION NUMBER

PQ 208

DATE OF INCORPORATION

2 March 2000

DIRECTORS

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

AUDITORS

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

SECRETARIES

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

STOCK CODE

AMSL.N0000

BANKS

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

JOINT VENTURE COMPANIES

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

AUDIT COMMITTEE

Chairman
Mr. S A B Rajapaksa
Independent Non-Executive Director

Mr. R A Ebell
Independent Non-Executive Director
(Asiri Hospital Holdings PLC)
(Resigned w.e.f 30th June 2020)

COMMITTEE MEMBERS

Mr. G L H Premaratne
Independent Non-Executive Director

FREQUENCY OF MEETINGS

Committee meets quarterly

REMUNERATION COMMITTEE

Chairman
Mr. G L H Premaratne
Independent Non-Executive Director

COMMITTEE MEMBERS

Dr. S Selliah
Independent Non-Executive Director

FREQUENCY OF MEETINGS

Committee meets once a year

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Chairman
Mr. S A B Rajapaksa
Independent Non-Executive Director

COMMITTEE MEMBERS

Mr. G L H Premaratne
Independent Non-Executive Director

Mr. R A Ebell
Independent Non-Executive Director,
(Asiri Hospital Holdings PLC)
(Resigned w.e.f 30th June 2020)

FREQUENCY OF MEETINGS

Committee meets at least once a quarter

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

Designed & produced by



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