ASIRI SURGICAL HOSPITAL PLC

Annual Report 2023/24

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About Us

Asiri Surgical Hospital (ASH) is a premier private sector surgical hospital in Sri Lanka, renowned for its commitment to delivering exceptional surgical care. Specialising in a broad range of surgical disciplines, ASH offers everything from routine procedures to complex surgeries, all performed in state-of-the-art operating theaters equipped with advanced diagnostic facilities and the latest medical technology.

Innovation is at the heart of everything we do at ASH. We continually invest in the latest medical technologies and surgical techniques to stay at the cutting edge of healthcare, ensuring that patients have access to the most advanced treatment options available. Patient care at ASH extends far beyond the operating room. From pre-surgical consultations and detailed diagnostic evaluations to personalised post-operative care, our dedicated team plays a crucial role in ensuring the best clinical outcomes for every patient. Moreover, remain dedicated to maintaining the highest standards of medical excellence supported by stringent protocols for infection control and patient safety.

In essence, ASH stands as a beacon of healthcare excellence, offering access to world-class surgical care to patients across Sri Lanka.

155
Beds

450+
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, Gastroenterology and Organ Transplantation

Vision

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

Mission

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

Values

Care/Innovation/Respect

Caring with a human touch

Caring for society

Caring for our employees

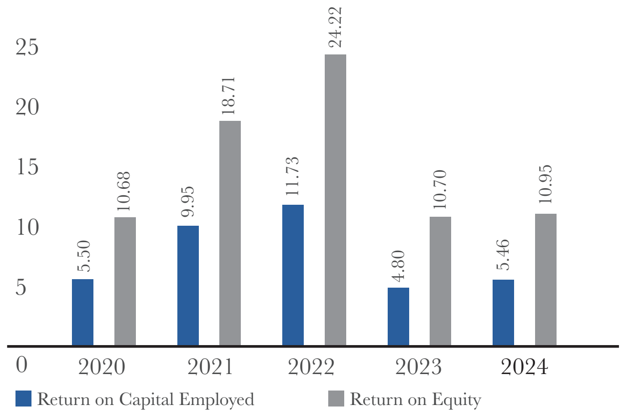
Innovation and forward-focus

Respect for all stakeholders

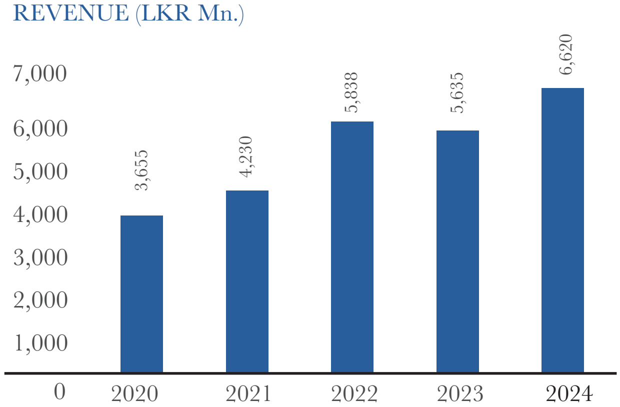
Highlights of the Year

Year ended 31 March		Group 2024	2023
Operating Results			
Revenue	Rs. 000	**6,619,745**	5,634,695
Profit before Interest and Tax	Rs. 000	**1,108,208**	1,000,129
Profit after Tax	Rs. 000	**746,307**	640,029
Return on Equity (%)		**10.95**	10.70
Balance Sheet Highlights			
Total Assets	Rs. 000	**13,668,721**	13,250,182
Total Equity	Rs. 000	**6,814,898**	5,981,558
Shareholder Information			
Earnings per Share	Rs.	**1.24**	1.05
Net Assets per Share	Rs.	**12.90**	11.32
Dividend per Share	Rs.	**0.00**	0.00
Share Price (31st March)	Rs.	**11.60**	12.50

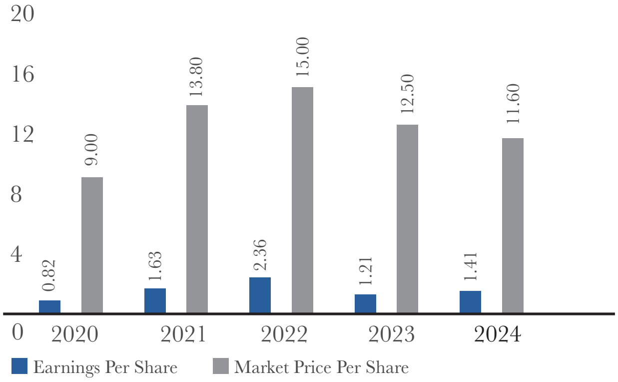
PROFITABILITY (%)



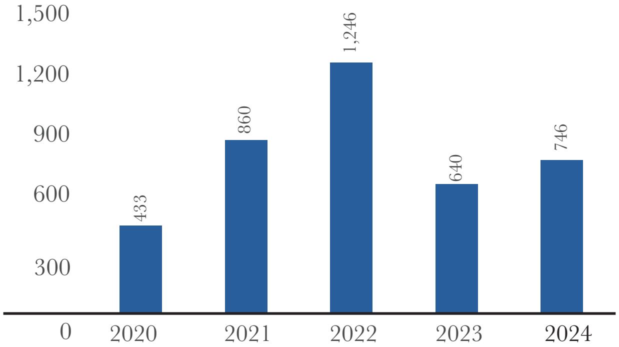
REVENUE (LKR Mn.)



EARNINGS AND MARKET VALUE (LKR Mn.)



PROFIT AFTER TAX (LKR Mn.)



EXECUTIVE REVIEWS

Chairman's Review

"At a broader level, we will look to capitalise on our solid fundamentals along with the Asiri brand presence to spearhead the transformation of the Country's healthcare sector"

While in 2023 too Sri Lanka's healthcare sector continued to grapple with mounting challenges, I am happy to report that FY 2023/24 was one of relative normalcy for Asiri Surgical Hospitals PLC (ASH). We experienced a steady increase in footfall at ASH throughout the year. In-patient admissions and average occupancy levels also showed notable growth compared to the previous year. Likewise, the demand for elective surgeries appeared to be on the rise after nearly three years of decline. These are all positive signs, which I believe stand as a testament to the strong public trust in our patient-centric approach and the exceptional expertise synonymous with ASH.

In the past year, the Asiri AOI Cancer Hospital also performed exceptionally well, driven by a 13% growth in patient volume leading to a 15% increase in revenue. I am also pleased to note that our state-of-the-art facility, which is equipped with the most advanced linear accelerator in the country has administered over 12,000 radiation fractions over the past year. The Asiri AOI Cancer Hospital, which is also home to Sri Lanka's only PET scan facility in the private sector, performed over 1,200 PET scans which have been crucial for early cancer detection and the development of effective treatment plans to maximise clinical outcomes for patients.

Taking steps to further consolidate its leadership as Sri Lanka's most comprehensive and advanced cancer treatment facility, the Asiri AOI Cancer Hospital is investing in a state of the art new brachytherapy unit to ensure our patients have access to cutting-edge cancer diagnostic and treatment technologies currently available, globally.

In a notable initiative aimed at elevating cancer care and treatment standards nationwide, the Asiri AOI Cancer Hospital partnered with the Sri Lanka College of Oncologists as their technical resource partner for the annual academic workshops on radiation treatment planning and contouring. The workshop, which brought together over 60 oncologists, registrars, and medical physicists from across the Country, focused on enhancing the professional skills of Sri Lanka's oncology community.

Always keen to break new ground in transforming the local healthcare universe, ASH unveiled what is likely the nation's first dedicated Lifestyle Medicine Unit. Moving beyond conventional treatment methods, the unit focuses on an integrated multidisciplinary approach to prevent, manage, and even reverse chronic illnesses. I firmly believe that this proactive and sustainable approach to wellness will empower patients and their families to manage long term illness more effectively to ensure better overall wellbeing for all.

This year, ASH has been diligently working towards pioneering liver transplant procedures, aiming to set a new standard in our relentless pursuit of making advanced, life-saving treatments accessible to all Sri Lankans. Hand in hand with these efforts, we focused on developing a robust nephrology programme that offers a full spectrum of care, from specialised clinics to intricate transplant procedures, to ensure that our patients will benefit from the most holistic and cutting-edge treatments available in the field today.

The Urology Centre at ASH, offering a full array of services, continued to show remarkable growth which necessitated the addition of a 3rd Urology Operating Theater. A Renal Dialysis Centre was inaugurated in the year under review with its complementary renal transplant programme. Urology continues to be one of the staples of ASH's surgical services.

We also commenced the process of expanding our range of clinics to address a broad array of health concerns, including ENT, liver conditions, backache, scoliosis, cosmetic gynaecology, and erectile dysfunction. These clinics reflect our determination to offer focused, expert care underpinned by the highest standards of medical excellence. Similarly, the launch of our comprehensive ENT and spine surgery programmes are part of our ongoing endavour to make advanced surgical solutions more accessible across Sri Lanka.

Chairman's Review

In our continuous effort to remain at the forefront of healthcare, we are enriching our cardiac services with the introduction of preventive and rehabilitation clinics. This planned expansion is set to complete our already robust suite of cardiac care offerings, positioning ASH as a leader in cardiac health in Sri Lanka. By integrating preventive strategies with comprehensive rehabilitation, we are preparing to support our patients through every phase of their cardiac care journey. These initiatives too, are not just steps forward; but represent significant milestones in our ongoing efforts to transform the local healthcare landscape.

Meanwhile our ongoing commitment to global quality standards was reaffirmed in March 2024, when ASH was re-accredited by ACHS for a further three-year period, extending its accreditation until March 2027.

NOTABLE ACHIEVEMENTS

Again proving its ability to set new benchmarks for medical technology in Sri Lanka, ASH proudly facilitated its first Transcatheter Aortic Valve Implantation (TAVI) heart procedure for aortic valve replacement. This groundbreaking achievement, made possible by the revolutionary TAVI technology and the exceptional expertise of our medical team, led to the patient's swift recovery and discharge just three days after surgery. This landmark success underscores our unwavering commitment to advancing medical technology in Sri Lanka, with the ultimate goal of improving clinical outcomes and enhancing the quality of life for our patients.

During the current year, ASH's Cardiac Catheterisation Laboratory hosted several distinguished interventional cardiology workshops, led by renowned global experts. The first workshop, conducted by Dr. G. Sengottuvelu, a prominent consultant cardiologist from India, provided invaluable hands-on training to local interventional cardiologists and Catheterisation Laboratory staff, greatly enhancing their expertise in intravascular ultrasound.

ASH also served as the venue for live case transmissions during the annual academic session of the Sri Lanka College of Cardiology. Two intricate coronary interventions were broadcast simultaneously from Cath Lab 1 and Cath Lab 2 to the conference held at Hotel Shangri-La. This session was expertly led by Dr. Simon Eccleshall, a consultant cardiologist from the UK, in collaboration with Dr. Vajira Senaratne and Dr. Tanya Pereira.

LOOKING AHEAD

Going forward, ASH will aim to further solidify its position as the leading surgical hospital in Sri Lanka's private healthcare sector. Our plans for the future are centered around enhancing the quality of care, expanding our medical capabilities, and fostering innovation across all aspects of our operations.

Firstly, we expect to invest significantly in cutting-edge medical technology, ensuring that our surgical capabilities are bolstered by the latest advancements that enhance precision and safety.

In addition to technological advancements, we will aim to introduce new specialised surgical departments and enhance our existing ones, ensuring that we cater to a broader range of medical needs. Our focus will be on areas where we can make the most significant impact in terms of optimising patient outcomes.

The Asiri AOI Cancer Centre too will look forward to expanding its services to maintain its position as a leading cancer treatment hospital in Sri Lanka while working to establish itself as a highly sought-after facility within the Indian sub-continent in the years ahead.

APPRECIATIONS

My sincere thanks go to my colleagues on the Board for their invaluable guidance and support at all times. Let me take this opportunity to extend my heartfelt gratitude to all our clinical and non-clinical teams for their unwavering dedication to delivering the ASH promise to our patients.

While thanking each and every one of our patients for placing their trust in us, I wish to reiterate that we remain deeply committed to ensuring that your experience at ASH is nothing short of exceptional.

A special word of thanks to the Ministry of Health and other health regulatory bodies for their support. Finally, I wish to thank ASH's shareholders and all other stakeholders for their belief in what we do. I seek your continued support in the years ahead as well.

Sgd.
Ashok Pathirage
Chairman/Managing Director

5th September 2024

Key Operational Highlights

ASIRI SURGICAL HOSPITAL

New Disciplines

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

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

A comprehensive ENT surgical and spine surgery programme.

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

Clinics

- Urology
- Liver
- Cosmetic Surgery
- Lung
- Joint pain
- Breast Care

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

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

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

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

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

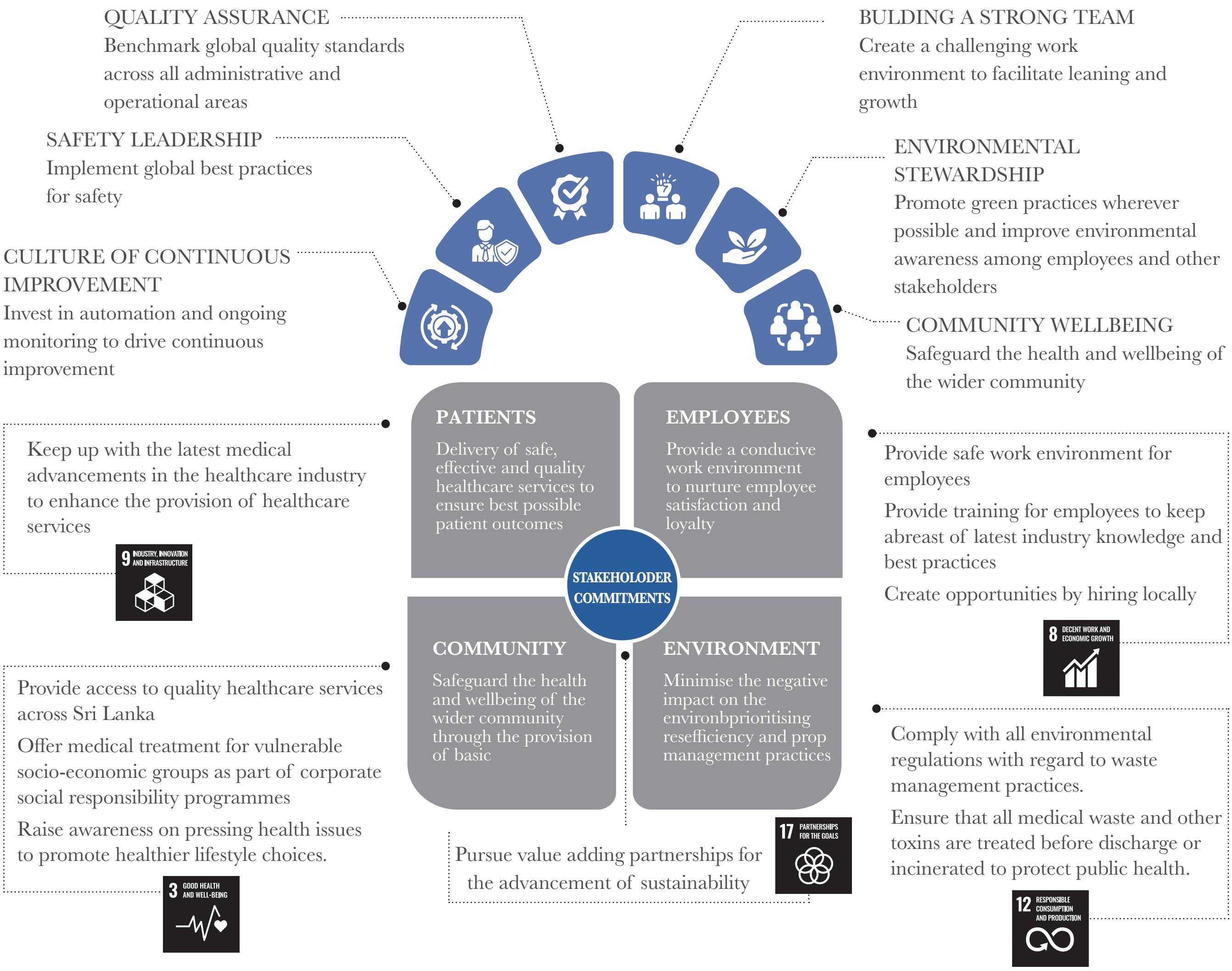
Sustainability Report

ASIRI GROUP APPROACH TO SUSTAINABILITY

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

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

ASIRI GROUP SUSTAINABILITY APPROACH



Sustainability Report

QUALITY ASSURANCE

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

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

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

ASIRI HEALTH QUALITY ASSURANCE FRAMEWORK

HOSPITAL MANAGEMENT

Quality and Patient Safety Committee	Facility Management and Safety Committee	Drug and Therapeutic Committee

KEY FOCUS AREA - ADMINISTRATIVE	
Risk Management	Resource Utilisation
Culture of Safety	Financial-Supply Chain & Procurement
Quality of Contracted Services	Staff Credentialing and Privileging

KEY FOCUS AREA – OPERATIONAL	
International Patient Safety Goals	Radiation Safety
Infection Control	Laboratory Safety
Clinical Protocols and Pathways	Transplant Safety
Medication Management	Facility Management and Safety
Pre and Post-Operative Diagnostic Discrepancies	Inpatient/Outpatient Satisfaction

QUALITY TARGETS	
Compliance to Correct Patient Identification	100%
Number of Medication Errors	0
Number of Adverse Drug Reaction	0
Compliance to Safe Surgery	100%
Rate of Hospital Acquired Infections	0%
Rate of Hospital Acquired Bed Sores	0%
Hand Hygiene Compliance	90%
Rate of Patient Falls	0%
Number of Incidents Reported	Less than 30 per month
Patient Satisfaction Rate on Services	90%
Average Admission Waiting Time	30 mins

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

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

SAFETY LEADERSHIP

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

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

Safety vigilance is another key priority. Weekly safety briefings provide an opportunity for hospital teams to review the efficacy of safety systems on an ongoing basis as well as to conduct root cause analysis in relation to incidents. A comprehensive incident reporting procedure is in place to enable hospital safety teams to report to the Group EHS regarding incidents and discuss long-term improvement measures in response to findings from the root cause analysis process.

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

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

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

THE LOST TIME INJURY FREQUENCY RATE (LTIFR)

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

SAFETY SYSTEM IMPROVEMENTS FOR FY 2023/24

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

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

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

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

Annual employee medical surveillance was conducted across the Group

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

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

In the absence of official LTIFR standards in Sri Lanka, the Asiri Group refers to globally available benchmarks, such as those provided by Safe Work Australia, which reports sets the average LTIFR as 11.2 per million working hours. Standing at 1.4 per million working hours, the Asiri Group's LTIFR is significantly below this benchmark global average.

Data sources: , with a rate of 1.4

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

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

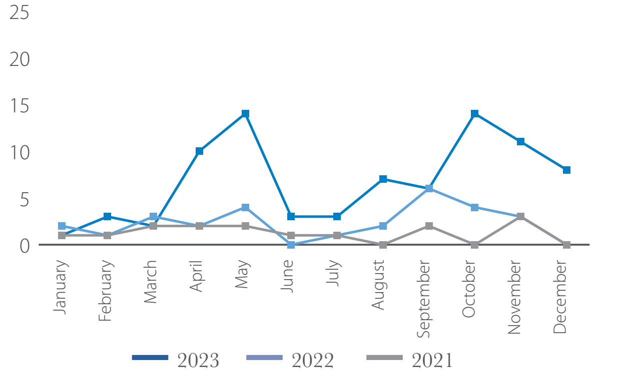
Sustainability Report

INCIDENT STATISTICS

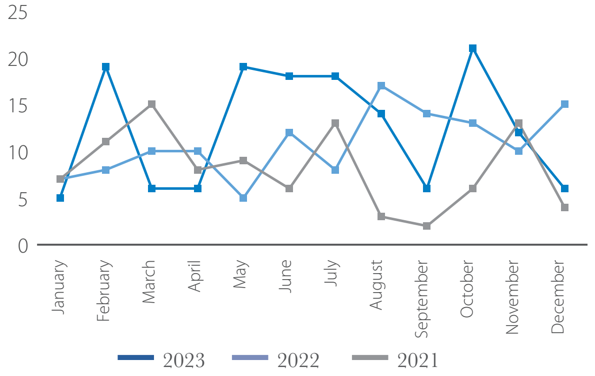
A comprehensive incident reporting system is in place to capture facilities management and safety incidents statistics across all Group hospitals. This data serves as the basis for implementing corrective actions necessary to prevent repeated incidents.

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

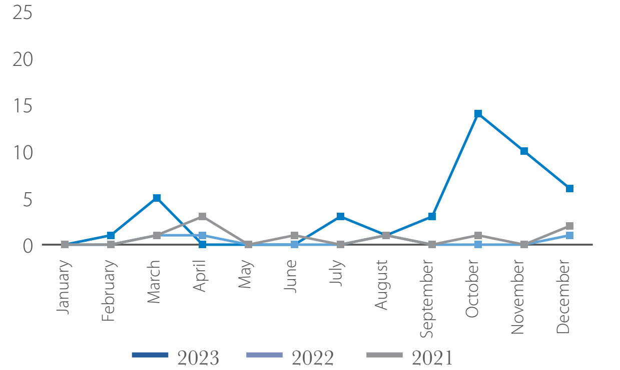
Facility Management and Safety-Related Incident Statistics – Asiri Surgical Hospital



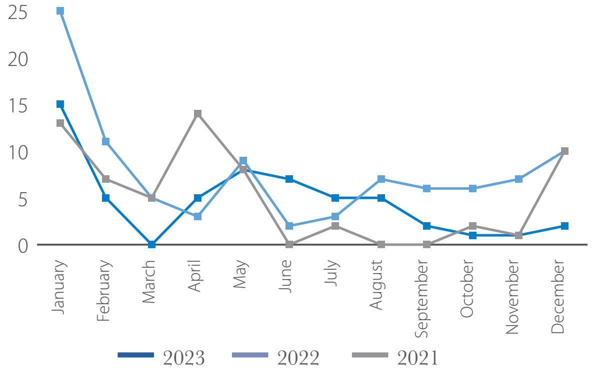
Facility Management and Safety-Related Incident Statistics – Asiri Central Hospital Limited



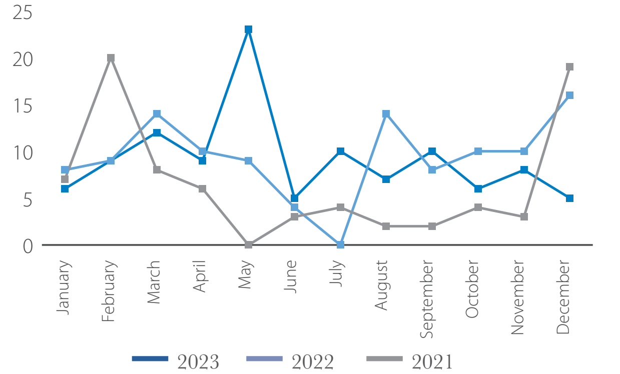
Facility Management and Safety-Related Incident Statistics – Asiri Medical Hospital



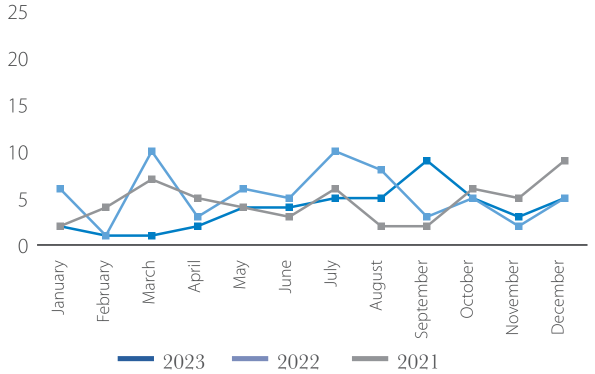
Facility Management and Safety-Related Incident Statistics – Asiri Hospital Galle



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



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



CULTURE OF CONTINUOUS IMPROVEMENT

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

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

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

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

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

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

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

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

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

Sustainability Report

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

Discharge summary - room back to inventory **(From the time the ward alerts HK, getting the room ready, ward does the bed procedure room available)**							
Jan. 2024	**ASH**	**AHH**	**ACH**	**AKH**	**AGH**	**AMH**	**Group**
HK - room ready							
Average time (mints)	23	15	25	23	26	22	22
to make room ready - hk							
Room ready less than 30 mints	72%	76%	66%	68%	64%	76%	70%
More than one hour	7%	1%	8%	8%	11%	11%	8%
Ward - bed procedure							
Average time (mints)	34	25	70	66	33	71	50
less than 3o mints	70%	76%	54%	43%	64%	54%	60%

Source Asiri IT systems/BI tool

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

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

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

Month of March 2024 Target - Asiri Health 1) Ensure group handles 85% of the OPD prescriptions within 20mints. 2) Minimize delays over 45mints 5% of the prescriptions. 3) 90% prescriptions go via the system.									
Description	**ASH**	**ACH**	**ACH**	**AKH**	**AKH**	**AHM**	**AGH**	**AHH**	**Group**
Total prescriptions									
Handled	7,120	8,230	7,628	7,527	6,764	4,095	4,588	8,872	54,824
Staff prescriptions	525	205	235	185	120	321	304	595	2,490
	7%	2%	3%	2%	2%	8%	7%	7%	5%
Prescriptions handled in	6,180	7,226	6,350	5,590	5,923	2,239	3,442	3,442	40,392
less than 15mints	87%	88%	83%	74%	88%	55%	75%	39%	74%
Prescriptions handled in	6,541	7,583	6,768	6,435	6,290	2,427	3,612	6,770	46,426
less than 20mints	92%	92%	89%	85%	93%	59%	79%	76%	85%
No of prescriptions not									
gone through the system	202	57	52	163	119	859	665	114	2,231
(mainly last step)	3%	1%	1%	2%	2%	21%	14%	1%	4%
No of prescriptions handled									
time over 60 mints	61	254	157	53	64	419	159	617	1784
% of delays	1%	3%	2%	1%	1%	10%	3%	7%	3%

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

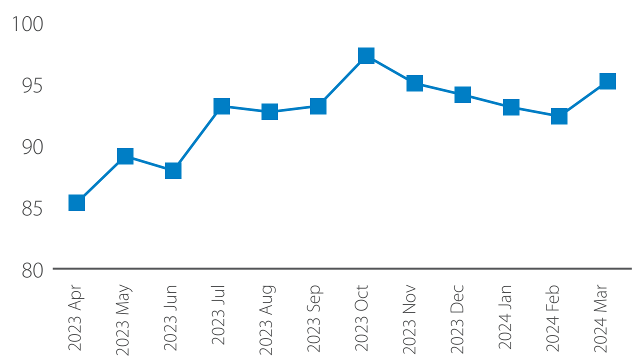
To enhance efficiency in the wards and improve ward management, a system for medication ordering was also initiated and partially implemented across several Group hospitals in 2023. This transition has replaced traditional paper-based processes with a streamlined, user-friendly system that simplifies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

The Group-wide patient feedback mechanism was transformed with the commissioning of the Emojot Customers Customer Experience Management platform - a new innovative platform that employs emotion sensors to gather insights. Leveraging cutting edge technology to offer a comprehensive solution to collect, analyze and act on patient feedback effectively, the platform is equipped to provide real time alerts from patients about their experience at Asiri hospitals. Based on the feedback received to-date through the platform, a high degree of patient satisfaction was noted across all hospitals.

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

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

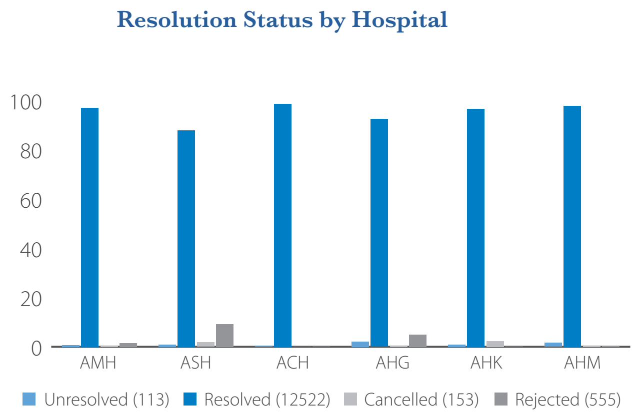
IP Recommendation Score Analysis: Asiri Group of Hospitals



Sustainability Report

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

No. of tickets hospital wise



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

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

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

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

BUILDING A STRONG TEAM

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

The HR department is responsible for managing a comprehensive range of functions, mainly including workforce planning, recruitment, employee relations, performance management, employee welfare and professional development. By implementing effective policies and procedures, HR ensures that the hospital staff are well-equipped to provide high-quality ethical healthcare solutions while fostering a supportive and collaborative work environment.

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

REGULATORY COMPLIANCE AND LABOUR BEST PRACTICES

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

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

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

MANPOWER PLANNING

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

RECRUITMENT AND SELECTION

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

All vacancies identified through the manpower planning process are publicly advertised and internally notified, ensuring equal opportunity for both internal and external applicants, while selections are made purely on the basis of merit, based on a systematic approach outlined by the Group's Recruitment Policy.

As per the Post Recruitment Policy, all new recruits are placed on probation for a period of six months. Following the probationary period, a post-probationary performance review is conducted to evaluate if new hires are eligible to be absorbed into the permanent cadre or placed under a mentor to help improve

Sustainability Report

their performance. This structured and equitable recruitment process enables Asiri Group to build a capable and cohesive workforce, fostering a culture of excellence and continuous improvement.

COMPENSATION AND BENEFITS

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

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

PERFORMANCE MANAGEMENT

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

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

A key component of the PMS is the individualised feedback sessions conducted by department heads or supervisors with their respective team members. These sessions are instrumental in setting new performance goals, identifying areas for improvement, determining training needs, and discussing personalised development plans. They serve as a comprehensive platform to address a wide range of employee concerns, laying a solid foundation for a strong working relationship between employees and their supervisors.

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

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

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

The process was further strengthened with several enhancements incorporated for the 2023/24 cycle, including the integration of information such as no-pay days, number of occasions of late attendance and late minutes enabling department heads to assess employees' attendance patterns through the course of the year. Another notable development was the new self-appraisal form introduced via a web link to allow employees to conduct annual self-assessments online. The initiative has further enhanced the efficiency of the performance evaluation process and also contributed towards a better employee experience.

TRAINING AND DEVELOPMENT

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

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

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

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

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

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

EMPLOYEE WELLBEING

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

1. Health Programmes

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

2 Work-Life Balance

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

3. Professional Development

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

4. Supportive Work Environment

The Asiri Group acknowledges that a supportive and inclusive work culture is integral to employee satisfaction. Therefore open communication channels, regular feedback sessions, and team-building activities are conducted to create a positive and collaborative work environment. The management team actively seeks input from staff to address concerns and implement improvements, reinforcing a sense of community and belongingness within the organisation.

5. Employee Recognition and Rewards

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

6. Asiri Crèche Facilities

The Asiri Group of Hospitals, renowned for excellent healthcare services, intensifies the commitment to the well-being of its

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staff through the establishment of a comprehensive creche facility. This exemplifies the organisation's recognition of the importance of work-life balance and its investment in the holistic development of both its employees and their children.

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

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

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

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

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

EMPLOYEE WELLBEING SURVEY 2023

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

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

EMPLOYEE RELATIONS AND ENGAGEMENT

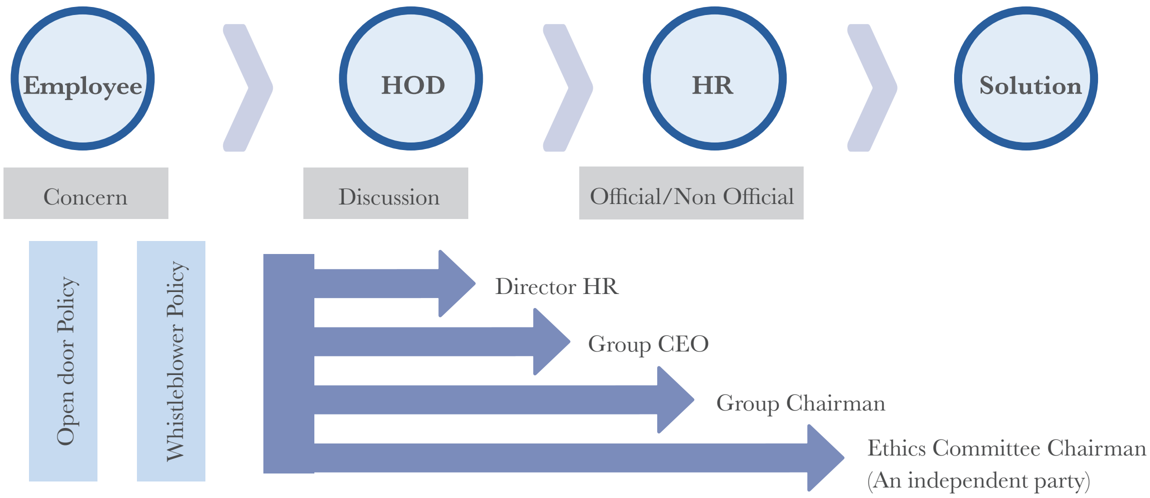
The Asiri Group's proactive approach to employee relations is formed around the principle of open and honest communication with employees designed to achieve the following objectives:

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

GRIEVANCE HANDLING

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

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



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

ENVIRONMENTAL STEWARDSHIP

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

In terms of regulations, the Group is required to comply with the National Environmental Act of 1980, where all hospitals maintain a valid Environment Protection License and a Scheduled Waste Management License. Going beyond compliance, the Group has chosen to voluntarily subscribe to ISO 14001:2015 - Environmental Management Standard, further solidifying its commitment to environmental stewardship.

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

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

Commencing in 2022, the Group has continued to measure its carbon footprint covering all its operations. As per the latest calculations, the Group's Scope 1 and Scope 2 emissions stood at 1,447.6 tons CO_2e and 14,271.1 tons CO_2e respectively Keen to build on these accomplishments, the Group has set an ambitious targets to reduce total GHG emissions and electricity usage by 10% by 2030, with 2022 as the base year.

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

Sustainability Report

With large quantities of waste generated on a daily basis across the hospital chain, waste is rigorously managed across all levels of operation. To that end, paper usage and medical waste is strictly monitored along with special inventory tracking systems in place to reduce potential waste due to expiration of shelf life. Safety storage of chemicals is another important aspect of the waste management process, with stringent reviews of safety data sheets to ensure proper storage of chemicals to minimise chemical waste and enhance safety.

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

COMMUNITY WELLBEING

Breast Care Clinics - **14**
Participants - **263**

Urology Clinics - **9**
Participants - **99**

Liver Clinics - **2**
Participants - **8**

Cosmetic Clinics - **4**
Participants - **54**

Lung Clinics - **7**
Participants - **9**

Joint Pain Clinics - **1**
Participants - **3**

Brain & Spine Clinics - **59**
Participants - **438**

Heart Clinics - **10**
Participants - **280**

Diabetic Clinics - **4**
Participants - **273**

Mother & Baby Clinics - **15**
Participants - **504**

General Surgeries Clinics - **2**
Participants - **90**

Dental Clinics - **4**
Participants - **492**

ASIRI HOSPITAL GROUP ENVIRONMENTAL POLICY STATEMENT

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

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

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

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

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

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

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

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

Endorsed by
Group Chief Executive Officer

LEADERSHIP & GOVERNANCE

Board of Directors

MR. ASHOK PATHIRAGE
Chairman/Managing Director

DR. MANJULA KARUNARATNE
Group Chief Executive Officer

MR. HARRIS PREMARATNE
Non-Executive Independent Director

MR HARESH KUMAR KAIMAL
Non-Independent Non-Executive Director

MR. ASHOK PATHIRAGE

Chairman/Managing Director

Mr. Ashok Pathirage, recognised as a visionary leader of Sri Lanka's corporate world, is the founding member and Chairman/ Managing Director of Softlogic Group, one of Sri Lanka's leading conglomerates. He manages over 50 companies with a pragmatic vision providing employment to more than 11,000 employees. Mr. Pathirage manages and gives strategic direction to the Group which has

a leading market presence in three core verticals, namely Retail, Healthcare Services and Financial Services and in three non-core verticals namely, IT, Leisure & Automobiles.

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

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

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

DR. MANJULA KARUNARATNE

Group Chief Executive Officer

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

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

MR. HARRIS PREMARATNE

Independent Non-Executive Director

Mr. Premaratne was appointed to the Board in March 2008 after 40 years of banking experience with Commercial Bank of Ceylon PLC. He is specialised in Corporate Banking, and is an Associate of the Chartered Institute of Bankers of London. He served as the Managing Director of Sampath Bank PLC from 2009 to December 2011. He was the Managing Director of Cargills Bank Limited from 2012 to 2014. He held the position of Chairman of Sri Lanka Banks' Association. He was the Deputy Chairman of Pan Asia Banking Corporation PLC in the year 2017 and Deputy Chairman of Softlogic Finance PLC during 2015-2017. He was a Director of Softlogic Holdings PLC during 2008 - 2020 and Softlogic Capital PLC during 2014- 2020. He serves on the Board of Asiri Surgical Hospitals PLC, Central Hospital Limited and Asiri Central Hospitals Limited. He functions as the Chairman of the Remuneration Committee and also a member of the Audit Committee and Related Party Transactions Review committee of the above hospitals.

MR HARESH KUMAR KAIMAL

Non-Independent Non-Executive Director

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

Senior Management

DR. MANJULA KARUNARATNE

Group Chief Executive Officer

DR. MAHESH KANDAMBI

Director Operations

MR. AJITH KARUNARATHNE

Director Finance

DR. CHAMPIKA BOGAHAWATTE

Medical Director

MR. N P JOHN

Director Laboratory Services

MRS. HASANTHI DE SARAM KARANDAGASPITIYA

Director Human Resources

MRS. THELANI WEERASINGHE

Director Nursing

MRS. ROCHELLE RODE DE SILVA

Director Marketing

MS. INDRESH PUVIMANASINGHE FERNANDO

Chief Process Officer

MR. SUDATH HEWAGE

Director Pharmacy Operations

DR. GAWRIE GALAPPATHTHY

Head of Healthcare Quality & Safety

DR HARRY PRASAD

Head Of Operations -
Asiri AOI Cancer Centre

DR. ARUNI MUNASINGHE

Chief Medical Officer

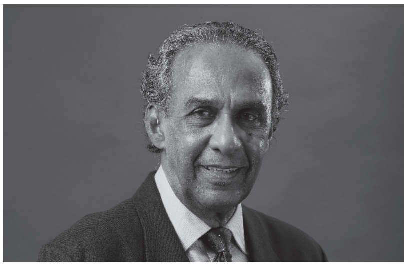
DR. SEWWANDHI DASANAYAKA

Chief Medical Officer

MS. NANDIKA SENANI DEEGALA

Chief Nursing Officer

Consultant Medical Team



PROF. L R AMARASEKARA

Consultant Histopathologist

DR. CHRISHANTHA MENDIS

Consultant / Head Dept. of Anaesthesiology, Asiri Central Hospital

DR. DARSHANI AMARASINGHE

Consultant Anaesthesiologist

DR. GAYANI SENANAYAKE

Consultant Anaesthesiologist

DR. STELLA FERNANDO

Consultant Aaesthesiologist

DR. DINESH DE SILVA

Consultant Eye Surgeon

DR. RANGIKA GOONARATNE

Consultant Eye Surgeon

DR. LAKMALI PARANAHEWA

Consultant/Head Dept. of Radiology - Asiri Central Hospital

DR. GULPA SUBASINGHE

Consultant Radiologist

DR. SAMAN PERERA

Consultant Radiologist

DR. GAMINI JAYAWEERA

Consultant / Head Dept. of Transfusion Medicine, Asiri Group

DR. NATASHA PEIRIS

Consultant Resident Physician

DR. VIVEK GUPTHA
Senior Consultant Cardiothoracic Surgeon

DR. THURUL ATTYGALLE
Resident Physician Stroke Unit

DR. THUSHARA FERNANDO
Consultant Anaesthesiologist

PROF. VAJIRA DISSANAYAKE
Consultant Medical Geneticist

DR. AJITH KARUNARATNE
Consultant Cardiothoracic Surgeon

DR. RAJEEVA PIERIS
Consultant Cardiothoracic Surgeon

DR. PHILOMENA CHANDRASIRI
Consultant Microbiologist / Head of infection Control

PROF. LALLINDRA VIRAJAN GOONERATNE
Director - Bone Marrow Transplant & Clinical Haematology Unit Asiri Central Hospital

DR. ROHINI RANWALA
Clinical Director, Dept. of Neuro Science, Asiri Central Hospital

DR. SUNIL PERERA
Consultant / Head, Dept. of Neuro Science, Asiri Central Hospital

DR. DISHNA DE SILVA
Consultant Pediatrician

DR. SUMEDHA AMARASEKARA
Consultant Orthopaedic Surgeon

Consultant Medical Team

MRS. GITANJALI JAYATHILAKA
Consultant Anaesthesiologist

DR. HIRANTHI ABEYSINGHE
Consultant Anaesthesiologist

DR. KALYANI MIRANDA
Consultant Radiologist

DR. VERNON MANIL FERNANDO
Consultant Orthopedic Surgeon

DR. M VISHVAJINI PRIYADARSHANI KUMARIHAMY
Consultant Cardiac Anesthesiologist

DR. SHAMA GOONATHILAKE
Consultant Clinical Oncologist, Asiri AOI Cancer Centre (Pvt) Ltd

DR. HIMARU WIRITHAMULLA
Consultants General Surgeon

DR. UDENI DISSANAYAKE
Consultant Eye Surgeon

DR. SUJATHA PATHIRAGE
Consultant Microbiologist

DR. CHAMPIKA ABEYSINGHE
Consultant Anaesthesiologist

DR. NIRODHIKA DAYARATNE
Consultant Paediatrician

DR. DUMINDA KALUTHANTHRI
Consultant Physician

DR. GOWRIE GALAPPATHTHY
Consultant Community Physician

DR. CHAMARA RATNAYAKE
Consultant Cardiologist

DR. IRANGA PERERA
Resident Consultant Radiologist

DR. ASITHA DASSANAYAKE
Consultant Anaesthetist

DR. NILWALA JAYASINGHE
Resident Consultant Physician

DR. MANOJ CHRISTOPHER MEDAGAMA
Consultant Resident Anaesthetist

DR. SUVINI WIJESINGHE
Consultant Radiologist

DR. SAMAN HEWAMANA
Consultant Haematologist & Haemato-Oncologist

DR. MILANKA WATTEGAMA
Consultant Endocrinologist

DR. HASANTHA RANAWAKA
Consultant Cardiologist

Not Pictured:

PROF. SARATH LEKAMWASAM - Chairperson, Medical advisory Council
DR. W.M. CHANDANA JAGATH BANDARA WIJAYARATHNA - Emergency Physician
DR. K. S. VITHANAGE - Consultant Intensivist
DR. YOHAN KORALAGE - Consultant Neurosurgeon
DR. HEWAGE KASUN CHINTHAKA LAKMAL - Consultant Neurosurgeon
DR. PALINDA BANDARAGE - Consultant Cardiothoracic Surgeon
DR. SELLAPPERUMAGE SRI SAHAN FERNANDO - Emergency Physician

Corporate Governance

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

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

BOARD OF DIRECTORS

The Board of Directors is responsible for setting the strategic direction, safeguarding assets, managing risks and setting the tone at the top. They have set in place governance frameworks to facilitate achievement of strategic goals and compliance with regulatory frameworks while balancing stakeholder interests.

Composition of the Board is set out graphically on the previous page while profiles of the Directors are given on page No. 25 Directors provide annual declarations of their independence in accordance with the stipulations of the Listing Rules of the CSE and the guidelines of the Code of Best Practice. Board balance is facilitated with two Non-Executive Independent Directors who are reputed leaders in their fields of expertise. A sufficiency of financial acumen within the Board is assured with the presence of one Director who is experienced in accounting and finance professional. The skills, experience and standing of the individual Board members ensures sufficient deliberation on matters set before the Board and exercise of independent judgement. Directors can also seek independent professional advice when deemed necessary, for which the expenses are borne by the Group.

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

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

COMPOSITION OF THE BOARD

Executive Chairman (1)

Senior Independent Directors (1)

Independent Non-Executive Directors (1)

Executive Directors (1)

Non-Executive- Non- Independent Director (1)

COMMITTEES OF THE BOARD

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

Governance of The Board Sub Committees

Sub-Committee	Composition	Mandate
Audit Committee	• Mr. S. Ahangama Independent Non-Executive Director - Chairman • Mr. G L H Premaratane Independent Non- Executive Director • Mr. H.K. Kaimal - Non Independent Non Executive Director	Responsible for ensuring the integrity of the Company's and Group's Financial Statements, appropriateness of accounting policies and effectiveness of internal control over financial reporting. Periodically approve and review the appointment and retirement of External Auditors and their relationship with the Group. **Frequency of Meetings:** Committee meets quarterly
Remuneration Committee	• Mr. G L H Premaratane Independent Non- Executive Director - Chairman • Dr. S Selliah Senior Independent Director (Resigned w.e.f 29th July 2024)	Responsible for determining remuneration policy and the terms of engagement and remuneration of the Chairman, the Board of Directors and the Executive Committees. **Frequency of Meetings:** Committee meets annually.
Related Party Transactions Review Committee	• Mr. S Ahangama Independent Non-Executive Director - Appointed as the Chairman of the Related Party Transactions Review Committee with effect from 24th May 2023 • Mr. G L H Premaratne Independent Non- Executive Director • Mr. H.K. Kaimal - Non Independent Non Executive Director	To assist the Board in reviewing all related party transactions carried out by the Company and its listed companies in the Group in terms of the CSE Listing Rule 9 **Frequency of Meetings:** Committee meets quarterly

BOARD MEETINGS & ATTENDANCE

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

Corporate Governance

Director	Board	Board Sub Committees		
		Audit Committee	HR & Remuneration Committee	Related Party Transactions Review Committee
Mr. A.K. Pathirage	3/3	-	-	-
Dr. K.M.P Karunaratne	3/3	-	-	-
Dr. S. Selliah (Resigned w.e.f 29th July 2024)	3/3	-		-
Mr. G.L.H Premaratne	2/3	5/5		4/4
Mr. S. Ahangama (Director of Asiri Hospital Holdings PLC)	-	4/5	-	2/4
Mr. H. K. Kaimal	-	5/5	-	4/4

COMPANY SECRETARIES

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

RE-APPOINTMENT AND RE-ELECTION TO THE BOARD

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

  Dr. K M P Karunaratne

  Mr. H K Kaimal

CHAIRMAN & 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.

INDEPENDENCE OF THE DIRECTORS

Dr. S. Selliah and Mr. G L H Premaratne function as Independent Directors of the Company. Dr. S. Selliah resigned from the Board w.e.f 29th July 2024. As per the rules issued by the Colombo Stock Exchnage. Mr. G L H Premaratne meets all the criteria of independence except one. Dr. S. Selliah meets all the criteria of independence except two. 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. The Board having evaluated all the factors concluded that their independence has not been impaired due to them serving on the Board of another Company which has a significant shareholding in the Company and having served on the Board of the Company continuously for a period exceeding nine (9) years from the date of the first appointment.

DIRECTORS' REMUNERATION

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

The Group's Remuneration policy is designed to attract and retain talent which comprises of fixed income and a variable income which is linked to their performance. Non-Executive Directors' remuneration comprises only a fixed fee and does not have any variable component. No Director is able to determine his/her own remuneration as Directors' Remuneration is a matter reserved for the Board as a whole with due consideration given to the recommendations of the Remuneration Committee of the Board.

The Report of Board Remuneration Committee is on page {48} provides further information. The aggregate remuneration paid to the Directors is disclosed in the Notes to the Financial Statements on page [81] of this Report.

SHAREHOLDER RELATIONS

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

ACCOUNTABILITY AND AUDIT

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

- Audited Financial Statements – pages 59 to 114
- Statement of Director's Responsibilities - page 50
- Annual Report of the Board of Directors on the Affairs of the Company – pages 51 to 54

The Audit Committee, Remuneration Committee and Related Party Transactions Review Committee of Asiri Hospital Holdings PLC, parent company, act as the Audit, the Remuneration and Related Party Transactions Committee of the Company.

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

The Audit Committee 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

The Audit Committee is responsible for approving the terms of engagement of the external auditors including audit fees. The principal auditor has not provided any services which are stipulated as restricted by the SEC and the audit fees and non-audit fees paid by the Company to its auditors are separately disclosed on page 81 of the Notes to the Financial Statements.

The Board holds overall responsibility for determining the Group's risk appetite and implementing sound risk management and internal control systems to ensure that risk exposures are maintained within defined parameters. The Group's internal control systems are aimed at safeguarding shareholders investments and effectively managing risks that may impact the achievement of its strategic objectives. A discussion on the Company's key risk exposures and mitigation mechanisms are given in the Risk Management Report on page 42 of this Report. The Audit Committee annually reviews the effectiveness of the Group's risk and internal control systems.

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

The Board Related Party Transactions Review Committee has been set up in compliance with guidelines stipulated by the CSE. Directors individually declare their relevant transactions with the Company and its subsidiaries on a quarterly basis. A formalised process is in place for identifying related party transactions and avoiding conflicts of interest. All Related Party Transactions as defined by the applicable accounting standards are disclosed on Note 31 of the Financial Statements on page 49 of this Report.

Corporate Governance

SHAREHOLDERS

All shareholders are encouraged to attend the Annual General Meeting of the Company and vote on the resolutions which form part of the agenda in accordance with matters reserved for shareholders. Extraordinary General Meetings are also called to inform shareholders on material developments that impact their interests and their consent is obtained for the same in accordance with the provisions of the Companies Act.

SUSTAINABILITY REPORTING

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

COMPLIANCE WITH CORPORATE GOVERNANCE RULES OF THE CSE

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

Principle	Compliance and Implementation	Effective Date	Status
9	**Corporate Governance**		
9.1	**Applicability of Corporate Governance Rules**		
	The Company has to comply with CSE Listing Rule 9 by verifying its adherence to Corporate Governance Rules.	1st October 2023 to 1st October 2024	Status is in progress
9.2	**Policies**		
9.2.1	The Company has to implement the policies below, and disclose on the Company website along with information regarding their existence and implementation details. a) Policy on the matters relating to the Board of Directors b) Policy on Board Committees c) Policy on Corporate Governance, Nominations and Re-election d) Policy on Remuneration e) Policy on Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities f) Policy on Risk Management and Internal Controls g) Policy on Relations with Shareholders and Investors h) Policy on Environmental, Social and Governance Sustainability i) Policy on Control and Management of Company Assets and Shareholder Investments j) Policy on Corporate Disclosers k) Policy on Whistleblowing l) Policy on Anti-Bribery and Corruption	1st October 2024	Status is in progress
9.2.2	The Company has to comply with the Internal Code of Business Conduct and ethics		Status is in progress
9.2.3 - 9.2.4	The policies have to be disclosed on the company website, and be updated on changes made to them throughout the year. All policies are accessible to shareholders upon a written request.		Status is in progress

Principle	Compliance and Implementation	Effective Date	Status
9.3	**Board Committees**		
9.3.1 - 9.3.2	The Company has to maintain 4 mandatory committees required by CSE listing rules. a) Nominations and Governance Committee b) Remuneration Committee c) Audit Committee d) Related Party Transactions Review Committee The composition, responsibilities, and disclosures required in respect of the above-Board committees have been disclosed.	1st October 2023	Status is in progress
9.3.3	The Chairperson of the Board of Directors is not the Chairperson of any Board Committees referred to in Rule 9.3.1 above.	1st October 2024	Complied
9.4	**Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders.**		
9.4.1	The Company must maintains information required by 9.4.1 and the required information has been provided to the Exchange and/or the SEC upon request.	1st October 2023	Complied
9.4.2	The company shall have established a policy to effectively communicate with shareholders and investors, which is outlined in both the annual report and on the website. Additionally, a designated contact person must be provided for communication purposes. This policy should ensure that all Directors are informed of any significant concerns or issues raised by shareholders. Furthermore, these concerns must be transparently addressed in the annual report and on the website.		Status is in progress
9.5	**Policy on matters relating to the Board of Directors**		
9.5.1	The Company has to adopt policies, along with information regarding the Board composition, the roles of the Chairperson and CEO, as well as other requirements as per Rule No 9.5.1	1st October 2023	Status is in progress
9.5.2	The Company has to adopt the Policy on matters relating to the Board of Directors. Annual Report shall provide on any non-complience and propose remedial action		Status is in progress
9.6	**Chairperson and CEO**		
9.6.1	The roles of Chairperson and CEO are occupied by distinct individuals; however as the Chairperson of the Company is not a Non-Executive Director the Company has designated a Senior Independent Director (SID)	1st October 2023	Complied
9.6.2	An immediate market announcement to be made when the Chairperson of the listed entity is an Executive Director		
9.6.3	the entity shall appoint a Senior Independent Director in instances falling under 9.6.2		Complied
9.6.4	The Listed entity shall set out the rationale on the appointment of a Senior Independent Director in the Annual Report		Status is in progress
9.7	**Fitness of Directors and CEOs**		
9.7.1 – 9.7.2	Every member of the Director Board should be a fit and proper person to act as Director, CEO/MD as specified in the 'Fit and Proper Assessment Criteria' set out in Rule 9.7.3	1st October 2023	Complied
9.7.3 – 9.7.5	The entity shall ensure that the Board of Directors are fit and proper persons to act as a Director.	1st April 2024	Complied

Corporate Governance

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

Principle	Compliance and Implementation	Effective Date	Status
9.11.6	Disclosures: During the year, the Company has demonstrated compliance with the necessary disclosure requirements, as follows. a) The names of Chairperson, Committee members and Directors; b) Committee appointment date; c) Nominating Director policy existence; d) Directors' periodic re-election requirement; e) Board diversity disclosure; f) Effective Director appointment policy demonstration; g) Re-elected Directors' details; h) Board and CEO performance evaluations; i) Independent Directors' major entity issues awareness; j) New Directors' induction on governance; k) Annual updates on governance for Directors; l) Directors' independence confirmation; m) Listing Rules compliance statement, non-compliance explanation, and remedial actions. This rule is applicable with effective from 1st October 2024. All the relevant details available has been disclosed in the Committee Report.		Status is in progress
9.12	**Remuneration Committee**		
9.12.1 – 9.12.5	The Company should have a Remuneration Committee and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her remuneration. The Committee should operate under a set of written terms of reference that clearly outline its scope, authority, duties, and requirements for meeting quorum. Refer Remuneration Committee Report	1st October 2023	Complied
9.12.6	Composition of the Committee: The company operates with a separate Remuneration Committee. The Remuneration Committee comprises Two [2] Independent Non-Executive Directors and One [1] Non-Executive Director. An Independent Director serves as the Chairperson. Refer Remuneration Committee Report	1st October 2024	Non Complied
9.12.7	Functions of the Committee: The committee should, recommend and assess the relevance of the remuneration payable to the Executive Directors of the Company.	1st October 2023	Status is in progress
9.12.8	Disclosures: The Company should disclose that during the year, the Company has demonstrated compliance with the necessary disclosure requirements, as follows. a) Chairperson and members of the Remuneration Committee and their Directorships. b) Statement on remuneration policy. c) Aggregate remuneration of Executive and Non-Executive Directors. For (a) and (b) refer Committee Report For (c) refer Financial Statement disclosure		Status is in progress
9.13	**Audit Committee**		
9.13.1	The Company has to establish a separate Board sub committee for Risk Management as Risk Committee. The Risk Committee report has to be provided	1st October 2023	Complied

Corporate Governance

Principle	Compliance and Implementation	Effective Date	Status
9.13.2	The Committee has to operate under a set of written terms of reference that clearly outline its scope, authority, duties.		Status is in progress
9.13.3	Composition of the Committee: The Audit Committee should comprise of Two [2] Independent Non- Executive Directors and One [1] Non-Executive Director. During the year the Committee should compulsorily meet quartely. Unless otherwise determined by the Audit Committee the Group Cheif Executive Officer and the Director Financ shall attend by invitation. The Chairperson of the Committee shall be a member of a recognized professional accounting body. Refer Audit Committee Report.	1st October 2024	Complied
9.13.4	Functions of the Committee: The committee should oversee the entity's compliance with financial regulations, reviewing financial statements and accounting policies, recommending external auditor appointments, ensuring assurance on financial records and risk management, overseeing compliance with auditing standards and risk management, evaluating risk policies, taking corrective actions on excessive risks, reviewing audit effectiveness, establishing policies for external auditor engagement, justifying auditor changes when necessary, and promptly reporting breaches to the Board and relevant authorities.		Status is in progress
9.13.5	Disclosures: 1) Audit Committee Report. 2) Disclosure requirement: a) Chairperson and Audit Committee members' details, b) Risk management status for Listed Entity and Group. c) CEO and CFO assurance statement. d) Compliance opinion on financial reporting requirements. e) Confirmation of Audit Charter existence. f) Summary of internal audit method. g) Details of functions discharged for the financial year. h) Confirmation of external auditors' independence. i) Auditor independence determination and engagement details.		Status is in progress
9.14	**Related Party Transactions Review Committee**		
9.14.1	The Company possesses a Related Party Transactions Review Committee and conforms to the requirements set out in Rule 9.14 of these Rules The Committee operates under a set of written terms of reference that clearly outline its scope, authority, duties.	1st October 2023	Status is in progress
9.14.2	Composition of the Committee: The Committee comprises of Two [2] Independent Non-Executive Directors and One [1] Non-Executive Director. An Independent Director shall serve as the Chairperson.		Complied
9.14.3	Functions of the Committee: The Company has to set up a Related Party Transactions Review Committee to oversee such transactions, with the aim of safeguarding shareholders' interests and preventing abuse by Directors, CEOs, or Substantial Shareholders. The rules prioritise the economic and commercial substance of transactions over the legal form or technicalities. The committee is tasked with establishing and maintaining clear policies, procedures, and processes for identifying, clarifying, and reporting related party transactions across the Company's operations. Refer the Related Party Transaction Review Committee Report		Complied

Principle	Compliance and Implementation	Effective Date	Status
9.14.4	General requirements: The Committee shall meet quarterly, ensuring thorough documentation of meeting minutes for the Board of Directors. Committee members shall have access to adequate expertise to evaluate proposed transactions, seeking professional advice when necessary. Approval from the Board of Directors is requirement for reviewed transactions as mandated by Rule 9.14.4. Directors with personal interests in such matters must abstain from participation and voting during relevant Board Meetings. Refer the Related Party Transaction Review Committee Report		Complied
9.14.5 – 9.14.6	The Related Party Transactions Review Committee, shall review all related party transactions, while also considering any material changes to previously reviewed transactions under Rule 9.14.5. They may assess transaction details, and Director independence, and may establish guidelines for ongoing deals, conducting annual compliance reviews. The Company shall obtain shareholder approval in the way of a special resolution when related party transactions listed in 9.14.6 occur		Complied
9.14.7	Disclosures: The non-reccurrent related party transactions which exceeded the aggregate value of 10% of the Equity or 5% of the Total Assets, the latest related party transactions which exceeded the aggregate value of 10% of the Equity or 5% of the Total Assets, the subsequent non-reccurrent related party transactions which exceeded 5% of the Equity of the entity shall be disclosed by an immediate market announcement in accordance with rule 9.14.7		Complied
9.14.8	Disclosures in the Annual Report: The transactions in the aggregate value of the non- recurrent Related Party Transactions exceeding 10% of the Equity or 5% of the Total Assets of the Company, as per the latest Audited Financial Statements shall be disclosed in the Annual return in the given format in rule 9.14.8.		Complied
9.14.9	Acquisition and Disposal of Assets from/to related parties except for transactions in 9.14.10 shall follow the requiremnets as per rule 9.14.9.		Complied
9.14.10	Exempted Related Party Transactions: The Company shall note the definition given under exempted related party transactions when determine the related party transactions of the Company.		Complied
9.16	**Additional disclosures**		
	i) The Board of Directors shall disclose all material interests in Entity contracts and refrained from voting on such matters. Please refer annual report of the Board of Directors	1st October 2023	Complied
	ii) The Board shall review internal controls and obtained reasonable assurance of effectiveness and any inability to declare shall be explained. Please refer annual report of the Board of Directors		Complied
	iii) The Board shall stay informed about applicable laws, rules, and regulations. Refer Annual report of Board of Directors		Complied
	iv) The Board shall disclose instances of non-compliance and material fines in Entity-operated jurisdictions. Refer Annual Report of Board of Directors		Complied

Risk Management Report

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

The Asiri Group keeps a keen eye on emerging Risks and has adopted number of Risk mitigation strategies to strengthen the Group's resilience. This includes ensuring the highest level of industry standards and best practices are followed to eliminate expensive lawsuits and undue damages to the Group's reputation.

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

PERCEIVED RISKS

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

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

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

Risk Management Report

Risk	Potential Impact	Mitigation Strategy
HUMAN RESOURCES (PEOPLE)		
Service industry, in which the Group operates, is heavily dependent on human resources. Risks may arise from employee negligence, conflict of interest, fraud or misappropriation and due to poorly trained employees. Human capital may affect by failure to attract, develop and retain skilled workforce.	Human resource issues could affect the continuity of business operations. The consequences could be serious, when loss of key executives without suitable replacement. Thus the ability to recruit and retain qualified and skilled healthcare professionals are crucial for the Group's success.	The Group has introduced a comprehensive recruitment and retention process. Clinical staff are recruited following a thorough evaluation of their credentials and regulatory requirements. While ensuring the safety and welfare of the employees, our risk management approach is directed towards minimizing the Human related concerns. A succession planning program is in place which includes; regular trainings, developments, promotions, KPI and supervision. Recognition and reward schemes to encourage and promote desirable behaviour is in place. Retaining key talent with appropriate incentive schemes and periodic review of performance if in place.
TECHNOLOGICAL & INFORMATION SECURITY		
The healthcare industry is exposed to frequent technological change and failure to adopt these latest technologies will drive the Group towards technological obsolescence. 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.	If systems are disrupted over the internet, by an adversary or an accident, that can have a profound impact on patient care. Inability to adopt the latest pioneering technology could result in loss of customers, leading to fall in revenue and loss of market leadership.	Research and innovations in the healthcare industry are regularly perused as the Group is intent on adopting most innovative & advance technologies for diagnostics and treatments. 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. The Asiri Group makes regular investments in pioneering technology and training of staff for optional application of existing technology.
LEGAL AND COMPLIANCE RISK		
In a highly regulated, high Risk industry such as healthcare, compliance is especially important. Compliance risk arises when the Group fails to act in accordance with industry laws and regulations, internal policies or prescribed best practices.	The Group will be exposed to legal penalties, financial forfeiture and material losses and the consequences of litigation are difficult to predict or quantify. 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.	Regulatory compliance is ensured with check lists, timely renewal of licenses, regular inspection and review of practices and training of staff in HR, Finance, waste management, pharmacy and laboratory services etc. The Group's corporate governance framework ensures the transparency, compliance with laws & regulation and ethical business in all affairs with stakeholders. The Related Party Transaction Review committee has been established to assure the highest level of integrity and transparency.

Audit Committee Report

AUDIT COMMITTEE REPORT

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

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

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

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

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

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

COMPOSITION OF THE COMMITTEE

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

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

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

MEETING ATTENDANCE

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

COMMITTEE ACTIVITIES DURING THE FINANCIAL YEAR

Financial reporting system

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

- the preparation, presentation and adequacy of the disclosures in the Company's annual and interim financial statements in accordance with Sri Lanka accounting standards, regulatory and requirements of the Companies Act No. 07 of 2007.
- the rationale and basis for the 'significant estimates and judgments' underlying the financial statements;
- the systems and procedures in place to ensure that all transactions are accurately recorded in the books of accounts; and
- the effectiveness of the financial reporting system/s including the management accounts to ensure reliability of the information provided to the Board and other stakeholders of the Company.

Internal Audit

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

Audit Committee Report

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

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

External Audit

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

The Committee reviewed the independence and objectivity of the external auditor - Messrs. Ernst & Young, Chartered Accountants. The Committee together with management reviewed and discussed the scope of audit, approach and audit plan with Messrs. Ernst & Young, prior to the commencement of the audit for 2023/24.

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

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

Messrs. Ernst & Young, has been the appointed External Auditors on the Company for a period of 20 years and Mr. Buwanesh Wijesuriya Partner, the current appointed engagement Partner has been engaged for the independent audit review of the Company for the first time. The Audit Committee has obtained a statement from Messrs. Ernst & Young, confirming their independence and objectivity in accordance with Section 163 (3) of the Companies Act No. 07 of 2007 throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements . This confirmation pertains to the audit of the Statement of Financial Position, and the related Statements of Income, Changes in Equity, and Cash Flows of the Company and the Group.

During the year, the Committee evaluated the performance of the external auditor. The Audit Committee has recommended to the Board of Directors that Messrs. Ernst & Young, Chartered Accountants, be reappointed as the external auditor for the financial year ending 31st March 2025, subject to the approval of the shareholders at the next annual general meeting.

CORPORATE GOVERNANCE AND COMPLIANCE

The highest standards of corporate governance and adherence to the internal policies and procedures were ensured

by the Committee to establish good governance within the Company. The Committee is satisfied with the present corporate governance framework of the company which ensures a balance of power and authority.

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

AUDIT COMMITTEE EFFECTIVENESS

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

Sgd.
S. Ahangama
Chairman – Board Audit Committee

5th September 2024

Colombo

Ethics Committee Report

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

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

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

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

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

The committee is constituted and operates in accordance with an SLMA Ethics Committee proposal for the establishment of Hospital Ethics Committees in Sri Lanka.

Members:

Prof. Rohan W Jayasekara, (Chairperson)

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

Dr. Malik Fernando

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

Dr. ArritthaWickramanayake

(Attorney at Law /Precedent Partner, Nithya Partners)

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

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

Prof. Kemal I Deen

(Consultant General Surgeon –Intestinal)

Dr. IndraniAmarasinghe

(Consultant Oncologist)

Prof. Chandani Wanigatunga

(Professor in Pharmacology and Consultant Physician)

Prof. Shalini Sri Ranganathan

(Professor in Pharmacology and Specialist Paediatrician)

Sgd.
Prof. Rohan Jayasekara
Chairman – Ethics Committee
5th September 2024

Remuneration Committee Report

PURPOSE

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

COMMITTEE COMPOSITION AND MEETING

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

ATTENDANCE AT MEETINGS

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

The Committee spent time understanding the interaction of remuneration and culture of the organisation and how our remuneration structures influence our chosen strategic behaviours. We performed a comprehensive review of our executive remuneration offering in order to optimise the structure of our package to enhance competitiveness.

REMUNERATION PACKAGE OF DIRECTORS

a) Remuneration of Directors

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

b) Retirement Benefits

Non-Executive Directors are not entitled to retirement benefits.

c) Share Option Plans for Directors

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

d) Personal Loans for Directors

No Director is entitled to Company loans.

Total fees and remuneration paid to all Directors including the Managing Director and the Chairman are disclosed in Note 06 on page 81 in this report.

ACTIVITIES OF THE YEAR

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

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

OUR REWARD FRAMEWORK

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

THE YEAR AHEAD

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

Sgd.
G L H Premaratne
Chairman – Remuneration Committee

5th September 2024
Colombo

Related Party Transactions Review Committee Report

PURPOSE

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

COMPOSITION

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

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

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

ATTENDANCE AT MEETINGS

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

ROLES AND RESPONSIBILITIES

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

REVIEW OF THE RELATED PARTY TRANSACTIONS DURING THE YEAR

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

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

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

Sgd.
Mr. S. Ahangama
Chairman - Related party Transactions Review Committee

5th September 2024
Colombo

Statement of Directors' Responsibilities

The responsibilities of the Directors, in relation to the financial statements of the Company differ from the responsibilities of the Auditors, which are set out in the Report of the Auditors on page 56 to 58 The Companies Act No. 07 of 2007 stipulates that the Directors are responsible for preparing the Annual Report and the financial statements. Company law requires the Directors to prepare financial statements for each financial year, giving a true and fair view of the state of affairs of the Company at the end of the financial year, and of the Statement of Comprehensive Income of the Company and the Group for the financial year, which comply with the requirements of the Companies Act.

The Directors consider that, in preparing financial statements set out on pages 59 to 114 of the Annual Report, appropriate accounting policies have been selected and applied in a consistent manner and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed. The Directors confirm that they have justified in adopting the going concern basis in preparing the financial statements since adequate resources are available to continue operations in the foreseeable future.

The Directors are responsible for keeping proper accounting records, which disclose reasonable accuracy, at any time, the financial position of the Company and to enable them to ensure the financial statements comply with the Companies Act No. 07 of 2007 and are prepared in accordance with Sri Lanka Accounting Standard (SLFRS/ LKAS).

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

The Directors are required to prepare financial statements and to provide the external auditors with every opportunity to take whatever steps and undertake whatever inspections they may consider to be appropriate to enable them to give their independent audit opinion.

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

COMPLIANCE REPORT

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

Sgd.
A K Pathirage
Chairman/Managing Director

Sgd.
Dr. Manjula Karunaratne
Group Chief Executive Officer

5th September 2024
Colombo

Annual Report of the Board of Directors on the Affairs of the Company

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

GENERAL

Asiri Surgical Hospital PLC is a public company incorporated in Sri Lanka on 30th of March 2000, under the Companies Act No.17 of 1982, with limited liability.

The Company has re -registered on 13th October 2008 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.Re-registered on 30th September 2008 under the Companies Act No. 07 of 2007.

PRINCIPAL ACTIVITIES AND NATURE

The principal activity of the Company continues to be carrying out Healthcare and Hospital Services. There has been no significant change in the nature of the Group's/ Company's principal activities during the year.

REVIEW OF OPERATIONS

A review of the operations of the Company and its performance during the year is contained in the Operations Review on page 08 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

Section 168 (b) of the Companies Act require that the Annual Report of the Directors include financial statements of the Company, in accordance with Section 151 of the Companies Act and Group financial statements for the accounting period, in accordance with section 152 of the Companies Act. The requisite financial statements of the Company are given on pages 59 to 114 of the Annual Report.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statements of the Company to reflect a true and fair view of the state of affairs. The Directors are of the view that these Financial Statements have been prepared in conformity with the requirements of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting Standards. A statement in this regard is given on page 50

AUDITOR'S REPORT

The Auditor's Report on the financial statements is given on pages 56 to 58 of the Annual Report.

ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the financial statements are given on pages 65 to 78 of the Annual Report. There was no change in the accounting policies adopted from the previous year except for the standards listed in Note 2.4

PROPERTY, PLANT & EQUIPMENT

The details and movement of property, plant and equipment during the year under review is set out in Note 09 to the Financial Statements on pages 85 to 88

CAPITAL EXPENDITURE

The total capital expenditure incurred on the acquisition of property, plant and equipment for the Group and the Company amounted to Rs. 146,855,285/- (2023 – Rs. 322,269,948/-) and Rs. 135,144,029/- (2023 – Rs. 296,644,538/-) respectively. Details of capital expenditure and their movements are given in Note 09 to the Financial Statements on pages 85 to 88 of the Annual Report.

RESERVES

The reserves for the Group and the Company amounted to Rs. 5,426,176,787/- (2023 Rs. 4,588,299,913/-) and Rs. 5,159,902,304/- (2023 – Rs. 4,432,040,582/-) respectively. The movement and composition of the Capital and Revenue reserves is disclosed in the Statement of Changes in Equity.

DONATIONS

During the year, donations made by the Company amounted to Rs. 930,557/- (2023 -Rs. 413,345/-).

Annual Report of the Board of Directors

STATED CAPITAL

The stated capital of the Company as at 31st March 2024 was LKR 1,393,327,565. There was no change in the stated capital of the Company during the year under review

EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL PERFORMANCE

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

TAXATION

The information relating to income tax and deferred taxation is given in Note 07 to the Financial Statements.

STATUTORY PAYMENTS

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

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.

RELATED PARTY TRANSACTIONS

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

DIRECTORATE

The following Directors held Office during the year under review. The biographical details of the Board members are set out on pages 24 to 25

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

Dr. S. Selliah – Deputy Chairman (Resigned w.e.f 29th July 2024)

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

Mr. G.L.H. Premaratne – Independent Non Executive Director

Mr. H K Kaimal - Non-Executive Non Independent Director - (appointed w.e.f. 18th June 2024)

FIT AND PROPER CRITERIA

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

DIRECTORS' SHAREHOLDING

Name of Director	No. of Shares as at 31/03/2024	No. of Shares as at 31/03/2023
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	-	-
Mr. V.Bali	-	-
Mr. A.N Thadani	-	-
Mr. S. Ahangama	-	-

DIRECTORS' REMUNERATION

Directors' remuneration in respect of the Company for the financial year ended 31 March 2024 was Rs. 3,125,000/- (2023 – Rs. 5,375,000/-).The remuneration of the Directors is determined by the Board.

DIRECTORS' INTERESTS IN CONTRACTS AND PROPOSED CONTRACTS WITH THE COMPANY

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

INTERESTS REGISTER

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

FIT AND PROPER ASSESSMENT CRITERIA OF THE BOARD OF DIRECTORS

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

SHAREHOLDERS' INFORMATION

The distribution of shareholders is indicated on page 116 of the Annual Report. There were 3,565 registered shareholders as at 31 March 2024 (31 March 2023 - 3,510).

SHARE INFORMATION

Information on share trading is given on page 117 of the Annual Report.

INTERNAL CONTROL

The Directors are responsible for the governance of the Company including the establishment and maintenance of the Company's system of internal control. Internal control systems are designed to meet the particular needs of the organization concerned and the risk to which it is exposed and by their nature can provide reasonable, but not absolute assurance against material misstatement or loss. The Directors are satisfied that a strong control environment is prevalent within the Company and that the internal control systems referred to above are effective.

RISK MANAGEMENT

The Group's risk management objectives and policies and the exposure to risks, are set out in pages 42 and 44 of the Annual Report.

CORPORATE GOVERNANCE

- The Directors have declared all material interests in contracts involving the Company and refrained from voting on matters in which they were materially interested.
- The Company complied with all applicable laws and regulations in conducting its business and has not engaged in any activity contravening the relevant laws and regulations.
- All endeavours have been made to ensure that shareholders in each category have been treated equitably in accordance with the original Terms of Issue.
- The business is a Going Concern with supporting assumptions or qualifications as necessary, and that the Board of Directors has reviewed the Company's Corporate/Business plans and is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly, the Financial Statements of the Company are prepared based on the Going Concern assumption.

The report on Corporate Governance is given on pages 32 to 41 of the Annual Report.

DIVIDENDS

There were no Dividend declared during the period.

THE 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 - Rs. 1,220,947/-

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.

RELATED PARTY TRANSACTIONS

During the year 2023/2024, there were no non- recurrent or recurrent related party transactions that exceeded the respective thresholds mentioned in the Listing Rules of the Colombo Stock Exchange

Annual Report of the Board of Directors

GOING CONCERN

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

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on Monday, 30th September 2024 at 11.00 am. The Notice of the Annual General Meeting is on page 121 of the Annual Report.

Sgd.
A K Pathirage
Chairman/Managing Director

Sgd.
Dr. Manjula Karunaratne
Group Chief Executive Officer

Sgd.
Secretaries
Softlogic Corporate Services (Pvt) Ltd.

5th September 2024
Colombo

FINANCIAL REPORTS

Independent Auditor's Report

Building a better working world

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

Tel : +94 11 246 3500
Fax : +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

TO THE SHAREHOLDERS OF ASIRI SURGICAL HOSPITAL PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

QUALIFIED OPINION

We have audited the financial statements of Asiri Surgical Hospital PLC ("the Company") and the consolidated financial statements of the Company and its subsidiary ("the Group"), which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2024, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

BASIS FOR QUALIFIED OPINION

As detailed in Notes 13.4.2 the related party receivable balances from Softlogic Holdings PLC and its Subsidiaries as of reporting date amounted to Rs. 2,167 million. We do not have sufficient and appropriate audit evidence to determine the timing of related recoveries and consequential impact if any on these financial statements.

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matter	How our audit addressed the key audit matter
Assessment of fair value of buildings Property, Plant and Equipment includes Buildings carried at fair value as disclosed in Note 9 to the financial statements. This was a key audit matter due to: • Materiality of the reported Buildings balances which amounted to Rs. 4.2 Bn and represented 31% of the total assets as of 31 March 2024. • The degree of management assumptions, judgements and estimations involved in assessing the fair value of Buildings. Key areas of significant judgments, estimates and assumptions used in the valuation of the Buildings included the following: • Capitalising Rate • Year on Year Growth Rate as disclosed in Note 9 to the financial statements	Our audit procedures included the following key procedures: • Assessed the competency, capability and objectivity of the external valuer engaged by the Group. • Read the external valuer's report and understood the approach taken by the valuer in determining the valuation of Buildings. • Assessed the reasonableness of the significant judgements, estimates and assumptions made by the valuer such as Capitalising Rate and Year on Year Growth Rate and valuation technique as relevant in assessing the fair value of each property. • We have also assessed the adequacy of the disclosures made in Note 9 to the financial statements.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition The Group derives its revenue of Rs. 6.6 Bn by providing healthcare services as disclosed in Notes 2.3.15 and 3.1 to the financial statements Revenue was a key audit matter due to: • Materiality of the reported revenues coupled with the increase of 17% in revenue recorded by the Group during the year. • Reliance on Information Technology (IT) • Complexity of revenue recognition due to involvement of multiple divisions to provide medical services	Our audit procedures included the following; • Evaluated the design and tested the relevant key controls over revenue recognition. Our procedures included testing the general IT control environment and the relevant key IT application controls relating to the most significant IT systems relevant to revenue • Performed appropriate analytical procedures to understand and assess the reasonableness of the reported revenues • Tested the appropriateness of revenue recognized during the year and particularly towards the year end, by reviewing the relevant supporting documents and performing revenue cut off procedures. • We also, assessed the adequacy of the disclosures made in Notes 2.3.15 and 3.1 to the financial statements.
Interest Bearing Borrowings As of the reporting date, the Group reported total interest bearing borrowings of Rs. 3.27 Bn, of which Rs. 2.34 Bn was reported as current liabilities and the balance Rs. 0.93 Bn as non-current liabilities, as disclosed in Notes 23, 28.2 and 32.3. Interest bearing borrowings was a key audit matter due to: • The materiality of the interest-bearing borrowings and its significance to the overall financial statements (50% of total liabilities). • Existence of a number of financial and non-financial covenants and disclosures relating to the current and non-current classification of such borrowings in the financial statements.	Our audit procedures included the following; • Obtained direct confirmations from Financial Institutions for outstanding amounts as of the reporting date. • Tested source documents for loans obtained and repayments and recomputed the interest expense. • obtained an understanding of the term of repayments and covenants attached to external borrowings, by reading the loan agreements and ensured the loans are duly classified. • We assessed the adequacy and appropriateness of the disclosures made in Notes 23, 28.2 and 32.3 relating to interest bearing borrowings.

OTHER INFORMATION INCLUDED IN THE 2024 ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

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

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

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 163 (2) of the Companies Act No. 07 of 2007, except for the possible effects of the matter described in the Basis for Qualified Opinion Section of our report, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2440.

Ernst & Young

05 September 2024
Colombo

Statement of Profit or Loss

Year ended 31 March	Note	GROUP 2024 Rs.	GROUP 2023 Rs.	COMPANY 2024 Rs.	COMPANY 2023 Rs.
Revenue	3.1	**6,619,745,016**	5,634,694,705	**5,983,068,293**	5,082,832,648
Cost of Services		**(3,949,848,342)**	(3,405,380,231)	**(3,659,369,312)**	(3,118,573,458)
Gross Profit		**2,669,896,675**	2,229,314,474	**2,323,698,981**	1,964,259,189
Other Income	4	**50,990,384**	45,171,452	**90,362,473**	87,722,039
Administrative Expenses		**(1,441,669,503)**	(1,128,065,246)	**(1,392,871,276)**	(1,073,321,050)
Selling and Distribution Costs		**(171,009,722)**	(146,291,562)	**(143,743,561)**	(123,318,215)
Finance Cost	5.1	**(618,680,494)**	(961,981,692)	**(663,511,742)**	(989,568,417)
Finance Income	5.2	**772,059,856**	1,223,249,360	**766,589,649**	1,219,653,438
Change in Fair Value of Investment Property	11	**-**	-	**(92,212,500)**	1,712,500
Profit Before Tax	6	**1,261,587,195**	1,261,396,786	**888,312,025**	1,087,139,484
Tax Expense	7	**(515,280,195)**	(621,368,060)	**(408,961,503)**	(629,040,894)
Profit For the Year		**746,307,001**	640,028,727	**479,350,521**	458,098,591
Attributable to:					
Equity holders of the parent		**654,843,204**	555,119,005		
Non-controlling interest		**91,463,796**	84,909,721		
		746,307,001	640,028,727		
Earnings Per Share - Basic	8	**1.24**	1.05	**0.91**	0.87
Dividend Per Share - Ordinary Shares		**0.00**	0.00	**0.00**	0.00

Figures in brackets indicate deductions.

The Accounting policies and Notes on pages 65 to 114 form an integral part of these Financial Statements.

Statement of Comprehensive Income

Year ended 31 March	Note	GROUP 2024 Rs.	GROUP 2023 Rs.	COMPANY 2024 Rs.	COMPANY 2023 Rs.
Profit for the year		**746,307,001**	640,028,727	**479,350,521**	458,098,591
Other Comprehensive Income that will not to be reclassified to profit or loss in subsequent periods (net of tax):					
Revaluation Surplus on Building		**101,132,812**	930,411,409	**193,345,312**	928,698,909
Actuarial Gain/(Loss) on Employee Benefit Liability	24	**(11,497,520)**	37,262,108	**(11,324,481)**	36,494,423
Net Gain/(Loss) on Equity Instrument at Fair Value through Other Comprehensive Income	13.1	**115,796,099**	(62,845,970)	**115,796,099**	(62,845,970)
		205,431,392	904,827,547	**297,816,931**	902,347,362
Deferred Tax Charge on Other Comprehensive Income	7.2	**(26,994,411)**	(624,326,815)	**(54,606,249)**	(623,582,759)
Net Other Comprehensive Income that will not to be reclassified to profit or loss in subsequent periods (net of tax):		**178,436,981**	280,500,732	**243,210,681**	278,764,603
Other Comprehensive Income for the Year, Net of Tax		**178,436,981**	280,500,732	**243,210,681**	278,764,603
Total Comprehensive Income for the Year, Net of Tax		**924,743,982**	920,529,460	**722,561,203**	736,863,193
Total Comprehensive Income Attributable to:					
Equity Holders of the Parent Company		**833,340,750**	835,119,857		
Non-Controlling Interest		**91,403,233**	85,409,603		
		924,743,982	920,529,460		

Figures in brackets indicate deductions.

The Accounting policies and Notes on pages 65 to 114 form an integral part of these Financial Statements.

Statement of Financial Position

As at 31 March	Note	GROUP 2024 Rs.	GROUP 2023 Rs.	COMPANY 2024 Rs.	COMPANY 2023 Rs.
ASSETS					
Non-current Assets					
Property, Plant and Equipment	9	**5,359,440,100**	5,526,051,609	**5,002,274,256**	5,042,765,856
Right of Use Asset	10	**21,931,772**	22,228,148	**21,931,772**	22,228,148
Investment Property	11	**-**	-	**167,800,000**	260,012,500
Investment in Subsidiary	12	**-**	-	**33,800,104**	33,800,104
Non Current Financial Assets	13	**2,053,700,000**	2,050,867,941	**2,053,700,000**	2,050,867,941
Other Non Current Assets	14	**25,982,000**	25,982,000	**25,982,000**	25,982,000
		7,461,053,873	7,625,129,698	**7,305,488,132**	7,435,656,549
Current Assets					
Inventories	17	**212,700,469**	269,125,705	**208,451,434**	265,365,645
Trade and Other Receivables	18	**722,879,891**	992,473,417	**723,832,077**	1,000,215,642
Other Current Assets	19	**371,077,334**	196,214,114	**358,825,126**	183,710,861
Loans Granted to Related Parties	13.3	**4,439,940,998**	3,898,234,700	**4,439,940,998**	3,898,234,700
Cash in Hand and at Bank	28.1	**461,068,591**	269,004,266	**229,353,147**	220,745,238
		6,207,667,282	5,625,052,202	**5,960,402,781**	5,568,272,086
Total Assets		**13,668,721,155**	13,250,181,900	**13,265,890,915**	13,003,928,635
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	20	**1,393,327,565**	1,393,327,565	**1,393,327,565**	1,393,327,565
Other Components of Equity	21	**2,225,259,357**	2,038,670,289	**2,245,237,232**	1,994,099,414
Retained Earnings		**3,196,311,306**	2,549,559,624	**2,909,364,553**	2,437,941,167
Equity Attributable to Equity Holders of the Parent		**6,814,898,227**	5,981,557,477	**6,547,929,350**	5,825,368,147
Non-Controlling Interests		**310,699,799**	219,296,567	**-**	-
Total Equity		**7,125,598,026**	6,200,854,044	**6,547,929,350**	5,825,368,147
Non-current Liabilities					
Lease Liability	22	**-**	1,620,890	**-**	1,620,890
Interest Bearing Loans and Borrowings	23	**930,756,128**	1,302,403,363	**930,756,128**	1,284,903,363
Employee Benefit Liability	24	**160,018,467**	120,396,321	**155,662,273**	117,704,549
Deferred Tax Liability	7.2 & 7.3	**1,228,635,983**	1,207,818,728	**1,185,315,029**	1,202,982,822
		2,319,410,578	2,632,239,302	**2,271,733,431**	2,607,211,625
Current Liabilities					
Trade and Other Payables	25	**1,316,047,129**	1,330,700,944	**1,274,155,671**	1,214,045,246
Dividend Payable		**12,874,210**	12,898,831	**12,874,210**	12,898,831
Lease Liability	22	**713,957**	3,712,584	**713,957**	3,712,584
Interest Bearing Loans and Borrowings	23	**1,811,459,838**	2,249,139,960	**1,793,959,838**	2,189,139,960
Loan Due to Related Party	26		-	**322,328,844**	330,916,008
Income Tax Payable	27	**559,008,074**	238,335,831	**518,586,271**	238,335,831
Bank Overdraft	28.2	**523,609,342**	582,300,404	**523,609,342**	582,300,404
		4,223,712,551	4,417,088,554	**4,446,228,135**	4,571,348,864
Total Equity and Liabilities		**13,668,721,155**	13,250,181,900	**13,265,890,915**	13,003,928,635

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

sgd
Ajith Karunarathne
Director Finance

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

sgd	sgd
Ashok Pathirage	**Dr. Manjula Karunaratne**
Director	Director

The Accounting policies and Notes on pages 65 to 114 form an integral part of these Financial Statements.
5th September 2024
Colombo

Statement of Changes in Equity

GROUP	Stated Capital Rs.	Fair Value Reserve of Financial Assets as at FVOCI Rs.	Revaluation Reserve Rs.	Retained Earnings Rs.	Total Rs.	Non-Controlling Interest Rs.	Total Equity Rs.
As at 01 April 2022	1,393,327,565	(290,693,691)	2,074,946,724	1,968,625,832	5,146,206,430	134,118,156	5,280,324,586
Profit for the Year	-	-	-	555,119,006	555,119,006	84,909,721	640,028,728
Other Comprehensive Income	-	(62,845,970)	317,263,227	25,814,785	280,232,042	268,690	280,500,732
Total Comprehensive Income	-	(62,845,970)	317,263,227	580,933,791	835,351,048	85,178,411	920,529,461
As at 31 March 2023	1,393,327,565	(353,539,661)	2,392,209,950	2,549,559,624	5,981,557,478	219,296,567	6,200,854,044
Profit for the Year	-	-	-	654,843,205	654,843,205	91,463,796	746,307,002
Other Comprehensive Income	-	115,796,099	70,792,969	(8,091,524)	178,497,544	(60,564)	178,436,981
Total Comprehensive Income	-	115,796,099	70,792,969	646,751,682	833,340,750	91,403,233	924,743,982
As at 31 March 2024	1,393,327,565	(237,743,562)	2,463,002,918	3,196,311,306	6,814,898,228	310,699,799	7,125,598,026

Figures in brackets indicate deductions.

The Accounting policies and Notes on pages 65 to 114 form an integral part of these Financial Statements.

Statement of Changes in Equity

COMPANY	Stated Capital Rs.	FV Reserve of Financial Assets at FVOCI Rs.	Revaluation Reserve Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 31 March 2022	1,393,327,565	(290,693,691)	2,031,574,598	1,954,296,481	5,088,504,953
Profit for the Year	-	-	-	458,098,591	458,098,591
Other Comprehensive Income	-	(62,845,970)	316,064,477	25,546,096	278,764,603
Total Comprehensive Income	-	(62,845,970)	316,064,477	483,644,687	736,863,193
Balance as at 31 March 2023	1,393,327,565	(353,539,661)	2,347,639,075	2,437,941,167	5,825,368,148
Profit for the Year	-	-	-	479,350,521	479,350,521
Other Comprehensive Income	-	115,796,099	135,341,719	(7,927,137)	243,210,681
Total Comprehensive Income	-	115,796,099	135,341,719	471,423,385	722,561,203
Balance as at 31 March 2024	1,393,327,565	(237,743,562)	2,482,980,793	2,909,364,553	6,547,929,350

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 65 through 114 form an integral part of these Financial Statements.

Statement of Cash Flows

		GROUP		COMPANY	
Year ended 31 March	Note	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Cash Flows From Operating Activities					
Profit Before Tax		**1,261,587,195**	1,261,396,786	**888,312,025**	1,087,139,484
Adjustments for					
Amortization of Right of Use Asset	10	**296,376**	296,376	**296,376**	296,376
Depreciation	9.1.2 & 9.2.2	**411,385,019**	342,745,384	**365,766,352**	294,625,008
Profit on Disposal of Property, Plant and Equipment	4	**19,492**	440,406	**19,492**	440,406
Finance Income	5.2	**(772,059,856)**	(1,223,249,360)	**(754,289,163)**	(1,219,653,438)
Finance Costs	5.1	**618,680,494**	961,981,692	**663,511,742**	989,568,417
Profit on Disposal of shares		**(11,679,244)**	-	**(11,679,244)**	-
Unrealized Foreign Currency Exchange Gain		**(2,315,217)**	4,005,322	**(2,315,217)**	4,005,322
Provision for Gratuity	24	**42,616,949**	36,069,561	**41,183,052**	34,983,359
Provision for Bad Debt	18.3	**751,195**	(2,006,680)	**751,195**	(2,006,680)
Inventory Write-off	17	**63,216,957**	4,108,219	**63,216,957**	4,108,219
Scrip dividends received		**(12,300,486)**	-	**(12,300,486)**	-
Change in Fair Value of Investment Property	11	**-**	-	**92,212,500**	(1,712,500)
Operating Profit Before Working Capital Changes		**1,600,198,872**	1,385,787,706	**1,334,685,580**	1,191,793,973
(Increase)/Decrease in Inventories		**(6,791,720)**	30,283,139	**(6,302,746)**	32,246,605
(Increase)/Decrease in Trade and Other Receivables		**(272,901,911)**	(176,030,880)	**(338,994,288)**	(189,185,784)
(Increase)/Decrease in Other Current Assets		**(174,863,219)**	27,045,517	**(175,114,265)**	37,180,457
(Decrease)/Increase in Trade and Other Payables		**(16,627,977)**	575,257,087	**58,078,776**	614,932,645
Cash Generated From Operations		**1,129,014,044**	1,842,342,569	**872,353,056**	1,629,719,373
Income Tax Paid	27	**(200,985,107)**	(322,009,419)	**(200,985,107)**	(322,009,419)
Finance Costs Paid		**(669,674,376)**	(923,916,914)	**(662,710,851)**	(897,916,458)
Employee Benefit Paid	24	**(12,518,160)**	(25,790,456)	**(12,518,160)**	(25,723,031)
Net Cash From Operating Activities		**245,836,403**	570,625,779	**(3,861,062**	384,070,462
Cash Flows From/(Used in) Investing Activities					
Acquisition of Property, Plant and Equipment	9.1 & 9.2	**(146,855,285)**	(322,269,948)	**(135,144,029)**	(296,644,538)
Proceeds from Sale of Property, Plant and Equipment		**3,195,095**	274,156	**3,195,095**	274,156
Finance Income Received	5.2	**772,059,857**	376,635,417	**766,589,649**	369,717,095
Loans repayments from Related Parties		**208,508,370**	2,106,000,000	**208,508,370**	2,106,000,000
Loans Granted to Related Parties		**-**	(2,963,000,000)	**-**	(857,000,000)
Net Cash Flows From/ (Used in) Investing Activities		**836,908,037**	(802,360,373)	**843,149,086**	(783,653,287)
Cash Flows From /(Used in) Financing Activities					
Payment of Lease Liability	22	**(5,420,408)**	(5,420,408)	**(5,420,408)**	(5,420,408)
Repayment of Interest Bearing Loans and Borrowings	23.1 & 23.2	**(826,544,025)**	(517,080,336)	**(766,544,025)**	(455,979,696)
Proceeds From Interest Bearing Loans and Borrowings	23.1 & 23.2	**-**	650,000,000	**-**	971,700,000
Dividend Paid		**(24,621)**	(468,955,090)	**(24,621)**	(468,955,090)
Net Cash Flows From/(Used in) Financing Activities		**(831,989,054)**	(341,455,834)	**(771,989,054)**	40,844,806
Net Increase/(Decrease) in Cash and Cash Equivalents		**250,755,386**	(573,190,428)	**67,298,970**	(399,286,788)
Cash and Cash Equivalents at the Beginning of the Year	28	**(313,296,138)**	259,894,290	**(361,555,166)**	37,731,622
Cash and Cash Equivalents at the End of the Year	28	**(62,540,752)**	(313,296,138)	**(294,256,196)**	(361,555,166)

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 65 through 114 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 Consolidated Financial Statements of Asiri Surgical Hospital PLC for the year ended 31 March 2024 was authorized for issue in accordance with a resolution of the Board of Directors on 5th September 2024.

2. BASIS OF PREPARATION AND OTHER SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The Consolidated Financial Statements have been prepared on an accrual basis and under the historical cost convention except for defined benefit obligation valued using protected unit credit method, buildings on lease hold land, investment properties, fair valued through other comprehensive income financial assets, which have been measured at fair value.

Materiality and Aggregation

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

Going Concern

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

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

Presentation of Functional Currency

The Consolidated 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, Income Statement, 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 Consolidated Financial Statements of the previous years have been amended, where relevant for better presentation and to be comparable with those of the current year. Certain comparatives figures have been reclassified in order to

Notes to the Financial Statements

conform to the presentation for the current period. Such reclassifications were made to improve the quality of presentation and do not affect previously reported profit or equity.

The Company presented Consolidated financial statements for the year ended 31 March 2024 based on the determination of the Asiri AOI Cancer Centre (Pvt) Ltd is an investment in subsidiary from 1 April 2020.

2.1.1 Basis of Consolidation

The consolidated financial statements encompass Company, its Subsidiary (together referred to as the "Group")

Subsidiary

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

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

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

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

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

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

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

The Financial Statements for the year ended 31 March 2024 of the following subsidiary company included in the Consolidated Financial Statements.

Company	Effective Holding 2024	Effective Holding 2023	Principal Activities
1. Asiri AOI Cancer Centre (Pvt) Ltd	50.00%	50.00%	The principal activities of the Company are to carry out cancer treatment services.

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

Material Accounting Policy Information

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

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

Current Versus Non-Current Classification

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

An asset is current when it is:

Expected to be realised or intended to be sold or consumed in the normal operating cycle,

Held primarily for the purpose of trading,

Expected to be realised within twelve months from the reporting date, or

A cash or cash equivalent unless restricted from exchange or use to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is current when it is:

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

The Group classifies all other liabilities as non-current.

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

Foreign Currency Translation

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

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

Differences arising on settlement or translation of monetary items are recognised in Income Statement.

2.2 Summary of Significant Accounting Judgements, Estimates and Assumptions

In preparing these Financial Statements of the Group, the management has made judgements, estimates and assumptions that affect the application of Group'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 Consolidated Financial Statements.

Fair Value of Property, Plant and Equipment

The Group measures buildings on lease hold land at revalued amounts with changes in fair value being recognized in other comprehensive income. The Group engaged an independent valuation specialist to assess fair value of such assets as at 31 March 2024. Refer Note 9.5 to these financial statements for Significant unobservable valuation input.

Notes to the Financial Statements

Fair Value of Investment Property

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

Taxes

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

Further, judgement has been exercised in relation to the income tax exemption under the agreement entered into between Asiri Surgical Hospital PLC and the Board of Investment, as disclosed in Note 27.

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)

Provision for Expected Credit Losses of Financial Assets

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

2.3 Summary of Significant Accounting Policies Applied

The following are the significant accounting policies applied by the Group in preparing its Consolidated Financial Statements.

2.3.1 Business Combination and Goodwill

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

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

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

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

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

the changes in fair value recognised in the Income Statement in accordance with SLFRS 9. Other contingent consideration that is not within the scope of SLFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in the Income Statement.

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

2.3.2 Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

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

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

2.3.3 Property, Plant and Equipment

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

Building on lease hold land 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.

Notes to the Financial Statements

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 Income Statement, the increase is recognised in the Income Statement. A revaluation deficit is recognised in Income Statement, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

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

2.3.4 Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in Income Statement 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 Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.3.5 Right of Use Assets and Lease Liabilities

Estimating the Incremental Borrowing Rate

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

Right of Use Assets

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

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the 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 Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases 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 Income Statement due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as in the period in which they are earned.

2.3.6 Borrowing Costs

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

2.3.7 Financial Instruments - Initial Recognition and Subsequent Measurement

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

i) Financial Assets

Initial Recognition and Measurement

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

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

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

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

Subsequent Measurement

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

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

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

Notes to the Financial Statements

Financial Assets at Amortised Cost (Debt Instruments)

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

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and

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

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

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

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

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

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

The Group elected to classify irrevocably its 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 derecognised (i.e., removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired,

Or

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

Impairment of Financial Assets

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

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

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

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

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

- Trade receivables Note 18 to the financial statements.

ii) Financial Liabilities

Initial Recognition and Measurement

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

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

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

Subsequent Measurement

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

Loans and Borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Income Statement when the liabilities are derecognized 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 Income Statement.

Financial Guarantee Contracts

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

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

Derecognition

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

2.3.8 Equity Accounted Investees

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

Notes to the Financial Statements

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

2.3.9 Inventories

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

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

2.3.9.1 Contract Assets

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

2.3.10 Impairment of Non-Financial Assets

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

2.3.11 Cash and Cash Equivalents

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

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

2.3.12 Provisions

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

2.3.13 Post-Employment Benefits

a. Defined Benefit Plan – Gratuity

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

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

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

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

The Gratuity liability is not externally funded.

b. Defined Contribution Plans

Employees' Provident Fund and Employee' Trust Fund

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

2.3.13.1 Contract Liabilities

Contract liabilities are Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or the amount is due) from the customer. Contract liabilities include long-term advances received to deliver goods and services, short-term advances received to render certain services.

2.3.14 Dividend Payable

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

2.3.15 Revenue

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

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

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

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

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

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

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

2.3.16 Other Income

Other income is recognised in the Income Statement as it accrues.

Notes to the Financial Statements

2.3.17 Dividend Income

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

2.3.18 Finance Income

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

2.3.19 Finance Expense

Finance costs comprise interest expense on borrowings and guarantee cost.

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

2.3.20 Expenditure

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

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

2.3.21 Taxation

Current tax

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

2.3.22 Earnings Per Share (EPS)

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

2.3.23 Segment Reporting

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

2.4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

2.5 Standards Issued But Not Yet Effective

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

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

- **Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to LKAS 12**

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Also, under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

- **Disclosure of Accounting Policies - Amendments to LKAS 1 and IFRS Practice Statement 2**

Amendments to LKAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies.
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

- **Classification of Liabilities as Current or Non current - Amendments to LKAS 1**

Amendments to LKAS 1 Presentation of Financial Statements specify the requirements for classifying liabilities as current or non-current. The amendments clarify –

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification
- Disclosures

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

3. REVENUE AND OTHER INCOME

3.1 Revenue

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Healthcare Services	**6,376,024,568**	5,393,112,422	**5,739,330,596**	4,841,245,484
Sales of Goods	**248,911,751**	241,642,284	**248,911,751**	241,642,284
Loyalty points	**(5,191,303)**	(60,001)	**(5,174,054)**	(55,121)
	6,619,745,016	5,634,694,705	**5,983,068,293**	5,082,832,647

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

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

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Pre care	**2,571,914,792**	2,270,359,450	**1,935,238,069**	1,718,437,392
Post Care	**3,798,918,473**	3,122,752,971	**3,798,918,473**	3,122,752,971
Pharmaceutical	**248,911,751**	241,642,284	**248,911,751**	241,642,284
	6,619,745,016	5,634,754,705	**5,983,068,293**	5,082,832,647

3.3 Timing of Revenue Recognition

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Services and Goods Transferred at a Point In Time	**2,820,826,543**	2,512,001,734	**2,184,149,820**	1,960,079,675
Services Transferred over Time	**3,798,918,473**	3,122,752,971	**3,798,918,473**	3,122,752,972
	6,619,745,016	5,634,754,705	**5,983,068,293**	5,082,832,647

Notes to the Financial Statements

4. OTHER INCOME

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Rental Income	32,515,452	24,627,780	77,869,095	67,178,367
Sundry Income	10,276,733	15,814,732	10,276,733	15,814,732
Loss on Disposal of Property, Plant and Equipment	(19,492)	(440,406)	(19,492)	(440,406)
Exchange Gain/(Loss)	8,217,691	5,169,346	2,236,138	5,169,346
	50,990,384	45,171,452	90,362,473	87,722,039

5. FINANCE COST AND INCOME

5.1 Finance Cost

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Interest Expense on Overdrafts	58,892,375	107,998,020	58,892,375	107,998,020
Interest Expense on Borrowings	546,184,686	828,113,848	591,301,782	864,252,726
Interest on Guarantees	9,742,645	11,613,754	9,742,645	11,613,754
Bank Charges on Interest Bearing Loans	3,059,897	4,528,378	2,774,049	4,383,268
Finance cost on ROU Assets	800,891	9,727,691	800,891	1,320,648
	618,680,494	961,981,692	663,511,742	989,568,416

5.2 Finance Income

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Interest Income	755,672,729	1,190,362,116	750,202,522	1,187,192,220
Guarantee Income	4,086,641	4,612,771	4,086,641	4,612,771
Dividend Income on Financial assets	12,300,486	27,848,447	12,300,486	27,848,447
Increase in Fair Value - Unit Trust (FVTPL)	-	426,026	-	-
	772,059,856	1,223,249,360	766,589,649	1,219,653,438

6. PROFIT BEFORE TAX

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

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Included in Cost of Sales				
Depreciation	**251,305,465**	201,390,347	**214,123,256**	165,604,331
Staff Expenses including the following:	**1,087,106,579**	850,524,756	**965,892,906**	793,265,208
Defined Contribution Plan Costs - EPF and ETF	**80,396,417**	72,641,787	**74,447,952**	67,206,468
Included in Administrative Expenses				
Depreciation	**156,431,727**	136,793,414	**151,643,096**	129,020,677
Staff Expenses including the following:	**442,120,008**	354,876,723	**419,091,446**	339,358,832
Defined Benefit Plan Costs - Gratuity	**42,616,949**	36,069,561	**41,183,052**	34,983,359
Defined Contribution Plan Costs - EPF and ETF	**14,763,297**	13,604,136	**14,433,755**	13,090,425
Directors' Fees and Remuneration	**3,125,000**	5,375,000	**3,125,000**	5,375,000
Amortisation of Leasehold Property	**296,376**	296,376	**296,376**	296,376
Donations	**930,557**	613,345	**930,557**	613,345
Legal Fees	**18,155,044**	8,107,367	**18,165,544**	8,096,867
Audit Fees and Related Expenses	**1,525,720**	1,487,923	**1,220,947**	1,210,857
Included in Selling and Distribution Costs				
Advertising Costs	**26,418,386**	26,353,986	**19,214,703**	16,977,221
Provision for Bad Debts	**751,195**	(2,006,680)	**751,195**	(2,006,680)

7. TAX EXPENSE

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Current Income Tax				
Current Income Tax Charge (Note 7.1)	**391,173,258**	283,393,112	**350,500,409**	283,393,112
Under Provision and Adjustements	**130,484,092**	160,000,000	**130,735,138**	160,000,000
	521,657,350	443,393,112	**481,235,547**	443,393,112
Deferred Income Tax				
Deferred Taxation income/(Expense) (Note 7.2)	**(6,377,155)**	177,974,947	**(72,274,044)**	185,647,782
Income Tax Expenses Reported in the Statement of Profit or Loss	**515,280,195**	621,368,059	**408,961,503**	629,040,894
Deferred Income Tax				
Deferred Tax Expenses Reported in the Other Comprehensive Income (Note 7.2)	**26,994,411**	624,326,815	**54,606,249**	623,582,759
Income Tax Expenses Reported in the Statement of Total Comprehensive Income	**542,274,606**	1,245,694,875	**463,567,754**	1,252,623,654

Notes to the Financial Statements

7. TAX EXPENSE (CONTD.)

7.1 Reconciliation between Current Tax Expense and Accounting Profit

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Accounting Profit before Income Tax	**1,261,587,195**	1,261,396,786	**888,312,025**	1,087,139,484
Other Console Adjustements	**(78,450,374)**			
Profit/(Loss) after Adjustments	**1,183,136,821**	1,261,396,786	**888,312,025**	1,087,139,484
Disallowable Expenses	**507,657,534**	432,023,950	**429,013,454**	342,369,326
Allowable Expenses	**(284,571,015)**	(439,672,955)	**(228,902,796)**	(309,113,891)
Profit Exempt from Income Tax	**(809,797,072)**	(1,354,190,337)	**(752,246,245)**	(1,297,007,235)
Unrelieved business losses	**(182,224,496)**	-	**-**	-
Assessable Income from Busisness	**414,201,773**	1,160,954,231	**336,176,439**	910,527,169
Assessable Income from Investment	**889,709,086**	56,757,076	**832,158,259**	1,282,219,034
Taxable Income	**1,303,910,859**	1,217,711,307	**1,168,334,697**	2,192,746,203
Income Tax Expenses - 24%	**-**	125,952,494	**-**	125,952,494
Income Tax Expenses - 30%	**391,173,258**	157,440,618	**350,500,409**	157,440,618
	391,173,258	283,393,112	**350,500,409**	283,393,112

7.2 Deferred Tax (Assets) / Liabilities

Group	Statement of Financial Position		Income Statement		Statement of Other Comprehensive Income	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Deferred Tax Liability						
Revaluation of Building	**947,207,982**	916,868,139	**-**	-	**30,339,844**	613,148,182
Right of Use Assets	**3,617,497**	5,068,402	**(1,450,905)**	3,235,621	**-**	-
Accelerated Depreciation for Tax Purposes	**321,927,453**	371,688,307	**(49,760,854)**	234,654,932	**-**	-
	1,272,752,931	1,293,424,848	**(51,211,760)**	237,890,553	**30,339,844**	613,148,182
Deferred Tax Assets						
Tax Losses	**-**	(49,487,223)	**49,487,223**	(33,260,000)	**-**	-
Defined Benefit Obligation	**(44,116,948)**	(36,118,897)	**(4,652,619)**	(26,655,605)	**(3,345,433)**	11,178,632
	(44,116,948)	(85,606,120)	**44,834,604**	(59,915,605)	**(3,345,433)**	11,178,632
Deferred Tax Expense			**(6,377,155)**	177,974,948	**26,994,411**	624,326,814
Net Deferred Tax Liability	**1,228,635,983**	1,207,818,728				

Company	Statement of Financial Position		Income Statement		Statement of Other Comprehensive Income	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Deferred Tax Liability						
Investment Property	**(8,526,855)**	19,136,895	**(27,663,750)**	12,929,180	**-**	-
Revaluation of Building	**967,111,029**	909,107,435	**-**	-	**58,003,594**	612,634,432
Right-of-use Assets	**3,617,497**	5,068,402	**(1,450,905)**	3,235,621	**-**	-
Accelerated Depreciation for Tax Purposes	**266,414,696**	304,981,456	**(38,566,760)**	195,442,444	**-**	-
	1,228,616,367	1,238,294,188	**(67,681,415)**	211,607,245	**58,003,594**	612,634,432
Deferred Tax Assets						
Defined Benefit Obligation	**(43,301,338)**	(35,311,365)	**(4,592,629)**	(25,959,463)	**(3,397,344)**	10,948,327
	(43,301,338)	(35,311,365)	**(4,592,629)**	(25,959,463)	**(3,397,344)**	10,948,327
Deferred Tax Expense			**(72,274,044)**	185,647,782	**54,606,249**	623,582,759
Net Deferred Tax Liability	**1,185,315,029**	1,202,982,822				

7.3 Deferred Tax Charge/(Release)

Deferred Tax Charge/(Reversal) recognised through

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Statement of Profit or Loss				
Charge/(Reversal) Arising on During the Year Movement	**(6,377,155)**	72,244,648	**(72,274,044)**	79,917,483
Charge/(Reversal) Due to Change in Tax Rates	**-**	105,730,299	**-**	105,730,299
	(6,377,155)	177,974,947	**(72,274,044)**	185,647,782
Other Comprehensive Income				
Charge/(Reversal) Arising on During the Year Movement	**26,994,411**	289,396,292	**54,606,249**	288,652,237
Charge/(Reversal) Due to Change in Tax Rates	**-**	334,930,522	**-**	334,930,522
	26,994,411	624,326,814	**54,606,249**	623,582,759

8. EARNINGS PER SHARE

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

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

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Profit for the Year	**654,843,204**	555,119,005	**479,350,521**	458,098,591
Weighted Average Number of Ordinary Shares in Issue	**528,457,545**	528,457,545	**528,457,545**	528,457,545
Basic Earnings Per Share - Continuing Operations (Rs.)	**1.24**	1.05	**0.91**	0.87

Number of Ordinary Shares used as the Denominator	2024 Rs.	2023 Rs.
Weighted Average number of Ordinary Shares in Issue Applicable to Basic/Diluted Earnings Per Share	**528,457,545**	528,457,545

9. PROPERTY, PLANT AND EQUIPMENT

9.1 GROUP

9.1.1 Gross Carrying Amounts

	Balance as at 01.04.2023 Rs.	Additions Rs.	Revaluation Rs.	Disposals Rs.	Transfers Rs.	Balance as at 31.03.2024 Rs.
At Valuation						
Buildings on Leasehold Land	4,183,850,452	1,761,613	101,132,812	-	(97,206,621)	**4,189,538,256**
	4,183,850,452	1,761,613	101,132,812	-	(97,206,621)	**4,189,538,256**
At Cost						
Medical Equipment	2,802,441,937	121,397,531	-	(2,611,206)	(11,900,000)	**2,909,328,262**
Furniture and Fittings	164,881,959	2,245,098	-	(1,955,053)	(130,783)	**165,041,221**
Motor Vehicles	56,303,180	-	-	-	-	**56,303,180**
Sundry Equipment	839,800,292	21,451,043	-	(1,096,962)	(645,247)	**859,509,126**
	3,863,427,368	145,093,673	-	(5,663,222)	(12,676,030)	**3,990,181,790**
Total Value of Depreciable Assets	8,047,277,820	146,855,285	101,132,812	(5,663,222)	(109,882,651)	**8,179,720,045**

9.1.2 Accumulated Depreciation

	Balance as at 01.04.2023 Rs.	Charge for the Year Rs.	Disposals Rs.	Transfers Rs.	Balance as at 31.03.2024 Rs.
At Valuation					
Buildings on Leasehold Land	-	97,206,621	-	(97,206,621)	**-**
	-	97,206,621	-	(97,206,621)	**-**
At Cost					
Medical Equipment	1,787,158,205	254,939,370	(2,611,206)	(8,723,414)	**2,030,762,955**
Furniture and Fittings	123,550,830	8,587,510	(1,953,790)	(122,259)	**130,062,291**
Motor Vehicles	36,106,716	4,972,250	-	-	**41,078,966**
Sundry Equipment	574,410,460	45,679,268	(1,068,746)	(645,247)	**618,375,734**
	2,521,226,211	314,178,398	(5,633,743)	(9,490,921)	**2,820,279,945**
Total Accumulated Depreciation	2,521,226,211	411,385,019	(5,633,743)	(106,697,542)	**2,820,279,945**

Notes to the Financial Statements

9. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

9.2 COMPANY

9.2.1 Gross Carrying Amounts

	Balance as at 01.04.2023 Rs.	Additions Rs.	Revaluation Rs.	Disposals Rs.	Transfers* Rs.	Balance as at 31.03.2024 Rs.
At Valuation						
Building on Leasehold Land	3,927,965,020	1,761,613	193,345,312	-	(93,558,795)	**4,029,513,150**
	3,927,965,020	1,761,613	193,345,312	-	(93,558,795)	**4,029,513,150**
At Cost						
Medical Equipment	2,376,888,894	111,061,785	-	(2,611,206)	(11,900,000)	**2,473,439,473**
Furniture and Fittings	163,276,814	939,588	-	(1,955,053)	(130,783)	**162,130,565**
Motor Vehicles	56,303,180		-	-	-	**56,303,180**
Sundry Equipment	802,304,037	21,381,043	-	(1,096,962)	(645,247)	**821,942,871**
	3,398,772,924	133,382,416	-	(5,663,221)	(12,676,030)	**3,513,816,089**
Total Value of Depreciable Assets	7,326,737,944	135,144,029	193,345,312	(5,663,221)	(106,234,825)	**7,543,329,239**

9.2.2 Accumulated Depreciation

	Balance as at 01.04.2023 Rs.	Charge for the year Rs.	Disposals Rs.	Transfers* Rs.	Balance as at 31.03.2024 Rs.
At Valuation					
Building on Leasehold Land	-	93,558,795	-	(93,558,795)	**-**
	-	93,558,795	-	(93,558,795)	**-**
At Cost					
Medical Equipment	1,580,647,307	214,123,256	(2,611,206)	(8,723,415)	**1,783,435,943**
Furniture and Fittings	123,159,498	8,196,852	(1,953,790)	(122,259)	**129,280,300**
Motor Vehicles	36,106,717	4,972,250	-	-	**41,078,967**
Sundry Equipment	544,058,569	44,915,200	(1,068,746)	(645,247)	**587,259,776**
	2,283,972,092	272,207,558	(5,633,742)	(9,490,921)	**2,541,054,986**
Total Accumulated Depreciation	2,283,972,092	365,766,353	(5,633,742)	(103,049,716)	**2,541,054,986**

9.3 Net Book Values

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
At Valuation				
Building on Leasehold Land	**4,189,538,256**	4,183,850,452	**4,029,513,150**	3,927,965,020
At Cost				
Medical Equipment	**878,565,307**	1,015,283,732	**690,003,531**	796,241,588
Furniture and Fittings	**34,978,931**	41,331,129	**32,850,265**	40,117,315
Motor Vehicles	**15,224,214**	20,196,464	**15,224,214**	20,196,464
Sundry Equipment	**241,133,392**	265,389,832	**234,683,096**	258,245,468
	1,169,901,844	1,342,201,156	**972,761,106**	1,114,800,836
Total Carrying Amount of Property, Plant and Equipment	**5,359,440,100**	5,526,051,609	**5,002,274,256**	5,042,765,856

9.4 During the year, the Group acquired Property, Plant and Equipment to the aggregate value of Rs. 146,855,285 (2023 -Rs. 322,269,948). Cash payments amounting to Rs. 146,855,285 (2023 -Rs. 322,269,948) were made during the year for purchase of Property, Plant and Equipment. During the year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 135,144,029 (2023 -Rs. 296,644,538). Cash payments amounting to Rs 135,144,029 (2023 -Rs. 296,644,538) were made during the year for purchase of Property, Plant and Equipment.

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

Location	Extent	Independent Valuer	Effective Date of Valuation	Method of Valuation	Significant Unobservable Input (Level 3) Building Value Per Square Feet		Fair Value	Capitalisation Rate (%)	Year on Year Growth Rate (%)
					2024	2023	Rs.		
No 21, Kirimandala Mawatha, Narahenpita	386,187 Sq. ft	S. Sivaskantha	31 March 2024	IA*	Rs. 10,000/- to Rs. 20,000/-	Rs. 6,880/- to Rs.14,380/-	4,029,513,150/-	7.5%	2.59%
No 21 and 23, Kirimandala Mawatha, Narahenpita	6,710 Sq. ft	S. Sivaskantha	31 March 2024	IA*	Rs. 275/- to Rs. 600/-	Rs. 38,750/-	167,800,000/-	8%	(35.46%)

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

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

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

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

Notes to the Financial Statements

9. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

9.6 Depreciation

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

	2023/2024
Buildings on Leasehold Land	Over 60 Years
Medical Equipment	Over 10 Years
Furniture and Fittings	Over 10 Years
Motor Vehicles	Over 5-8 Years
Sundry Equipment	
Computer and Office Equipment	Over 4-5 Years
Short life Assets	Over 2-3 Years
Other	Over 10 Years

9.7 Company's property, plant and equipment with a cost of Rs. 1,466 Mn (2023 - Rs. 1,384 Mn) have been fully depreciated and continue to be in use by the company.

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

Class of Asset	Cost Rs.	Cumulative Depreciation If assets were carried at cost Rs.	Net Carrying Amount 2024 Rs.	Net Carrying Amount 2023 Rs.
Building on Leasehold Land	1,266,490,868	361,717,249	**904,773,619**	924,113,818
	1,266,490,868	361,717,249	**904,773,619**	924,113,818

10. RIGHT-OF-USE ASSET

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
At the Beginning of the Year	**22,228,148**	22,524,524	**22,228,148**	22,524,524
Amortization for the Year	**(296,376)**	(296,376)	**(296,376)**	(296,376)
At the End of the Year	**21,931,772**	22,228,148	**21,931,772**	22,228,148

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.

10.2 Expenses relaing to short term lease and lease of low value asset amounting to Rs.13.2 Mn (2023 Rs. 9.4 Mn) recognized in Profit and Loss.

11. INVESTMENT PROPERTY

	COMPANY	
	2024 Rs.	2023 Rs.
At the Beginning of the Year	**260,012,500**	258,300,000
Additions	**-**	-
Change in Fair Value during the Year	**(92,212,500)**	1,712,500
At the End of the Year	**167,800,000**	260,012,500

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

	COMPANY	
	2024 Rs.	2023 Rs.
Rental income derived from Investment Properties	**45,353,646**	42,550,587
Direct Operating Expenses	**-**	-
Profit arising from investment properties carried at fair value	**45,353,646**	42,550,587

Fair value hierarchy disclosures for investment properties are in Note 16.

11.1 Fair Value measurement disclosure for investment property

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

Location	Extent	Independent Valuer	Effective Date of Valuation	Valuation Details	Significant Unobservable Input (Level 3) Building Value Per Square Feet		Fair Value
					2024	2023	Rs.
No 21 and 23, Kirimandala Mawatha, Narahenpita	6,710 Sq. ft	S. Sivaskantha	31 March 2024	IA*	**Rs. 275/- to Rs. 600/-**	Rs. 38,750/-	167,800,000/-

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

Notes to the Financial Statements

12. INVESTMENT IN SUBSIDIARY COMPANIES

	COMPANY	
	2024 Rs.	2023 Rs.
Asiri AOI Cancer Centre (Pvt) Ltd	**33,800,104**	33,800,104
	33,800,104	33,800,104

12.1 Material Partly-owned Subsidiaries

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

Proportion of equity Interest held by Non-Controlloing Interest :

Company Name	2024 %	2023 %
Asiri AOI Cancer Centre (Pvt) Ltd	**50%**	50%

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

	2024 Rs.	2023 Rs.
Revenue	**636,676,724**	551,862,057
Cost of Services	**(290,479,030)**	(286,806,773)
Profit for the Year	**199,925,617**	183,655,307
Total Comprehensive Income for the Year	**199,804,490**	184,192,687
Attributable to Non-Controlling Interests	**99,902,245**	92,096,343

Summarised Statement of Financial position as at 31 March:

	2024 Rs.	2023 Rs.
Current Assets	**636,625,293**	441,960,350
Non-Current Assets	**209,443,698**	276,849,129
Current Liabilities	**186,046,862**	278,169,050
Non-Current Liabilities	**52,214,684**	32,867,778
Total Equity	**607,807,445**	407,772,650
Attributable to:		
Equity Holders of parent	**303,903,723**	203,886,325
Non-Controlling Interest	**303,903,723**	203,886,325

Summarised Statement of Cash Flow for the year ended 31 March:

	2024 Rs.	2023 Rs.
Cashflow from / (used) in Operating Activities	**242,970,487**	(101,579,794)
Cashflow from / (used) in Investing Activities	**45,839,572**	213,405,528
Cashflow from / (used) in Financing Activities	**(105,353,643)**	(103,651,227)
Net increase / (decrease) in Cash and Cash Equivalents	**183,456,416**	8,174,504

13. NON CURRENT FINANCIAL ASSETS

		GROUP		COMPANY	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Investment in Quoted Equity Securities at Fair Value through OCI	13.1	**244,800,000**	241,967,941	**244,800,000**	241,967,941
Loans Granted to Related Parties	13.2	**1,808,900,000**	1,808,900,000	**1,808,900,000**	1,808,900,000
		2,053,700,000	2,050,867,941	**2,053,700,000**	2,050,867,941

13.1 Investment in Quoted Equity Securities at Fair Value through OCI

	Group/Company			
	Number of Shares		Fair Value	
	2024	2023	2024 Rs.	2023 Rs.
National Development Bank PLC	**3,600,000**	5,389,041	**244,800,000**	241,967,941
	3,600,000	5,389,041	**244,800,000**	241,967,941

Investment in Quoted Equity Securities

	Group/Company	
	2024 Rs.	2023 Rs.
Balance at the Beginning of the Year	**241,967,941**	282,028,818
Share Disposal proceeds During the year	**(125,264,526)**	-
Fair Value Gain	**115,796,099**	(62,845,970)
Share Allotment as Scrip Dividends	**12,300,486**	22,785,093
Balance at the End of the Year	**244,800,000**	241,967,941

Notes to the Financial Statements

13. NON CURRENT FINANCIAL ASSETS (CONTD.)

13.2 Long Term Loan

	Relationship	GROUP 2024 Rs.	GROUP 2023 Rs.	COMPANY 2024 Rs.	COMPANY 2023 Rs.
Asiri Hospital Holdings PLC	Parent Company	**1,808,900,000**	1,808,900,000	**1,808,900,000**	1,808,900,000
		1,808,900,000	1,808,900,000	**1,808,900,000**	1,808,900,000

13.3 Loans granted to Related Parties

	Relationship	GROUP 2024 Rs.	GROUP 2023 Rs.	COMPANY 2024 Rs.	COMPANY 2023 Rs.
Softlogic Holdings PLC	Ultimate Parent Company	**625,368,751**	623,906,188	**625,368,751**	623,906,188
Asiri Hospital Holdings PLC	Parent Company	**764,060,230**	471,377,387	**764,060,230**	471,377,387
Asiri Central Hospital Limited	Companies under Common Control	**581,981,892**	509,446,650	**581,981,892**	509,446,650
Asiri Hospital Matara (Private) Limited	Companies under Common Control	**215,899,443**	310,516,360	**215,899,443**	310,516,360
Central Hospital Limited	Companies under Common Control	**711,185,826**	627,680,242	**711,185,826**	627,680,242
Softlogic Retail Pvt Ltd	Companies under Common Control	**573,874,003**	515,269,746	**573,874,003**	515,269,746
Softlogic Communication (Private) Limited	Companies under Common Control	**426,857,507**	369,262,082	**426,857,507**	369,262,082
Softlogic Brands (Private)Limited	Companies under Common Control	**540,713,345**	470,776,044	**540,713,345**	470,776,044
		4,439,940,998	3,898,234,700	**4,439,940,998**	3,898,234,700

13.4 Loans granted to Related Parties Movement

Group/Company	2024 Rs.	2023 Rs.
Balance as at 01 April	**5,707,134,700**	4,022,046,804
Loans Granted	-	2,963,000,000
Loans Settlements	(1,181,187,470)	(2,464,050,883)
Accured Interest	1,722,893,768	1,186,138,779
Balance as at 31 March	**6,248,840,998**	5,707,134,700

13.4.1 The loans receivable balances are expected in the following future time period ; Asiri Group

Group/Company	2024			2023		
	Amount Receivable Within 1 Year Rs.	Amount Receivable after 1 Year Rs.	Total Rs.	Amount Receivable Within 1 Year Rs.	Amount Receivable after 1 Year Rs.	Total Rs.
Asiri Hospital Holdings PLC	764,060,230	1,808,900,000	2,572,960,230	450,000,000	1,830,277,387	2,280,277,387
Asiri Central Hospital Limited	581,981,892	-	581,981,892	440,000,000	69,446,650	509,446,650
Asiri Hospital Matara (Pvt) Ltd	215,899,443	-	215,899,443	150,000,000	160,516,360	310,516,360
Central Hospital Limited	711,185,826	-	711,185,826	500,000,000	127,680,242	627,680,242
	2,273,127,391	1,808,900,000	4,082,027,391	1,540,000,000	2,187,920,640	3,727,920,640

13.4.2 The loans receivable balances are expected in the following future time period ; Softlogic Group

Group/Company	2024			2023		
	Amount Receivable Within 1 Year Rs.	Amount Receivable after 1 Year Rs.	Total Rs.	Amount Receivable Within 1 Year Rs.	Amount Receivable after 1 Year Rs.	Total Rs.
Softlogic Holding PLC	625,368,751	-	625,368,751	300,000,000	323,906,188	623,906,188
Softlogic Retail (Pvt) Ltd	573,874,003	-	573,874,003	-	515,269,746	515,269,746
Softlogic Communication (Pvt) Ltd	426,857,507	-	426,857,507	-	369,262,082	369,262,082
Softlogic Brands (Pvt) Ltd	540,713,345	-	540,713,345	-	470,776,044	470,776,044
	2,166,813,608	-	2,166,813,607	300,000,000	1,679,214,061	1,979,214,061

Loans to related parties is made up of working capital loans which are given to Softlogic Group of Companies as per the agreements made. The interest for the Loans granted to Related Parties were charged based on AWPLR + agreed Margin.

Notes to the Financial Statements

14. OTHER NON CURRENT ASSETS

		GROUP		COMPANY	
	Note	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Security Deposits		**25,982,000**	25,982,000	**25,982,000**	25,982,000
		25,982,000	25,982,000	**25,982,000**	25,982,000

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

15.1 Financial Assets

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Financial Assets at Fair value through OCI				
Non Current Financial Assets	**244,800,000**	241,967,941	**244,800,000**	241,967,941
Financial Assets at Amortised Cost				
Loans Granted to Related Parties	**6,248,840,998**	5,707,134,700	**6,248,840,998**	5,707,134,700
Trade and Other Receivables	**722,879,891**	992,473,417	**723,832,077**	1,000,215,642
Cash in Hand and at Bank	**461,068,591**	269,004,266	**229,353,147**	220,745,238
Carrying value of Financial Assets	**7,677,589,480**	7,210,580,323	**7,446,826,222**	7,170,063,520
Fair Value of Financial Assets	**7,677,589,480**	7,210,580,323	**7,446,826,222**	7,170,063,520

15.2 Financial Liabilities

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Financial Liabilities at Amortised Cost				
Lease Liability	**713,957**	5,333,474	**713,957**	5,333,474
Interest Bearing Loans and Borrowings	**2,742,215,967**	3,551,543,323	**2,724,715,967**	3,474,043,323
Trade and Other Payables	**1,304,094,614**	1,320,823,966	**1,274,155,671**	1,214,045,246
Dividend Payable	**12,874,210**	12,898,831	**12,874,210**	12,898,831
Bank Overdreaft	**523,609,342**	582,300,404	**523,609,342**	582,300,404
Carrying value of Financial Liabilities	**4,583,508,090**	5,472,899,998	**4,536,069,147**	5,288,621,278
Fair Value of Financial Liabilities	**4,583,508,090**	5,472,899,998	**4,536,069,147**	5,288,621,278

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.

16. FAIR VALUE HIERARCHY

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

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

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

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

Group Assets Measured at Fair Value:	Note	31 March 2024 Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Non Current Financial Assets	13.1	**244,800,000**	244,800,000	-	-
Building on Leasehold Land	9.3	**4,189,538,256**	-	-	4,189,538,256

Group	Note	31 March 2023 Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Non Current Financial Assets	13.1	**241,967,941**	241,967,941	-	-
Building on Leasehold Land	9.3	**4,183,850,452**	-	-	4,183,850,452

Company Assets Measured at Fair Value:	Note	31 March 2024 Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Non Current Financial Assets	13.1	**244,800,000**	244,800,000	-	-
Building on Leasehold Land	9.3	**4,029,513,150**	-	-	4,029,513,150
Investment Property	11	**167,800,000**	-	-	167,800,000

Company	Note	31 March 2023 Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Non Current Financial Assets	13.1	**241,967,941**	241,967,941	-	-
Building on Leasehold Land	9.3	**3,927,965,020**	-	-	3,927,965,020
Investment Property	11	**260,012,500**	-	-	260,012,500

17. INVENTORIES

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Finished Goods				
- Chemical and Test Materials	**169,716,545**	30,660,600	**169,716,545**	30,660,600
- Pharmaceuticals and Surgical Inventory	**18,305,518**	221,371,875	**14,224,092**	217,727,462
- Consumables	**24,678,406**	17,093,230	**24,510,797**	16,977,582
	212,700,469	269,125,705	**208,451,434**	265,365,645

During 2023/24,Company was recognized Rs.2,021,280 (2023: Rs.1,234,552,159) as an expense for inventories carried at net realizable value and included in 'cost of sales'. In addition, inventories have been reduced by Rs. 63,216,956.73 (2023: Rs.4,108,219) 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'.

18. TRADE AND OTHER RECEIVABLES

		GROUP		COMPANY	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Trade Debtors		**268,778,666**	146,281,927	**227,017,432**	145,116,926
Less: Impairment	18.3	**(5,268,324)**	(4,517,130)	**(5,268,324)**	(4,517,130)
		263,510,341	141,764,797	**221,749,107**	140,599,796
Trade Debtors - Related Parties	18.2	**459,369,550**	850,708,620	**502,082,970**	859,615,846
		722,879,891	992,473,417	**723,832,077**	1,000,215,642

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

18.2 Trade Debtors - Related Parties

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Ultimate Parent Company				
Softlogic Holdings PLC	**291,600**	281,600	**291,600**	281,600
Parent Company				
Asiri Hospital Holdings PLC	**222,112,875**	448,590,091	**222,112,875**	448,409,098
Subsidiary Company				
Asiri AOI Cancer Centre (Private) Limited	**-**	-	**42,730,471**	9,274,763
Companies Under Common Control				
Asiri Diagnostic Services (Private) Limited	**422,608**	139,530	**422,608**	139,530
Asiri Hospital Galle (Private) Limited	**39,824,630**	55,073,219	**39,824,630**	55,073,219
Asiri Hospital Matara (Private) Limited	**1,227,404**	-	**1,227,404**	-
Central Hospital Limited	**187,507,336**	327,564,622	**187,490,285**	327,378,079
Softlogic Automobiles (Private) Limited	**117,000**	117,000	**117,000**	117,000
Softlogic Communication Services (Private) Limited	**32,000**	32,000	**32,000**	32,000
Softlogic Information Technologies (Private) Limited	**6,500**	6,500	**6,500**	6,500
Softlogic International (Private) Limited	**45,500**	6,500	**45,500**	6,500
Softlogic Life Insurance PLC	**7,782,096**	18,897,558	**7,782,096**	18,897,558
	459,369,550	850,708,620	**502,082,970**	859,615,846

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

18.3 Impairment loss on trade receivables

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance at the Beginning of the Year	**4,517,130**	6,523,809	**4,517,130**	6,523,809
Impairment loss allowance recognized in Profit or Loss During the Year	**751,195**	(2,006,680)	**751,195**	(2,006,680)
Balance at the End of the Year	**5,268,324**	4,517,130	**5,268,324**	4,517,130

Impairment loss on trade receivable include Rs.229,200 recognise as related party Trade debtors.

Notes to the Financial Statements

19. OTHER CURRENT ASSETS

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Advances and Prepayments	**320,328,893**	153,360,786	**310,325,383**	141,108,580
Other Tax Receivables	**50,748,440**	42,853,327	**48,499,743**	42,602,281
	371,077,334	196,214,114	**358,825,126**	183,710,861

20. STATED CAPITAL

As at 31 March	GROUP/COMPANY			
	2024		2023	
	Number	Rs.	Number	Rs.
Fully Paid Ordinary Shares				
At the Beginning of the Year	**528,457,545**	**1,393,327,565**	528,457,545	1,393,327,565
At the End of the Year	**528,457,545**	**1,393,327,565**	528,457,545	1,393,327,565

21. OTHER COMPONENTS OF EQUITY

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Revaluation Reserve	**2,463,002,918**	2,392,209,950	**2,482,980,793**	2,347,639,075
Fair Value Reserve of Financial Assets at FVOCI	**(237,743,562)**	(353,539,661)	**(237,743,562)**	(353,539,661)
	2,225,259,357	2,038,670,289	**2,245,237,232**	1,994,099,414

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

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

22. LEASE LIABILITY

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
At the Beginning of the Year	**5,333,474**	9,433,234	**5,333,474**	9,433,234
Interest Charged	**800,891**	1,320,648	**800,891**	1,320,648
Repayments	**(5,420,408)**	(5,420,408)	**(5,420,408)**	(5,420,408)
At the End of the Year	**713,957**	5,333,474	**713,957**	5,333,474
Repayable within one year	**713,957**	3,712,584	**713,957**	3,712,584
Repayable after one year	**-**	1,620,890	**-**	1,620,890
	713,957	5,333,474	**713,957**	5,333,474

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

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

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

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

23. INTEREST BEARING LOANS AND BORROWINGS

23.1

GROUP	2024 Amount Repayable within 1 Year Rs.	2024 Amount Repayable after 1 Year Rs.	2024 Total Rs.	2023 Amount Repayable within 1 Year Rs.	2023 Amount Repayable after 1 Year Rs.	2023 Total Rs.
Short Term Loans (Note 23.1.1)	**1,306,200,200**	**-**	**1,306,200,200**	1,526,758,923	-	1,526,758,923
Long Term Loans (Note 23.1.1)	**505,259,638**	**930,756,128**	**1,436,015,766**	722,381,036	1,302,403,363	2,024,784,400
	1,811,459,838	**930,756,128**	**2,742,215,966**	2,249,139,960	1,302,403,363	3,551,543,323

Notes to the Financial Statements

23. INTEREST BEARING LOANS AND BORROWINGS (CONTD.)

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

	As at 01.04.2023 Rs.	Acquisition of Subsidiary Rs.	Loans Obtained Rs.	Repayment of Borrowings Rs.	Other Changes Rs.	As at 31.03.2024 Rs.
Short Term Loans	1,526,758,923	-	-	(226,758,923)	6,200,200	**1,306,200,200**
Long Term Loans	2,024,784,399	-	-	(599,785,102)	11,016,470	**1,436,015,766**
- current	722,381,036	-	-	(228,137,867)	11,016,470	**505,259,638**
- non-current	1,302,403,363	-	-	(371,647,235)	-	**930,756,128**
	3,551,543,322	-	-	(826,544,025)	17,216,670	**2,742,215,967**

23.2 COMPANY

COMPANY	2024 Amount Repayable within 1 Year Rs.	2024 Amount Repayable after 1 Year Rs.	2024 Total Rs.	2023 Amount Repayable within 1 Year Rs.	2023 Amount Repayable after 1 Year Rs.	2023 Total Rs.
Short Term Loans (Note 23.2.1)	**1,306,200,200**	**-**	**1,306,200,200**	1,526,758,923	-	1,526,758,923
Long Term Loans (Note 23.2.1)	**487,759,638**	**930,756,128**	**1,418,515,767**	662,381,036	1,284,903,363	1,947,284,400
	1,793,959,838	**930,756,128**	**2,724,715,967**	2,189,139,960	1,284,903,363	3,474,043,323

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

	As at 01.04.2023 Rs.	Loans Obtained Rs.	Repayment of Borrowings Rs.	Other Changes Rs.	As at 31.03.2024 Rs.
Short Term Loans	1,526,758,923	-	(226,758,923)	6,200,200	**1,306,200,200**
Long Term Loans	1,947,284,400	-	(539,785,102)	11,016,470	**1,418,515,767**
- current	662,381,036	-	(185,637,867)	11,016,470	**487,759,638**
- non-current	1,284,903,363	-	(354,147,235)	-	**930,756,128**
	3,474,043,323	-	(766,544,025)	17,216,670	**2,724,715,967**

23.3 Security and Repayment Terms;

Lending Institution	Nature of Facility	Interest rate	Repayment Terms	Security	Security Amount Rs.	Outstanding Balance 2024 Rs.	Outstanding Balance 2023 Rs.
23.3.1 Asiri Surgical Hospital PLC							
Commercial Bank of Ceylon PLC	Term Loan	AWPLR plus margin	95 equal monthly installments of Rs 5,328,000/- each and a final installment of Rs 5,266,000/-.Loan Commences from 2015.	Concurrent Mortgage Bond No 3329/4687 with Hatton National Bank PLC over hospital property at No181, Kirula Road , Narahenpitiya, owned by Asiri Hospital Holdings PLC.	125 Mn	-	21,250,000
	Term Loan	AWPLR plus margin	60 equal monthly installments of Rs 5,833,333/-	Mortgage Bond over Credit/Debit card receivables of the card operations of Asiri Surgical Hospital PLC	350 Mn	274,171,000	344,166,667
Hatton National Bank PLC	Short term Loan	AWPLR	Full amount in each Maturity	-	-	1,300,000,000	1,272,715,920
DFCC Bank PLC	Term Loan	AWPLR plus margin	72 equal monthly installments after a grace period of 12 months from the date of first disbursement.Loan Commences from 2020.	Corporate guarantee of Asiri Hospital Holdings PLC	1,200 Mn	674,528,297	882,075,466
Sampath Bank PLC	Term Loan	AWPLR	59 equal monthly installments of Rs 13,300,000/- each and a final installment of Rs 15,300,000/- after a grace period of 6 months from the date of first disbursement. Loan Commences from 2021.	Assignment over all future debit/credit card and cash receivable of the company for Rs.1,000,000,000/=	-	361,100,000	531,933,843
	Term Loan	AWPLR	59 equal monthly installments of Rs 3,300,000/- each and a final installment of Rs 5,300,000/- after a grace period of 6 months from the date of first disbursement.		-	97,700,000	140,557,907
Nation Trust Bank PLC	Short term Loan	AWPLR plus margin	-	-	-	-	238,200,000
					1675 Mn	2,707,499,296	3,430,899,803
23.3.2 Asiri AOI Cancer Centre (Pvt) Ltd							
Hatton National Bank PLC	Term Loan	AWPLR plus margin	48 equal monthly installments of Rs. 5 Mn commencing after an initial grace period of one year.Loan Commences from 2018.	Corporate Guarantee of Asiri Surgical Hospital PLC	300 Mn	17,500,000	77,500,000
					1975 Mn	2,724,999,296	3,508,399,803

Notes to the Financial Statements

24. EMPLOYEE BENEFIT LIABILITY

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
At the Beginning of the Year	**120,396,320**	147,442,314	**117,704,548**	145,001,634
Acqusition of Subsidiary	**-**	-	**-**	-
Transfers Out	**(1,974,162)**	(62,991)	**(2,031,649)**	(62,991)
Interest Cost	**27,718,072**	20,641,924	**27,072,046**	20,300,229
Current Service Cost	**14,898,878**	15,427,637	**14,111,006**	14,683,131
Past Service Cost				
Actuarial Loss	**11,497,520**	(37,262,108)	**11,324,481**	(36,494,423)
Benefit Paid	**(12,518,160)**	(25,790,456)	**(12,518,160)**	(25,723,031)
At the End of the Year	**160,018,467**	120,396,321	**155,662,273**	117,704,548

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:

	GROUP	COMPANY
	2024	2023
Discount Rate	**12% p.a**	23% p.a
Salary Increase Rate	**8% p.a**	15% p.a

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

24.2 Sensitivity to Assumptions used

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

	GROUP		COMPANY	
Discount Rate	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Increase by one percentage point	**(4,846,728)**	23,003,609	**(4,744,762)**	23,279,107
Decrease by one percentage point	**5,198,766**	31,427,087	**5,090,146**	31,578,824

	GROUP		COMPANY	
Salary Increase Rate	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Increase by one percentage point	**6,098,690**	32,124,574	**5,966,229**	32,264,620
Decrease by one percentage point	**(5,774,241)**	22,272,458	**(5,647,735)**	22,560,231

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

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Within the next 12 months	**42,340,265**	35,649,398	**40,488,751**	34,182,835
Between 1 to 2 years	**52,200,171**	41,920,416	**51,017,858**	41,100,659
Between 3 to 5 years	**33,217,016**	29,323,915	**32,562,547**	29,007,198
Between 6 to 10 years	**25,805,976**	11,629,109	**25,188,054**	11,542,175
Beyond 10 years	**6,455,040**	1,873,483	**6,405,063**	1,871,682
	160,018,468	120,396,321	**155,662,273**	117,704,549

The Company average duration of the defined benefit plan obligation at the end of the reporting period is 4 years (2023 - 2.8 years).

25. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Trade Payables	**697,587,258**	645,383,442	**664,664,655**	534,959,705
Trade Payable - Related Party (Note 25.1)	**158,559,250**	324,312,230	**204,766,785**	367,766,105
Sundry Creditors including Accrued Expenses	**447,948,106**	351,128,294	**404,724,231**	311,319,436
Contract Liability	**11,952,515**	9,876,978	**-**	-
	1,316,047,129	1,330,700,944	**1,274,155,671**	1,214,045,246

Notes to the Financial Statements

25.1 Trade Payable - Related Party

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Ultimate Parent Company				
Softlogic Holdings PLC	-	-	-	-
Parent Company				
Asiri Hospital Holdings PLC	117,682,603	226,047,544	115,564,363	225,850,463
Subsidiary Company				
Asiri AOI Cancer Centre (Private) Limited	-	-	55,498,192	44,479,920
Companies Under Common Control				
Central Hospital Limited	12,741,228	42,654,441	12,613,457	42,654,441
Asiri Hospital Matara (Private) Limited	2,590,128	1,576,700	2,590,128	1,576,700
Asiri Hospital Galle (Private) Limited	1,604,313	16,128,957	1,604,313	16,128,957
Softlogic BPO Services (Private) Limited	582,096	3,052,520	-	2,342,453
The Central Hospital Limited	55,209	-	55,209	-
Softlogic Computers (Private) Limited	6,458,840	10,043,562	134,984	10,043,562
Softlogic Corporate Services (Private) Limited	133,339	421,071	-	308,371
Softlogic Information Technologies (Private) Limited	-	4,292,683	-	4,292,683
Softlogic Retail (Private) Limited	3,733	519,189	-	515,456
Softlogic Supermarkets (Private) Limited	-	136,050	-	136,050
Softlogic Life Insurance PLC	11,983,392	2,944,768	11,983,392	2,944,768
Softlogic Pharmaceuticals (Private) Limited.	4,201,181	16,207,147	4,201,181	16,207,147
Softlogic Rewards (Private) Limited	523,188	287,598	521,565	285,134
	158,559,250	324,312,230	204,766,785	367,766,105

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

26 LOAN DUE TO RELATED PARTY

	2024 Rs.	2023 Rs.
Balance as at 01 April	**330,916,008**	-
Loans Obtained	**-**	321,200,000
Loans Settlement	**(61,296,628)**	(43,871,172)
Accured Interest	**52,709,465**	53,587,180
Balance as at 31 March	**322,328,844**	330,916,008

Loan received from Asiri AOI Cancer Centre (Private) Limited & Interest is charged at AWPLR + agreed Margin.

27 INCOME TAX PAYABLE

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance as at 01 April	**238,335,831**	116,952,138	**238,335,831**	116,952,138
Previuos year under provision	**-**	-	**-**	-
Current year provision	**391,173,258**	283,393,112	**350,500,409**	283,393,112
Self assessment payment	**(200,985,107)**	(322,009,419)	**(200,985,107)**	(322,009,419)
Adjustments	**130,484,092**	160,000,000	**130,735,138**	160,000,000
Balance as at 31 March	**559,008,074**	238,335,831	**518,586,271**	238,335,831

Notes to the Financial Statements

28. CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT

Components of Cash and Cash Equivalents

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
28.1 Favourable Cash and Cash Equivalents Balance				
Cash and Bank Balances	**461,068,591**	269,004,266	**229,353,147**	220,745,238
	461,068,591	269,004,266	**229,353,147**	220,745,238
28.2 Unfavourable Cash and Cash Equivalents Balance				
Bank Overdraft	**(523,609,342)**	(582,300,404)	**(523,609,342)**	(582,300,404)
Total Cash and Cash Equivalents for the Purposes of the Cash Flow Statement	**(62,540,752)**	(313,296,138)	**(294,256,196)**	(361,555,166)

29. COMMITMENTS AND CONTINGENCIES

29.1 Capital Expenditure and Other Commitments

The Company does not have significant capital and other commitments as at 31 March 2024 (2023 - Nil)

29.2 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. (2023 - Rs. 13.2 Mn)

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

b. Guarantees

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

	GROUP		COMPANY	
	2024 Rs. Mn	2023 Rs. Mn	2024 Rs. Mn	2023 Rs. Mn
Sampath Bank PLC	**463**	463	**463**	463
Hatton National Bank PLC	**480**	258	**480**	258
Commercial Bank of Ceylon PLC	**-**	550	**-**	550
National Development Bank	**225**	225	**225**	225
	1,168	1,496	**1,168**	1,496

Loan outstanding balances relating to above corporate guarantees are Sampath 100 Mn, HNB 197.5 Mn and NDB 24.58 Mn as at 31 March

29.3 Contingent Income Taxes

A dispute has arisen with the Department of Inland Revenue with regard to the applicability of the income tax exemption for the years of assessment 2005/06 to 2014/15, in terms of the agreement entered between Asiri Surgical Hospital PLC and the Board of Investment of Sri Lanka (BOI) in 2000. With respect to the same we have received written notifications from the Tax Appeals Commission so far for the years of assessments 2007/08, 2010/11, 2011/12 and 2012/13 and the Tax payable on the same is Rs 640 Mn including penalty of which Rs. 280 Mn was provided at 31st March 2024. We are in the process on initiating Legal action against these assessments in the Court of Appeal.

We also have a case in the Court of Appeal in CA (Writ) 386/ 2016 preventing the recoverability of tax for the same mater and this will be coming up for argument in December 2024 Since there is a litigation, in accordance with Paragraph 92 of LKAS 37, we are unable to provide further information on this and associated risks, in order not to impair the outcome and/or prejudice the Company's position in this matter

Other than above, there are no significant changes in the nature of the contingent liabilities and contingent assets which were disclosed in the Annual Report for the year ended 31 March 2024.

30. 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.

31. RELATED PARTY DISCLOSURES

31.1 Transactions with Related Parties

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

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Ultimate Parent Company - Softlogic Holdings PLC				
Loans Granted	-	735,000,000	-	735,000,000
Interest Income	52,462,563	316,757,467	52,462,563	316,757,467
Sale/(Purchase) of Goods/ Services including Staff Related Items	(72,922,500)	(469,401)	(72,922,500)	(469,401)
Repayment of Loans Granted and Fund Transfers	(37,303,594)	(1,731,741,540)	(37,303,594)	(1,731,741,540)
Immediate Parent Company - Asiri Hospital Holdings PLC				
Loans Granted	-	121,000,000	-	121,000,000
Interest Income	296,182,843	471,377,388	296,182,843	471,377,388
Purchase of Goods/ Services including Staff Related Items	38,140,360	(93,646,213)	40,049,200	(93,222,807)
Repayment of Loans Granted and Fund Transfers	(100,500,000)	(262,653,186)	(90,500,000)	(262,653,186)
Channeling Fee Collected by Related Party/ (Company on behalf of the Related Party)	106,068,002	68,874,811	106,068,002	68,874,811
Expenses Incurred by the Company on behalf of Related Party/ (Related Party on behalf of the Group/Company)	(134,781,694)	(36,117,513)	(134,781,694)	(36,117,513)
Subsidiary - Asiri AOI Cancer Centre (Private) Limited				
Interest Expense	-	-	(52,080,621)	(53,587,180)
Sale/(Purchase) of Goods/ Services including Staff Related Items	-	-	8,275,241	12,857,955
Repayment of Temporary Finance Obtained and Fund Transfers	-	-	(13,346,121)	(43,871,172)
Channeling Fee Collected by Related Party/ (Company on behalf of the Related Party)	-	-	(11,539,607)	(1,657,000)
Expenses Incurred by the Company on behalf of Related Party/ (Related Party on behalf of the Company)	-	-	100,053,148	(48,707,627)

Notes to the Financial Statements

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Companies under Common Control				
Loans Granted	**-**	2,434,700,000	**-**	2,113,000,000
Interest Income	**401,550,035**	451,591,104	**401,550,035**	398,003,924
Sale/(Purchase) of Goods/ Services including Staff Related Items	**(364,632,608)**	(257,712,345)	**(266,792,371)**	(167,635,220)
Repayment of Loans Granted and Fund Transfers	**(511,376,381)**	(464,636,929)	**(511,376,381)**	(464,636,929)
Channeling Fee Collected by Related Party/ (Company on behalf of the Related Party)	**9,348,747**	4,300,868	**9,348,747**	2,643,868
Expenses Incurred by the Company on behalf of Related Party/ (Related Party on behalf of the Company)	**(17,481,452)**	234,204,904	**(17,481,452)**	234,204,904

31.1.1 Non-recurrent related party transactions

There were no any non-recurrent related party transactions which aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Company as per 31 March 2024 audited financial statements, which required additional disclosures in the 2020/21 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Security Exchange Commission Directive issued under Section 13 (c)of the Securities and Exchange Commission of Sri Lanka Act.

31.1.2 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 2024 audited financial Statements, which required additional disclosures in the 2023/24 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.

31.2 Off Balance Sheet Items

a. Guarantees made on behalf of Asiri Hospital Holdings PLC, has been given in Note 29.2.(b) to these Financial Statements.

b. Asiri Hospital Holdings PLC has granted Corporate Guarantees to DFCC Bank, Commercial Bank, Sampath Bank PLC and Hatton National Bank PLC to secure the banking facilities obtained by the Company, for the value of Rs. 1.2 Bn, Rs. 180Mn, Rs. 100Mn and Rs. 1.3 Bn respectively.

31.3 Transactions with Key Management Personnel of the Company

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

31.3.1 Key Management Personnel Compensation

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Short Term Employment Benefits	**3,125,000**	5,375,000	**3,125,000**	5,375,000
Total Compensation paid to Key Management Personnel	**3,125,000**	5,375,000	**3,125,000**	5,375,000

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

32.1 Credit Risk

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

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

The following table shows the maximum risk positions;

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Loans Granted to Related Parties	**6,248,840,998**	5,707,134,700	**6,248,840,998**	5,707,134,700
Trade and Other Receivables (Note 18)	**722,879,891**	992,473,417	**723,832,077**	1,000,215,642
Cash In Hand and at Bank (Note 28)	**461,068,591**	269,004,266	**229,353,147**	220,745,238
	7,432,789,481	6,968,612,382	**7,202,026,222**	6,928,095,580

Notes to the Financial Statements

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd..)

32.1.1 Trade and Other Receivables

GROUP	Total	Neither past due nor Impaired	Past due but not Impaired					Past due Impaired
			31-60 Days	61-90 Days	91-180 Days	181-365 Days	Over 365 Days	Over 365 Days
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
2024								
Gross Trade Receivables	728,148,215	212,184,654	113,593,900	1,597,665	70,214,517	70,614,568	254,674,588	5,268,324
Less: Impairment	(5,268,324)	-	-	-	-	-	-	(5,268,324)
	722,879,891	212,184,654	113,593,900	1,597,665	70,214,517	70,614,568	254,674,588	-
2023								
Gross Trade Receivables	1,001,246,081	177,289,942	294,647,479	92,180,527	30,967,880	222,461,954	179,181,168	4,517,130
Less: Impairment	(4,517,130)	-	-	-	-	-	-	(4,517,130)
	996,728,951	177,289,942	294,647,479	92,180,527	30,967,880	222,461,954	179,181,168	-

COMPANY	Total	Neither past due nor Impaired	Past due but not Impaired					Past due Impaired
			31-60 Days	61-90 Days	91-180 Days	181-365 Days	Over 365 Days	Over 365 Days
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
2024								
Gross Trade Receivables	729,100,401	212,184,654	113,593,900	1,597,665	70,214,517	70,614,568	255,626,775	5,268,324
Less: Impairment	(5,268,324)	-	-	-	-	-	-	(5,268,324)
	723,832,077	212,184,654	113,593,900	1,597,665	70,214,517	70,614,568	255,626,775	-
2023								
Gross Trade Receivables	999,713,545	177,289,942	294,647,479	92,180,527	30,937,343	222,461,954	177,679,169	4,517,130
Less: Impairment	(4,517,130)	-	-	-	-	-	-	(4,517,130)
	995,196,415	177,289,942	294,647,479	92,180,527	30,937,343	222,461,954	177,679,169	-

32.1.2 Cash In Hand and at Bank

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

32.2 Market Risk

32.2.1 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 favorable 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 Group's/Company's profit before tax.

	GROUP		COMPANY	
	2024	2023	2024	2023
Interest Rate	Rs.	Rs.	Rs.	Rs.
Increase by 1%	**29,830,157**	15,732,910	**30,005,157**	16,507,910
Decrease by 1%	**(29,830,157)**	(15,732,910)	**(30,005,157)**	(16,507,910)

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

32.2.2 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.

32.2.3 Equity Price Risk

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

Other Non Current Financial Assets	Note	COMPANY	
		2024	2023
Financial Assets at Fair value through OCI	13.1	**244,800,000**	241,967,941
		244,800,000	241,967,941

Sensitivity Analysis

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

Notes to the Financial Statements

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

	COMPANY		
	Change in Equity Price	Effect on Fair Value Reserve of Financial Assets at FVOCI	Effect on Equity
	%	Rs.	Rs.
2024			
Quoted equity investments listed on the Colombo Stock Exchange	+10	24,480,000	24,480,000
	-10	(24,480,000)	(24,480,000)
2023			
Quoted equity investments listed on the Colombo Stock Exchange	+10	24,196,794	24,196,794
	-10	(24,196,794)	(24,196,794)

32.3 Liquidity Risk

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

The table below summarises the maturity profile of the Group's financial liabilities at 31 March 2024 based on contractual undiscounted payments.

	0-6 Months	6-12 Months	1-5 years	>5 years	Total
	Rs.	Rs.	Rs.	Rs.	
2024					
Interest Bearing loans and borrowings	**1,568,157,740**	**233,441,071**	**940,617,156**	**-**	**2,742,215,967**
Trade and other payables	**686,002,777**	**187,681,476**	**-**	**-**	**873,684,253**
Lease Liability	**-**	**713,957**	**-**	**-**	**713,957**
Corporate Guarantees Granted on loans obtained by Parent Company	**24,579,099**	**280,000,000**	**-**	**-**	**304,579,099**

	0-6 Months	6-12 Months	1-5 years	>5 years	Total
	Rs.	Rs.	Rs.	Rs.	
2023					
Interest Bearing loans and borrowings	1,887,949,441	361,190,518	1,302,403,363	-	3,551,543,322
Trade and other payables	1,088,403,381	299,546,088	-	-	1,387,949,469
Lease Liability	-	5,033,236	1,696,668	-	6,729,904
Corporate Guarantees Granted on loans obtained by Parent Company	-	280,000,000	167,456,000	-	447,456,000

The table below summarises the maturity profile of the Company's financial liabilities at 31 March 2024 based on contractual undiscounted payments.

	0-6 Months Rs.	6-12 Months Rs.	1-5 years Rs.	>5 years Rs.	Total
2024					
Interest Bearing loans and borrowings	**1,550,657,740**	**555,769,915**	**940,617,156**	**-**	**3,047,044,811**
Trade and other payables	**648,961,462**	**182,831,333**	**-**	**-**	**831,792,795**
Lease Liability	**-**	**713,957**	**-**	**-**	**713,957**
Corporate Guarantees Granted on loans obtained by Parent Company	**24,579,099**	**280,000,000**	**-**	**-**	**304,579,099**

The table below summarises the maturity profile of the Company's financial liabilities at 31 March 2023 based on contractual undiscounted payments.

	0-6 Months Rs.	6-12 Months Rs.	1-5 years Rs.	>5 years Rs.	Total
2023					
Interest Bearing loans and borrowings	1,857,949,441	331,190,518	1,284,903,363	-	3,474,043,322
Trade and other payables	1,040,823,817	230,469,955	-	-	1,271,293,773
Lease Liability	-	5,033,236	1,696,668	-	6,729,904
Corporate Guarantees Granted on loans obtained by Parent Company	-	280,000,000	167,456,000	-	447,456,000

Notes to the Financial Statements

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

32.4 Capital management

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

The Group 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 2024.

The Group 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 Group includes, interest bearing loans and borrowings, lease liability and bank overdraft less cash and cash equivalents.

	GROUP		COMPANY	
As at 31 March	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Net Debt	**2,805,470,675**	3,870,172,935	**3,019,686,119**	3,840,931,963
Net Equity	**6,814,898,227**	5,981,557,477	**6,547,929,350**	5,825,368,147
Capital and Total Net Debt	**9,620,368,901**	9,851,730,411	**9,567,615,468**	9,666,300,109
Gearing Ratio (X)	**0.29**	0.39	**0.32**	0.40

SUPPLEMENTARY INFORMATION

Shareholder Information

GENERAL

Stated Capital as at 31 March 2024 was Rs.1,393,327,565/= and Total Number of Shares were 528,457,545

STOCK EXCHANGE LISTING

PUBLIC SHAREHOLDING

	2023/2024	2022/2023
The percentage of Ordinary Shares held by the public	**20.40%**	20.40%
Total number of share holders representing the public holding	**3,562**	3,506
Float Adjusted Market Capitalisation	**1,228,473,547**	1,323,786,150

The company has over 20% public shareholding and over 500 public shareholders meeting the minimum thresholds for compliance on minimum public holding under the option “5” of Section 7.13.1 (a) of continuing listing requirements.

DISTRIBUTION OF SHAREHOLDERS

Number of Shares held	31 March 2024			31 March 2023		
	Number of shareholders	Holding	Holding %	Number of shareholders	Holding	Holding %
1 - 1,000	**2,159**	**538,755**	**0.10%**	2115	521,460	0.10%
1,001 - 10,000	**841**	**3,323,807**	**0.63%**	848	3,421,774	0.65%
10,0001 - 100,000	**461**	**13,811,306**	**2.61%**	446	13,592,770	2.57%
100,001 - 1,000,000	**94**	**25,083,998**	**4.75%**	91	25,268,272	4.78%
Over 1,000,000	**10**	**485,699,679**	**91.91%**	10	485,653,269	91.90%
Total	**3,565**	**528,457,545**	**100%**	3,510	528,457,545	100.00%

Analysis of Shareholders	31 March 2024			31 March 2023		
	Number of shareholders	No.of Shares	%	Number of shareholders	No.of Shares	%
Individual	**3,479**	**97,941,789**	**18.53%**	3,428	97,884,636	18.52%
Institutional	**86**	**430,515,756**	**81.47%**	82	430,572,909	81.48%
Total	**3,565**	**528,457,545**	**100.00%**	3510	528,457,545	100.00%
Resident	**3,544**	**527,960,076**	**99.91%**	3,491	528,269,325	99.96%
Non-resident	**21**	**497,469**	**0.09%**	19	188,220	0.04%
Total	**3,565**	**528,457,545**	**100.00%**	3,510	528,457,545	100.00%

INVESTOR INFORMATION

No	Name	Shares	%
1	ASIRI HOSPITAL HOLDINGS PLC	422,555,413	79.96
2	MR. DON KULARATNE SUBASINGHE	39,014,793	7.38
3	MR. PUJITHA PUNSIRI SUBASINGHE	8,162,598	1.54
4	EMPLOYEES TRUST FUND BOARD	4,418,750	0.84
5	MR. DIYUNUGE MAHINDA RAJAPAKSA	3,057,330	0.58
6	MR. MAHAWATHAGE DON NEWTON JAYARATNE	2,328,713	0.44
7	MR. MAHENDRA RAJA WEERASINGHE	2,000,000	0.38
8	MR. DIYUNUGE MAHINDA RAJAPAKSA	1,480,303	0.28
9	MR. UDITHA HARILAL PALIHAKKARA	1,348,446	0.26
10	MRS. CHANDANI VISHAKA ARIYARATNE	1,333,333	0.25
11	MR. CHAMINDA DILANTHA WEERASINGHE (DECEASED)	833,333	0.16
12	DR. HIMALI RANGIKA JAYASEKERA	818,988	0.15
13	MR. MOHAMED FAIZER HASHIM	762,239	0.14
14	MRS. SITHY JAZEEMA BADURDEEN	749,999	0.14
15	DR. WELAGEDARA MUDIYANSELAGE SWARNAMALI WELAGEDARA	749,999	0.14
16	MR. NAGEN DAYARANJAN KURUKULASURIYA	730,361	0.14
17	MR. GODAUDA PATHIRANAGE KAPILASENA	722,499	0.14
18	DR. KALUTARA KORALALAGE DON GAMINI JAYAWEERA	708,778	0.13
19	MR. DEVAPRIYA SENEVIRATHNA EPITAWATTA (DECEASED)	666,666	0.13
20	MISS NELANI ERANGI RAJAPAKSA	535,230	0.10
	OTHER	35,479,774	6.71
	TOTAL	528,457,545	100.00

SHARE TRADING INFORMATION

01 st of April to 31st March	2023/2024	2022/2023
Highest (Rs)	14.7	13.6
Lowest (Rs)	10.5	12.2
As at 31st March	11.6	12.5
No. of Traders	3,493	699
No.of Share Traded	3,776,414	416,807
Value of Share Traded (Rs)	45,613,231	5,268,930
Market Capitalizatiion	6,130,107,522	6,605,719,313
Earning Per Share	1.41	1.21
Net Asset Per share	12.40	11.30

Five Year Summary

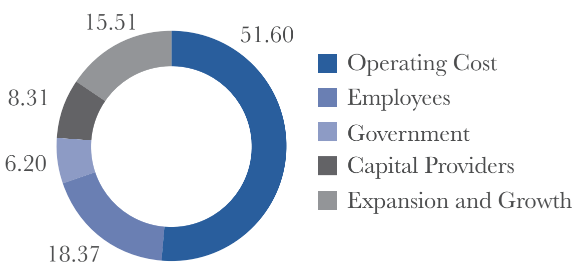
Year ended 31 March	GROUP			COMPANY	
	2024	2023	2022	2021	2020
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Income Statements					
Revenue	6,619,745	5,634,695	5,837,833	4,229,712	3,654,663
Cost of Services	(3,949,848)	(3,405,380)	(3,378,050)	(2,661,454)	(2,265,592)
Gross Profit	2,669,897	2,229,314	2,459,783	1,568,258	1,389,071
Other Income and Gains	50,990	45,171	42,302	34,612	83,093
Administration and Distribution Expenses	(1,612,679)	(1,274,357)	(1,041,969)	(893,142)	(929,858)
Finance Cost	(618,680)	(961,982)	(248,814)	(253,513)	(151,700)
Finance Income	772,060	1,223,249	258,611	252,549	216,398
Share of Profit/(Loss) of Associate	-	-	-	-	897
Profit before Tax	1,261,587	1,261,397	1,469,914	708,765	607,901
Income Tax (Expense)/ Reversal	(515,280)	(621,368)	(223,597)	150,902	(174,790)
Net Profit for the year	746,307	640,029	1,246,317	859,667	433,111
Balance Sheet					
Property Plant & Equipment	5,359,440	5,526,052	4,639,355	4,052,347	3,565,875
Investment Property		0	0	0	215,000
Non current Financial Assets	244,800	241,968	282,029	280,407	347,039
Investment In Joint Venture		0	0	0	33,800
Inventories	212,700	269,126	303,517	203,651	135,370
Receivables	7,390,712	6,944,040	5,085,724	3,832,260	3,410,179
Cash and Bank balance	461,069	269,004	315,653	275,026	160,713
Total Assets	13,668,721	13,250,190	10,626,278	8,643,691	7,867,976
Stated Capital	1,393,328	1,393,328	1,393,328	1,393,328	1,393,328
Reserve	2,225,259	2,038,670	1,784,253	1,312,687	1,138,964
Accumulated Profits	3,196,311	2,549,568	1,968,626	1,888,327	1,524,313
Shareholders' Funds	6,814,898	5,981,565	5,146,206	4,594,341	4,056,605
Non-Controlling Interests	310,700	219,297	134,118	72,736	
Total Equity	7,125,598	6,200,862	5,280,325	4,667,077	
Non-Interest Bearing Long Term Liabilities	714	3,713	5,721	9,433	12,690
Interest Bearing Long Term Liabilities	930,756	1,302,403	1,539,586	2,063,327	1,311,143
Deferred Tax Liability	1,228,636	1,143,790	405,517	315,655	618,569
Deferred Retirements Obligations	160,018	120,396	147,442	148,312	131,931
Trade Creditors	1,316,047	1,387,949	755,381	704,503	450,772
Other Payables	571,882	258,015	598,806	55,885	200,629
Non-Interest Bearing Loans and Borrowings	-	1,621	3,713	3,257	2,857
Interest Bearing Short Term Borrowings	2,335,069	2,831,440	1,889,788	676,243	1,082,781
Total Equity & Liabilities	13,668,721	13,250,190	10,626,278	8,643,691	7,867,976
Cash Flow					
Net Cash Flow from operating activities	245,836	573,948	1,123,870	638,062	294,298
Net Cash Flow used in Investing activities	836,908	(805,683)	(1,126,515)	(160,553)	(1,702,059)
PBIT/Turnover	17%	18%	29%	23%	21%
GP Margin	40%	40%	42%	37%	38%
Debts to Equity	0.48	0.69	0.67	0.60	0.59
Quick Asset ratio	1.22	1.20	1.11	1.74	1.24

Economic Value Added Statement

As at 31 March	2023/24 Rs.'000	2022/23 Rs.'000
Direct economic value generated		
Revenue	**6,619,745**	5,634,695
Other Income	**50,990**	45,171
Finance Income	**772,060**	1,223,249
	7,442,795	6,903,116

	GROUP			
As at 31 March	2023/24		2022/23	
	Rs.'000	%	Rs.'000	%
Economic Value Distributed				
Operating Cost	**3,840,817**	**51.60**	3,185,258	46.14
Employees				
Employee Wages & Benefits	**1,367,501**	**18.37**	1,208,983	17.51
Government				
All Taxes	**461,753**	**6.20**	564,120	8.17
Capital Providers				
Finance Cost	**618,680**	**8.31**	961,982	13.94
Expansion and Growth				
Depreciation	**407,737**	**5.48**	342,745	4.97
Retained Profit	**746,307**	**10.03**	640,029	9.27
	7,442,795	**100.00**	6,903,116	100.00

ECONOMIC VALUE ADDED (LKR '000)



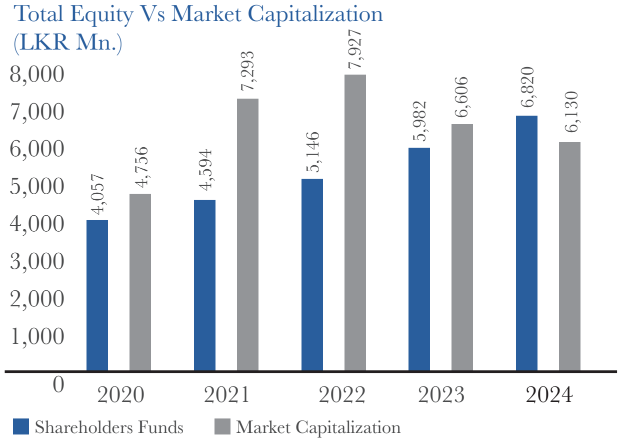
The creation of wealth is the main purpose of existence of any commercial organisation.

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.

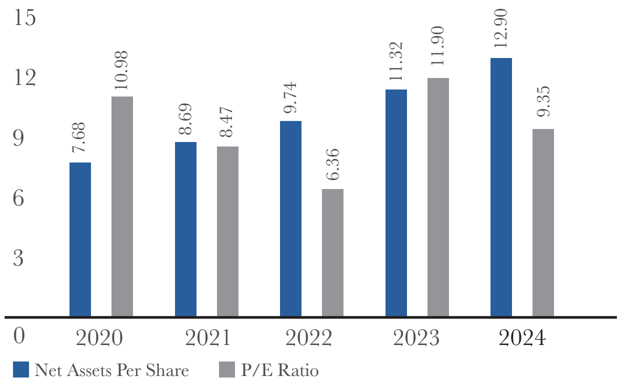
Through its operations during the financial year 2023/24, the company created a total wealth of Rs. 7.4 billions, which was a 8% growth compared to previous year.

Graphical Review

Total Equity Vs Market Capitalization
(LKR Mn.)

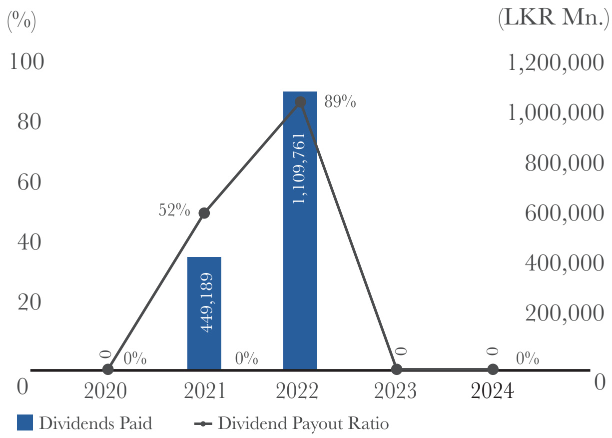


Share Value
(LKR)

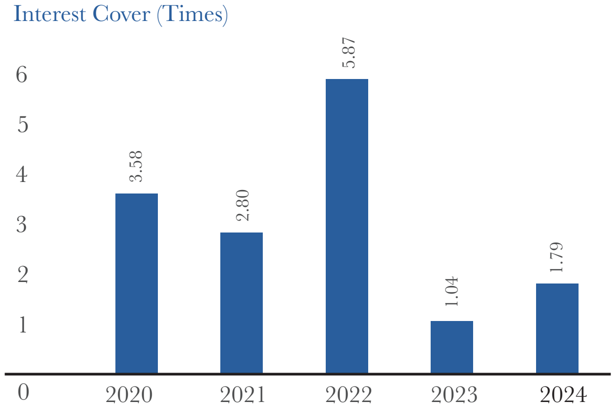


SHARE PRICE
(LKR)

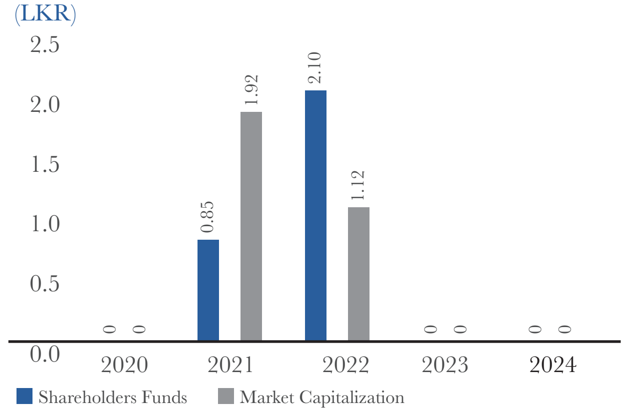
DIVIDENDS PAID & DIVIDEND PAYOUT RATIO



Interest Cover (Times)



Dividends
(LKR)



Notice of Meeting

NOTICE IS HEREBY GIVEN that the 24th ANNUAL GENERAL MEETING of ASIRI SURGICAL HOSPITAL PLC will be held on Monday, the 30th September 2024 at 11.00 am at Auditorium of Central Hospital Limited (4th Floor), No.114,Norris Canal Road, Colombo 10 for the following purposes:

1. Ordinary Business

1.1 To receive and consider the Annual Report of the Board of Directors and Financial Statements of the Company and of the Group for the year ended 31st March 2024 together with the Report of the Auditors thereon.

1.2 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.

1.3 To elect Mr. H K Kaimal who retires by rotation in terms of Article 24(2) of the Articles of Association, as a Director of the Company

1.4 To re-appoint Messrs. Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

1.5 To authorise the Directors to determine and make donations for the year ending 31st March 2025 and up to the date of the next Annual General Meeting.

2. Special Business

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

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

"24(I) Unless otherwise determined by ordinary resolution of the Company, the number of Directors of the Company shall not be less than Five (5) and not more than Twelve (12)".

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

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

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

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

Notice of Meeting

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

(a) upon the return to Sri Lanka of the Director in whose place he was appointed as an alternate if the appointment was for the purpose of acting as a Director during the appointor's absence abroad;

(b) if the Director in whose place he was appointed an alternate ceases for any reason to be a director, provided that if any Director retires by rotation but is re elected at the meeting at which such retirement took effect, any appointment made by him pursuant to this article which was in force immediately prior to his retirement shall continue to operate after his re election as if he had not so retired;

(c) if the alternate director shall have a receiving order made against him or compounds with his creditors or is adjudicated an insolvent;

(d) if the alternate director be lunatic or becomes of unsound mind;

(e) if the appointment of the alternate director is revoked by his appointor by a notice in writing left at the office;

(f) if the Board resolve that the appointment of the alternate director be terminated; provided that such termination shall not take effect until the expiration of thirty (30) days after the date of the resolution of the Board;

(g) is disqualified by the Act or any other statute;

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

By Order of the Board,
ASIRI SURGICAL HOSPITAL PLC

Sgd.
SOFTLOGIC CORPORATE SERVICES (PVT) LTD.
Company Secretaries

5th September 2024
Colombo

Notes

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

Form of Proxy

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

Mr. A.K.Pathirage whom failing
Dr.K.M.P Karunaratne whom failing
Mr. H K Kaimal whom failing

as *my/our Proxy to represent *me/us and to speak and vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held on Monday the 30th September 2024 at 11.00 am at the Auditorium of Central Hospital Limited and at any adjournment thereof, and at every poll which may be taken in consequence thereof for the following purposes:

1. Ordinary Business

		For	Against
1.1	To receive and consider the Annual Report of the Board of Directors and Financial Statements of the Company and of the Group for the year ended 31st March 2024 together with the Report of the Auditors thereon.		
1.2	To re-elect Dr. K.M.P Karunaratne who retires in terms of Article 24(6) of the Articles of Association, as a Director of the Company.		
1.3	To elect Mr. H K Kaimal who retires in terms of Article 24(2) of the Articles of Association, as a Director of the Company		
1.4	To re-appoint Messrs. Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
1.5	To authorise the Directors to determine and make donations for the year ending 31st March 2025 and up to the date of the next Annual General Meeting.		

2. Special Business

		For	Against
2.1	To consider and if thought it to pass the Special Resolution set out under item 2.1 of the Notice of Meeting for the amendments to the Article of Association.		
2.2	To considerTo consider and if thought it to pass the Special Resolution set out under item 2.2 of the Notice of Meeting for the amendments to the Article of Association.		

Signed this ………………………………………………………………… day of ……………………………………………… Two Thousand and Twenty Four.

……………………………
*Signature/s

Note:

(1) *Please delete the inappropriate words.

(2) A proxy need not be a shareholder of the Company.

(3) Instructions as to completion are noted on the reverse hereof.

Form of Proxy

INSTRUCTIONS AS TO COMPLETION

1. The full name, National Identity Card number and the registered address of the shareholder appointing the Proxy and the relevant details of the Proxy should be legibly entered in the Form of Proxy which should be duly signed and dated.

2. The completed Proxy should be forwarded to the Company for deposit at the Registered Office through the Company Secretaries, Softlogic Corporate Services (Pvt) Ltd, No.14, De Fonseka Place, Colombo 05, marked **"Asiri Surgical Hospital PLC – 24th Annual General Meeting"** or email corporateservices@softlogic.lk not later than 48 hours before the time appointed for the Meeting.

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

3. The Proxy shall –

   (a) In the case of an individual be signed by the shareholder or by his attorney, and if signed by an attorney, a notarially certified copy of the Power of Attorney should be attached to the completed Proxy if it has not already been registered with the Company.

   (b) In the case of a Company or Corporate / statutory body either be under its Common Seal or signed by its Attorney or by an Officer on behalf of the Company or Corporate / statutory body in accordance with its Articles of Association or the Constitution or the Statute. (as applicable)

4. Please indicate with a 'X' how the Proxy should vote on each resolution. If no indication is given, the Proxy in his discretion will vote as he thinks fit.

Corporate Information

NAME OF THE COMPANY
Asiri Surgical Hospital PLC

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

LEGAL FORM
A Quoted Public Company incorporated in Sri Lanka, under the Companies Act No. 17 of 1982 with limited liability.
The Company has re-registered under the Companies Act No. 07 of 2007. An undertaking approved by the Board of Investment of Sri Lanka (BOI) under the Board of Investment of Sri Lanka Law No. 4 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
2nd March 2000

DIRECTORS
Mr. A.K. Pathirage - Chairman/Managing Director
Dr. Manjula Karunaratne - Group Chief Executive Officer
Mr. G.L.H. Premaratne
Mr. H. K. Kaimal (Appointed w.e.f. 18/06/2024)

AUDITORS
Messrs Ernst & Young (Chartered Accountants) Rotunda Towers, No. 109, Galle Road, Colombo 03.

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

STOCK CODE
AMSL.N0000

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

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

AUDIT COMMITTEE
Chairman
Mr. Sudarshan Ahangama
Independent Non -executive Director, Asiri Hospital Holdings PLC

COMMITTEE MEMBERS
Mr. G L H Premaratne
Independent Non-executive Director

Mr. H K Kaimal
Non-Independent Non -executive Director, Asiri Surgical Hospital PLC

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. Sudarshan Ahangama
Independent Non -executive Director, Asiri Hospital Holdings PLC

COMMITTEE MEMBERS
Mr. G L H Premaratne
Independent Non-executive Director

Mr. H K Kaimal
Non-Independent Non -executive Director, Asiri Surgical Hospital PLC

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.

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