



ASIRI HOSPITAL HOLDINGS PLC
Annual Report 2022/23



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<https://asirihealth.com/>

ABOUT US

Asiri Health (Asiri Hospital Holdings PLC) continues to be Sri Lanka's largest private healthcare provider. Established in 1986, the Asiri Health Group now boasts of seven hospitals in three provinces, and the country's largest private laboratory service – Asiri Laboratories, which offers the widest range of tests, and encompasses 01 Main Lab, 6 hospital labs, 17 Satellite Labs and 80 collection Centers (As at 31st March 2023).

Asiri Health continually invests in infrastructure, expansion, and capacity building. The Group has evolved rapidly over the last decade, doubling its reach while continuing to offer the most advanced clinical programmes in the country. We conduct over 3,000 consultations and 14,500 tests every day, and have a capacity of over 800 beds across our hospitals.

Commitment to quality and safety remains at the core of our ethos. Our hospitals meet global accreditation standards of Joint Commission International (JCI) and Australian Council of Health Standards International (ACHSI) for quality and patient safety, and our laboratories have obtained relevant industry-specific and quality management ISO certifications.

The Group employs, consults, and partners with some of the most dedicated, skilled, and experienced healthcare professionals in Sri Lanka. With ongoing capacity building, training, and development, our employees are abreast of the latest medical practices, and are adept at using cutting-edge medical technology. Our team is the heart of Asiri Health, and an extension of our commitment and care for patients.

OUR VISION

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

MISSION

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

VALUES

Care

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

Innovation

Innovation and forward-focus

Respect

Respect for all stakeholders

800+

Consultants

3,500+

Consultations per day



14,500

Tests per day

4,250

Tests offered



800+

Beds

HIGHLIGHTS OF THE YEAR

500+ Medical Professionals

Benefited from continuous medical education programme

3.5+ million

Patients served

14,500+ Diagnostic Tests

Conducted per day

150 +

Free health clinics conducted

2,000 +

Benefited from free health clinics

25 Workshops

Conducted for continuous medical education

400 +

Training programmes conducted

20,000 +

Man-hours of training provided

97% of Inpatient Bill Completion

Reduced to less than one hour

All clinical waste

disposed as recommended by CEA

Best Management Practices Company

Hospital & Healthcare 2023

Most Valuable Consumer Brand Healthcare

LMD, 2023

Most Valuable Healthcare Brand

Brand Finance 2023

Group

2022/23

2021/22

Financial Performance (LKR MN.)

Revenue	24,786	22,324
Operating Profit	5,750	5,634
Pre-Tax Profit	3,195	4,772
Tax Expense	(1,496)	(969)
Net Profit	1,699	3,803

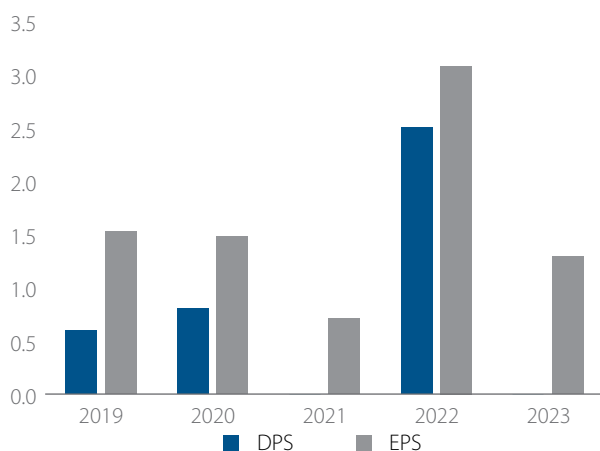
Financial Position (LKR MN.)

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

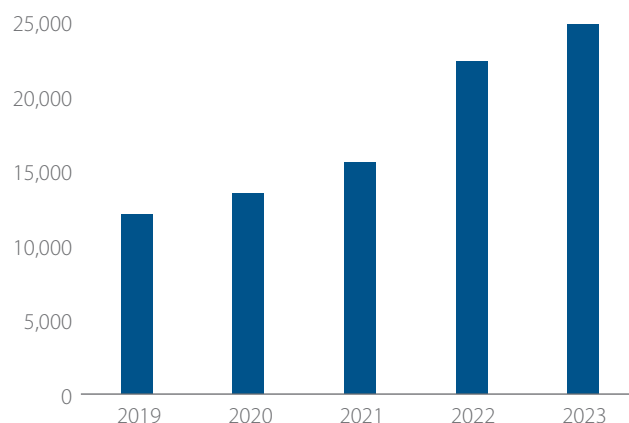
Information per Ordinary Share (LKR)

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

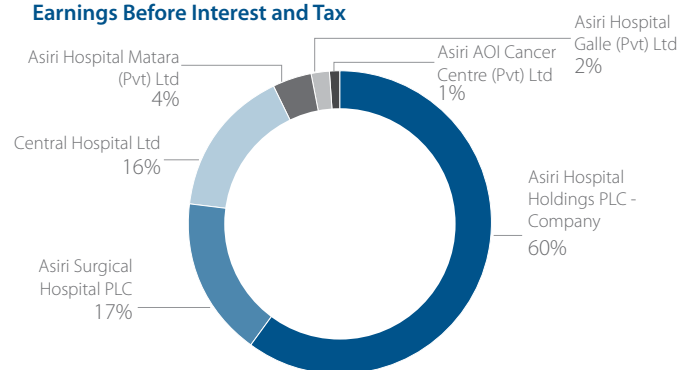
EPS /DPS (LKR)



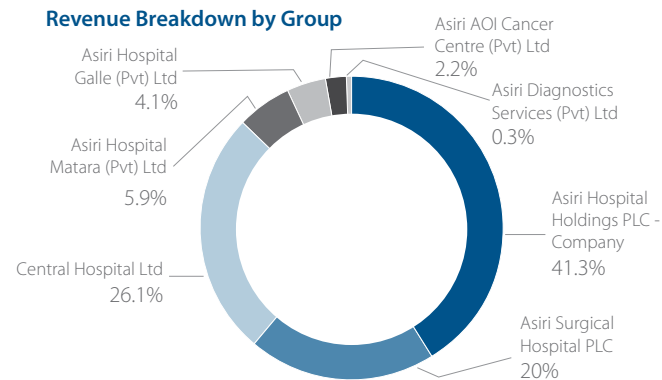
Revenue (LKR MN.)



Earnings Before Interest and Tax









Revenue Breakdown by Group



GROUP CERTIFICATIONS AND ACCREDITATIONS

HOSPITALS

Accreditation	Asiri Central Hospital	Asiri Surgical Hospital	Asiri Medical Hospital	Asiri Hospital Kandy	Asiri Hospital Galle	Asiri Hospital Matara
 <p>Joint Commission International (JCI) Accreditation the gold standard in global healthcare, JCI is widely accepted to be the author and evaluator of the most rigorous international standards in patient safety and quality.</p>	✓					
 <p>Australian Council on Healthcare Standards International (ACHSI)</p>		✓	✓	✓	✓	✓
 <p>ISO 22000:2018 - Food Safety Management System Certification</p>	✓	✓	✓	✓	Y	✓
 <p>ISO 14001:2015 - Environmental Management Systems Design and implementation of a set of standards of effective Environment Management.</p>	Y	Y	Y	Y	Y	Y
 <p>OHSAS 18001:2007 - Occupational Health and Safety Management Systems Certification.</p>	Y	Y	Y	Y	Y	Y
 <p>ISO 9001:2015 - Quality Management Systems Certifications.</p>	Y					

ASIRI LABORATORIES

Accredited



✓ - Accredited

Y - In progress

Operational Reviews

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CHAIRMAN'S REVIEW



“ While taking broad based action to build our defences, the Group as a whole remained true to its purpose to deliver the best-in-class healthcare service for all Sri Lankans. ”

For the Asiri Group, FY 2022/23 was one of consolidation and strengthening. Even though we emerged stronger and more resilient after the COVID-19 pandemic, we found ourselves facing fresh challenges as the Country plunged into a severe economic crisis that left all sectors of the economy, especially the healthcare sector under enormous pressure.

Given that we were operating against a backdrop of unprecedented challenges, the Board increased its vigilance across all aspects of the business. Our risk management methodology and approaches were frequently reviewed and refined to take cognisance of the fast evolving conditions.

While taking broad based action to build our defences, the Group as a whole remained true to its purpose to deliver the best-in-class healthcare service for all Sri Lankans. We continued to prioritise the wellbeing of our patients, where our focus was on the continuity of service in keeping with our mandate to deliver the most desirable outcomes along with the assurance of an unparalleled patient experience. Furthermore thanks to our experiences over the years, especially learnings from the pandemic period, we were often able to foresee challenges even before they arose, which allowed us to take preemptive action to safeguard our business model and ensure the continuity of our patient care systems.

At the same time we mobilised comprehensive action to ramp up Group-wide resilience, where our strategy revolved

around consolidating core competencies. Additionally, we focused towards augmenting facilities within our Group hospitals, especially by setting up new clinical units.

FOCUS FOR THE FUTURE

Having made good headway even amid extreme turmoil in the Country, the Asiri Group now stands stronger than ever before. From this vantage point, I am confident that the Group is well positioned to uncover the opportunities that will no doubt arise as the Sri Lankan economy gradually resets over the coming months.

As we push ahead, we will do so with confidence and a stronger conviction to serve our patients. In order to counteract the challenges that the healthcare sector will face owing to the prolonged impact of the economic crisis, our strategies will remain implicitly connected to the Asiri Group vision, mission and core values and our actions will resonate our deep desire to be the most trusted healthcare service provider in Sri Lanka.

To that end, I am pleased to inform you that we were successful in winning the bid to build and operate the 500 bed state of the art hospital in the Port City Development in collaboration with an International healthcare franchise mainly aimed at the regional medical tourism markets.

ACKNOWLEDGEMENTS

I wish to thank the Board for their guidance and continued support during a challenging 12 months. Let me also take this opportunity to place on record my appreciation for our clinical and non-clinical teams whose commitment and dedication has been a constant amidst the ever changing world around us.

Last but not least, I wish to thank our strategic partners and shareholders for their patronage over the years. I look forward to your support as the Asiri Group strives to position Sri Lanka as a regional healthcare hub in the coming years.

Sgd.

Ashok Pathirage

Chairman / Managing Director

31 August 2023

Colombo

GROUP CEO'S REVIEW



“ The wellbeing of our patients remained our foremost priority ”

Having emerged from the challenges of the COVID-19 pandemic stronger and more knowledgeable, we set in place plans for consolidating and building on our equity as the primary private healthcare provider in the country. We were very quickly hit however with a multitude of varying challenges as a result of the very acute economic crisis Sri Lanka found itself in.

STRATEGIC PRIORITIES

Obstacles aside, the wellbeing of our patients remained our foremost priority. Driven by our conviction to deliver world class healthcare solutions to patients, we moved quickly to adapt to the rapidly changing environment. Furthermore thanks to our experiences over the years, especially learnings from the pandemic period, we were often able to foresee challenges even before they arose, which allowed us to take preemptive action to safeguard our business model and ensure the continuity of our patient care systems.

Parallely, we mobilised comprehensive action to ramp up Group-wide resilience, where our strategy revolved around consolidating core competencies. On this basis, we continued to invest in building capacity across traditional disciplines throughout our network. Meanwhile ongoing infrastructure upgrades undertaken by many of our hospitals in the current year were aimed at enhancing existing A & E, critical care, specialist consultation, OPD and wellness care facilities.

In keeping with our culture of continuous improvement we sought out opportunities to further augment the patient experience through automation of backend processes as well as front end interfaces. Some of the main projects undertaken during the current year were the discharge workflow system automation, end to end automation of the

theatre booking process, simplification of the OPD backend and the pharmacy prescription handling procedure, which we anticipate will ultimately improve overall patient satisfaction.

Keen to understand if all that we have done and are doing, is in fact serving its intended purpose of improving the patient experience, we invested in implementing the Emojot platform. A robust 360-degree customer experience management tool, the Emojot platform has helped to capture satisfaction scores at every stage of the hospital ecosystem patient journey. As per the latest data on the platform, the average patient satisfaction score at a Group level stands at 89%. More importantly, I believe these findings provide real world insights that will enable more informed decision making to direct our future endeavours.

As always, the safety of our people remains a major priority. Seeing as how Needlestick Injuries (NSI) have been identified as the most common cause of injury in a hospital environment, the Asiri Group EHS developed and implemented a special NSI prevention initiative in 2022. The Programme which is based on the guidance provided by the Infection Control Department, was rolled out in mid 2022 and has since been responsible for a significant reduction in the average NSI's per health-care worker across all Asiri Group Hospitals.

The Asiri Laboratory network was further expanded with 10 new collection centres added during the year, bringing the total island-wide lab network to 6 fully fledged laboratory facilities in the main Asiri Group hospitals, 17 satellite laboratories and 80 collection centers as at 31st March 2023. Additionally the test menu offered by the network was enhanced, specifically in the disciplines of Immunochemistry and Oncology.

OPERATIONAL HIGHLIGHTS

From an operational perspective, the Group achieved many of its targets. Average footfall at all hospitals recorded an increase as COVID concerns eased and patients began returning to hospitals. Although the fuel crisis that lasted for several months had a significant impact on in-patient admissions during the first half of the financial year, a visible improvement in the second half of the year pushed Group-wide occupancy to pre-pandemic levels.

The latest addition to our healthcare portfolio the Asiri Nova Infertility Centre, despite being the most recent entrant to the local market, exhibited remarkable growth beyond initial projections during the financial year. Commencing procedures in December 2021, our performance surpassed our projections, both in terms of revenue and volume. Notably, within the Sri Lankan fertility industry, we led with a 65% success rates from own sample fertility procedures, a 85% from donor samples and a strong 20% success rate from Intrauterine inseminations. This stands out against a global success rate of 48% for fertility procedures and 13-15% for intrauterine inseminations.

Strong improvements were seen in OPD and consultation numbers in the latter part of the year as well, with some months even surpassing pre pandemic levels.

Meanwhile, several factors affected the number of surgical procedures carried out during the year. Inflation induced price increases of surgical procedures proved to be a deciding factor for price sensitive customers to opt out of elective surgeries. Overseas migration of renowned surgeons, and the scarcity of implants due to import restrictions placed by the government, also contributed towards the slowdown.

GROUP CEO'S REVIEW

The Asiri Lab network experienced a record year with our lab network serving over 2.1 million Customers, while the mobile care unit serviced over 3,000 registered home care patients.

FOCUS FOR THE FUTURE

Having achieved all that we did amid extreme turmoil in the Country, the Asiri Group now stands stronger than ever before. From this vantage point, I am confident that the Group is well positioned to uncover the opportunities that will no doubt arise as the Sri Lankan economy gradually resets over the coming months.

That said, I must reiterate that as we move forward, our strategies will remain implicitly connected to the Asiri Group vision, mission and core values and our actions will resonate our deep desire to be the most trusted healthcare service provider in Sri Lanka.

ACKNOWLEDGEMENTS

To the doctors, nurses, and all support staff who kept working to care for our patients despite all odds, a grateful thank you to each and every one of you. Your selflessness and daily mission in giving care is what has made Asiri so special in the healthcare space.

I also wish to express my appreciation to the Chairman and Board of Directors for their sound advice and unfailing support at all times.

Finally, to the Group's strategic partners and shareholders – thank you for continuing your journey with the Asiri Group.

Sgd.

Dr. Manjula Karunaratne

Group Chief Executive Officer

31 August 2023

Colombo

OPERATING CONTEXT

PUBLIC HEALTHCARE SYSTEM

The government continued with infrastructure developments and capacity building initiatives aimed at improving the quality of public healthcare services in 2022. Primary healthcare delivery facilities were developed and strengthened in several hospitals using the funds allocated by the World Bank under the Primary Healthcare System Strengthening Project to provide quality services through primary medical care institutions. Other capacity building initiatives included upgrading existing infrastructure / establishing new accident and emergency care services in selected hospitals around the country. Additionally, the construction of a national simulation centre at the Mulleriyawa Base Hospital as a national centre for stroke care also commenced in 2022.

PRIVATE HEALTHCARE SYSTEM

Sri Lanka's private sector healthcare network continues to play an important role in the delivery of both preventive and curative services. By the end 2022, there were 250 registered private hospitals with a total bed capacity of 5,602, Meanwhile complementing efforts of the Government to contain the COVID-19 outbreak, 25 Intermediary Care Centres and three COVID-19 treatment centres continued to be operated by private hospitals with the approval of MoH, while 13 private laboratories were authorised to conduct PCR and Rapid Antigen Tests in 2022.

Given the limitations in the regular health services provided by public hospitals amidst the medical supply shortages in 2022, a majority of patients were seen opting for services provided by private hospitals. However, in light of inflation-induced price increases of medical supplies, medicines, laboratory tests, and consultation fees, the charges of such medical services, individuals, especially middle income earners whose spending power was seriously eroded, were

seemingly spending only on essential medical services offered by the private sector.

KEY HEALTHCARE CONCERNS FOR 2022 - SRI LANKA

Rise in malnutrition among children

Malnutrition among children emerged as a major concern amidst the erosion of disposable incomes of households owing to surging food inflation and the loss of livelihoods due to the economic crisis in 2022. With the crisis induced supply chain disruptions and higher cost coupled with drop in domestic food production due to acute fertiliser shortages, food prices in Sri Lanka started to escalate since the latter part of 2021, with food inflation (CCPI) reaching a historical high of 94.9% in September 2022, compared to 9.2% at end 2020 and 22.1% at end 2021. Malnutrition among children was reflected in the increase in the percentage of underweight children under five years to 15.3% in 2022 from 12.2% in 2021. Both stunting and wasting among children under five years increased to 9.2% and 10.1%, respectively, in 2022, from 7.4% and 8.2%, respectively, recorded in 2021.

Higher incidence of communicable diseases

Even though the spread of the COVID-19 pandemic began to gradually ease in 2022, the local healthcare system remained under stress due to the spread of other communicable diseases. Dengue remained a critical concern with the number of dengue cases more than doubling to 76,689 in 2022 from 35,924 cases reported in the previous year, while dengue related deaths increased by nearly three-fold from 28 in 2021 to 72 in 2022. The highest number of cases was reported in the districts of Colombo and Gampaha, where the risk of spread of dengue was substantial due to high population density. The rise in dengue cases in 2022 was largely attributed to lapses in executing dengue preventive measures as a result of shortages in pesticides and fuel.

Although the World Health Organisation (WHO) in 2016 declared Sri Lanka free from filariasis and malaria, approximately 73 cases of filariasis and 37 malaria cases were reported in 2022. Notably however, all malaria cases reported during the year were imported, being the result of increased cross border transmission following the relaxation of COVID-19 related restrictions

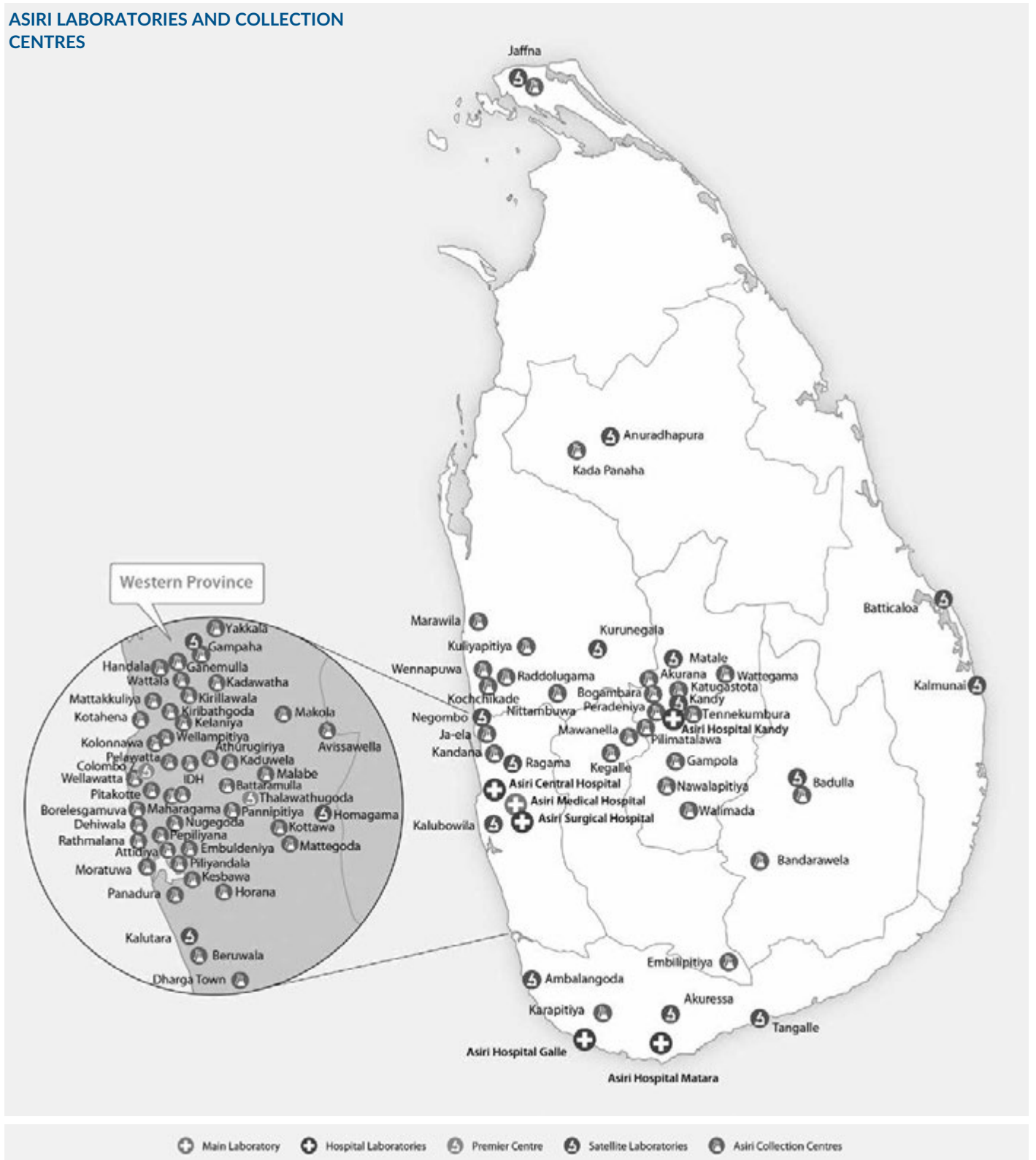
Ongoing challenges associated with non-communicable diseases

The local health sector continued to grapple challenges emanating from Non-Communicable Diseases (NCDs). Given the steady rise in NCDs seen in the country over the last few years, the MoH (Ministry of Health) continued with public awareness programmes focused on prevention, diagnosis, control, and management of NCDs. A revised National Policy and Strategic Framework for Prevention and Control of NCDs in Sri Lanka was also published for public comment, while the Multi Sectoral Strategic Action Plan on Injury Prevention and Management, Sri Lanka 2021–2025 was launched in 2022 to provide strategic leadership for injury prevention through targeted planning and service coordination.

Source: CBSL AR 2022

OPERATING CONTEXT

ASIRI LABORATORIES AND COLLECTION CENTRES



MANAGEMENT DISCUSSION & ANALYSIS

ASIRI MEDICAL HOSPITAL (AMH)

AMH further consolidated its position as one of the most trusted private hospitals in Colombo during the current financial year, as evidenced by steady increase in the footfall at the hospital.

A marked year on year increase was seen in Gynaecologic surgery. A notable increase was also seen in specialist consultation and OPD patient numbers as well. As a result significant year on year growth was recorded in the number of Pharmacy prescriptions.

In its first full year of operation, the Asiri Nova IVF & Fertility Centre, launched in 2021 in partnership with Nova IVF Fertility of India, recorded a total of 104 admissions.

ASIRI SURGICAL HOSPITAL (ASH)

As the only surgery specialised hospital in the private sector, ASH remained the preferred choice for the surgical needs of Sri Lankans. This was evident in the growing patient numbers seen at ASH's Centres of Excellence and in admissions related to eye, urology, plastic surgery/procedures & orthopaedic surgery. The fully fledged Heart Centre at ASH continued to attract patients from around the Country.

Similarly the state-of-the-art Cancer Centre, which is operated in partnership with the American Oncology Institute continues to be highly sought after by patients in Sri Lanka as well as the wider South Asian region.

Notably however, in the first half of the year under review the demand for elective surgeries and routine in-patient procedures were impacted by the economic crisis, inflationary conditions and other challenges including fuel shortages. Consequently, ASH witnessed a marginal decline in the general admission rate compared to the previous year. This was reflected in the average occupancy which showed a slight decline in comparison to the previous financial year.

Notwithstanding these setbacks, ASH continued with planned capacity expansions to further augment the facilities offered to

patients. In this regard, a specialist vascular surgery clinic was opened in mid-2022 along with a cosmetic surgery unit launched in 2022. Major infrastructure investments undertaken at ASH in the current financial year included the renovation of the A&E unit along with the capacity expansion at the Wellness centre and an additional Cardiac Premier Centre was commissioned on the ground floor. The existing parking structure was further extended with the addition of a new level to accommodate additional parking.

ASIRI CENTRAL HOSPITAL (ACH)

It was another successful year for ACH with average footfall at the hospital growing steadily throughout the year. With a reduction in the restrictions around the COVID-19 pandemic and a rise in international patient visits, average footfall at ACH represented by admissions, day surgery, specialist consultation and OPD increased satisfactorily compared to the previous year. In-patient admissions showed a marginal growth, while numbers for consultation patients and OPD showed increases.

With its portfolio of state-of-the-art Centres of Excellence - Asiri Heart Centre, Asiri Brain & Spine Centre, Asiri Stroke Centre, Asiri Bone Marrow Transplant Center, Asiri Kidney Transplant Centre, Asiri Centre for Interventional Radiology - ACH is positioned as the most advanced private healthcare facility in Sri Lanka. Taking steps to further strengthen its industry leading capability in the current financial year, ACH unveiled a new Cardiac Rehabilitation Center dedicated to the management post-op care for cardiac surgery patients.

In the year under review, ACH also completed the 3rd successive renewal cycle of the Joint Commission International (JCI) accreditation. ACH remains one of the few Sri Lankan hospitals to be accredited by the Joint Commission International for the highest standards in Patient Safety and Quality Health Care services.

ASIRI HOSPITAL GALLE (AHG)

AHG demonstrated significant progress in delivering excellent healthcare services, aligning with the achievements of the broader Asiri Health group.

Moving to further consolidate its core competencies, AHG's Emergency Treatment Unit (ETU) facilities were enhanced in 2022. Given the growing demand for specialised surgical services from the Southern Province, AHG's overall surgical capacity was expanded by the addition of a new operating theater suite, to include new disciplines including neuro and cosmetic surgery. Significant emphasis was also placed on improving AHG's critical care services, particularly in the Intensive Care Units (ICUs) and High Dependency Units (HDUs).

Being among the leading private hospitals in the Southern Province, AHG recorded notable improvements in consultation numbers compared to the previous year. The current year also saw the highest number of surgical procedures performed to date.

ASIRI HOSPITAL MATARA (AHM)

AHM made steady progress in the year under review recording clear improvements across all key metrics. Year on year in-patient admissions increased notably, a heartening testament to AHM's long standing reputation for excellent patient outcomes. Indicative of the trust and confidence placed in the hospital by the local community, average occupancy rates increased over the previous year. Higher numbers in occupancy are also attributed to the increased bed capacity, following the addition of 2 super luxury and 12 luxury suites. These rooms fulfilled a long-felt need in the region and are proving extremely popular. The added comfort of these new rooms further enhances the patient experience, thus contributing to their overall wellbeing.

The focus on preventive medicine was further supported in the current year with a series of investments being made towards a fully-fledged Well-Woman Centre. The

MANAGEMENT DISCUSSION & ANALYSIS

Centre is equipped to offer specialist consultations and conduct investigative procedures relating to women's health. As part of its holistic approach to women's wellness, AHM's Well-Woman Centre also began conducting routine awareness sessions in the region in order to empower female patients with the necessary knowledge and resources to proactively maintain their well-being.

ASIRI HOSPITAL KANDY (AHK)

Now in its 04th year of operation, AHK continues to draw in more and more patients seeking its ultra-modern facilities and quality care. A 15% revenue growth in FY 22-23 is visible in comparison with the previous FY. The fuel crisis that lasted for several months, inflationary pressure and the economic melt-down during the first half of the financial year had a significant impact on in-patient admissions.

Consequently an average of 650-700 General Surgeries and 30-35 Cardiac Surgeries were performed per month in the current financial year, notably less than the numbers recorded in the past three years.

In contrast, specialist consultation and OPD numbers at AHK increased throughout the year, evincing the patient trust in AHK's high quality care.

Working to consolidate core competencies and improve future readiness, AHK continued with its ongoing capacity augmentation programme in 2022, wherein a new Sport Medicine unit and a new Cardiac Rehabilitation Unit were established. Infrastructure upgrades undertaken during the year, included the expansion of the ECG room, maternity facility and the addition of consultation rooms. In addition a relocation of the transfusion department to a more spacious area and a upgrade of the medical record room was also carried out during the year.

ASIRI LABORATORIES

Asiri Laboratories celebrated its 39th year of operations in 2022 and continues to

be regarded as the #1 private Laboratory service in Sri Lanka with one of the widest networks across the island. The Asiri Laboratory network currently comprises 6 fully fledged laboratory facilities in the main Asiri Group hospitals at Asiri Medical, Central, Surgical, Galle, Matara and Kandy, in addition to 17 satellite laboratories and another 81 collection centres located island-wide, including the 10 centres that were added in the FY 2022/23. The Mobile care unit of the lab network provided home care services to registered patients.

The entire Asiri Laboratory system is accredited by multiple global organisations. The schedule of annual surveillance audits conducted as part of the accreditation process saw the 2nd Surveillance Audit of ISO 15189:2012 (Accreditation for Clinical/ Medical Laboratories) for the Asiri Laboratory - Kirula Road, Colombo 05 being successfully concluded by Sri Lanka Accreditation Board (SLAB). The 2nd Surveillance Audit for the Asiri Central Hospital Laboratory - Norris Canal Road, Colombo 10 was also held by Sri Lanka Accreditation Board (SLAB). The ISO 15189:2012 - Pre-assessment for Asiri Hospital Kandy Laboratory, Peradeniya Road, Kandy was conducted by Sri Lanka Accreditation Board (SLAB).

A total of 29 new diagnostic tests were introduced to the test menu in the current financial year, specifically in the disciplines of Immunochemistry and Oncology. The Group also invested in new testing equipment, including the "Truelab Quattro" Real time PCR system for Real Time PCR for Hepatitis B Virus (HBV)-Viral Load & Real Time PCR for Hepatitis C Virus (HCV) Viral Load tests and the "ADVIA 2120i" new haematology system.

In the current financial year, the Asiri Laboratories serviced over 2.1 million patients across our laboratory network, including all the hospitals in the Group, while the mobile care unit of the lab network serviced over 3,000 registered home care patients.

In recognition of its long-standing dedication to excellence in service quality, Asiri Laboratories was awarded Best Management Practices Company Award under the Hospital & Healthcare Category and was recognised as one of the Top 10 companies in Sri Lanka for Best Management Practices in 2023.

Asiri Nova IVF & Fertility Centre

The Asiri Nova IVF & Fertility Centre, with its world class team of experienced Fertility specialists, coupled with the latest technology offers the complete suite of assisted reproductive treatments and services, including IVF, IUI, ICSI, Egg Sharing, Donor Program, Fertility preservation, Blastocyst culture, Frozen Embryo Transfer (FET), Endometrial Scratch, Embryo Biopsy for PGT-A, Testicular Biopsy and TESA treatments. Asiri Nova IVF & Fertility centre is also the first and only fertility centre in Sri Lanka to offer psychological counselling to patients.

In a fiercely competitive market, despite being the most recent entrant, we exhibited remarkable growth beyond initial projections during the financial year. Commencing procedures in December 2021, our performance surpassed our projections, both in terms of revenue and volume. Notably, within the Sri Lankan fertility industry, we led with a 65% success rates from own sample fertility procedures, a 85% from donor samples and a strong 20% success rate from Intrauterine inseminations. This stands out against a global success rate of 48% for fertility procedures and 13-15% for intrauterine inseminations.

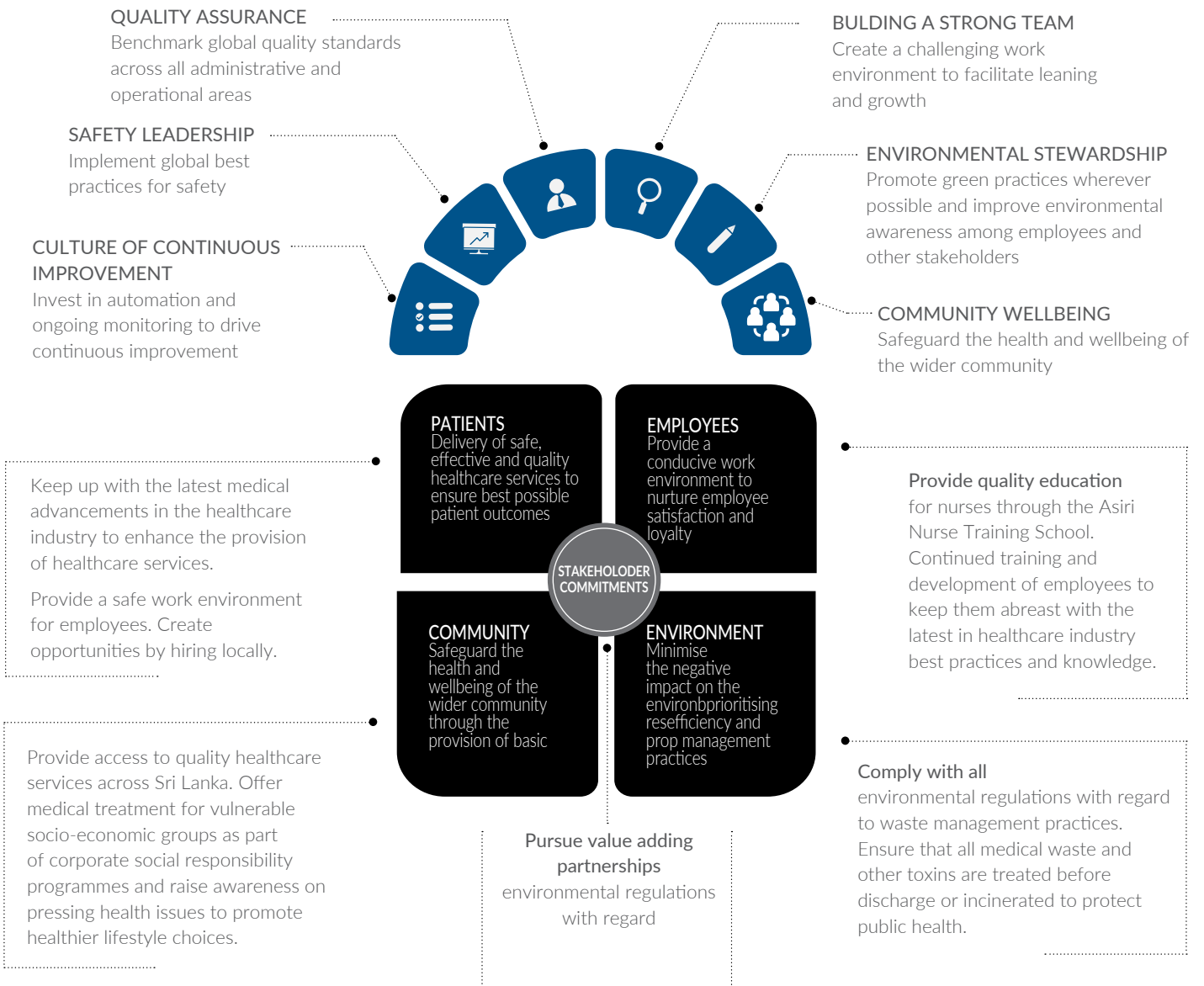


SUSTAINABILITY REPORT

ASIRI GROUP APPROACH TO SUSTAINABILITY

Our approach to sustainability is based on ensuring our hospitals are managed sustainably in line with the Asiri Group mission and core values, to ultimately complement the Group's vision. To that end, 6 key sustainability principles underpin our efforts to embed sustainability at all levels across our operations in order to create and deliver the best value outcomes to our stakeholders.

ASIRI GROUP SUSTAINABILITY APPROACH



In order to align our sustainability approach with global standards, we have in recent years been guided by the specific targets set out under the Sustainable Development Goals (SDG's) established by the United Nations as part of its 2030 sustainable development agenda. In this regard, the Group has decided to focus on six SDGs, where it is possible to make the most meaningful impact through its core business, as Sri Lanka's leading private sector healthcare provider.

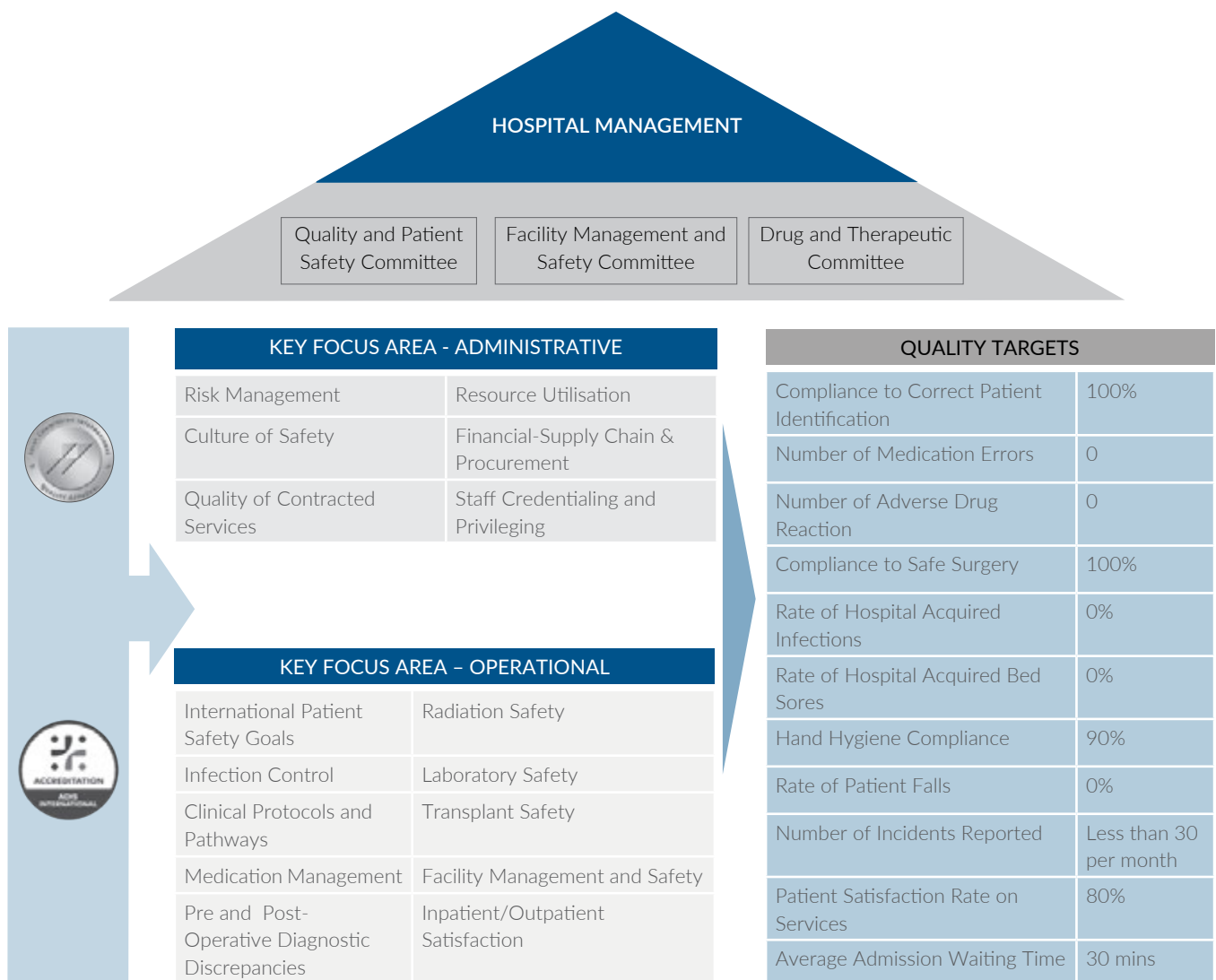
SUSTAINABILITY REPORT

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 accredited by the Australian Council on Healthcare Standards (ACHS).

In line with these accreditations, we have implemented a comprehensive quality improvement and patient safety programme which is managed by the Quality Assurance Department under the guidance of Senior Management of each Hospital. The main aim of the programme is to drive quality excellence across all administrative and operational aspects based on identified key focus areas. All hospital policies and procedures are developed and implemented to support these key focus areas.

ASIRI HEALTH QUALITY ASSURANCE FRAMEWORK



This overall approach is accompanied with routine training and staff education programmes as well as continuous monitoring, live audits, documentation audits and mock drills conducted alternatively by the Quality Assurance Department, Infection Control Department and Environment Health & Safety Department to check adherence to hospital policies. Furthermore, several Committees are in place to oversee priority areas, perform independent reviews and implement immediate corrective action to resolve identified gaps in order to maintain Group quality targets.

The Group's commitment to quality is further augmented by adherence to other global standards such as the ISO 22000:2018 - Food Safety Management System Certification and the ISO 9001:2015 - Quality Management Systems Certification

SAFETY LEADERSHIP

As the largest private healthcare services provider in Sri Lanka, the Asiri Group strives to lead by example in emulating global safety standards to preserve and protect the wellbeing of all patients, employees, specialists and visitors at all Group hospitals. Given the nature of our business, we have identified our safety priorities to be: the prevention of Needlestick Injuries (NSI), reduction in the number of injuries to staff due to manual handling of patients and overall Fire Safety.

The Group Safety Policy establishes clear guidelines based on the zero injury / accident principle. Key pillars of the Safety Policy are:

- 100% compliance with all applicable safety regulations, including the annual fire clearance certificate.
- Regular safety risk assessment and hazard identification protocol to enable continuous improvement of safety systems.
- Ongoing training and awareness for employees and other stakeholders to strengthen the safety awareness culture.

A dedicated safety management team at each Asiri hospital provides oversight for operationalizing the Safety Policy on a day-to-day basis. The 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. Hospital safety teams are required to report to the Group EHS on a monthly basis to review and discuss long-term improvement measures that can be implemented in response to triage findings from the root cause analysis process. The Group EHS further scrutinizes incident reports, including assessing hospital-wise accident rates as well as by type of accident.

FOCUS ON SAFETY PRIORITIES

Preventing NSI's

Based on their assessment of incident reports, Group EHS has determined NSI's to be the most common cause of injuries at our hospitals. In response, a comprehensive NSI prevention programme has been put in place across all Asiri Group hospitals. Key elements of the NSI prevention programme include;

- Providing education on sharp (needle) injury prevention, especially at the time of new employee orientation and each time an exposure is sustained.
- Creating a "no blame" culture to encourage staff to actively report sharp injuries.
- Report and investigate all sharp injuries, identifying trends or patterns of sharps injury occurrence through analysis and with the participation of the injured staff.
- Publishing facility-wide sharp injury statistics regularly and making the data transparent to all staff.
- Goal to achieve a 10% year on year reduction in sharp related injuries.
- Promoting mindfulness during sharp procedures

Special Initiative to reduce NSIs

Working proactively to reduce the risk of NSIs, Group EHS developed and implemented a special NSI prevention initiative in 2022. The programme, which is based on the guidance provided by the Infection Control Department, combines a series of detailed operational protocols on the proper handling of sharps coupled with appropriate training to educate staff about taking immediate remedial action in the form of prophylaxis and treatment, in the event of an incident. In the first six months since the Group-wide rollout of the programme, a 22% reduction in NSI's per health-care worker was observed indicating the success of the effort.

- Reviewing the Exposure Control Plan annually, including the evaluation of waste disposal and sharp containers with proven safety.
- Routine audits and spot audits to verify adherence to guidelines.

Prevent injuries to staff due to manual handling of patients

Frequent manual handling of patients in a hospital environment can cause injuries to our staff in the form of musculoskeletal disorders that could affect their long-term health and wellbeing. Aiming to prevent such occurrences as much as possible, the Asiri Group has established the following safeguards;

- Implementing the latest global best practices for manual handling of patients.
- Providing necessary manual handling equipment (slide sheets and patient hoists) together with training to ensure staff are suitably aware of its proper use.
- Modified rooms equipped with support infrastructure such as special power beds, chairs, and bathroom setup for the management of bariatric patients.

SUSTAINABILITY REPORT

Minimising Fire Risk

The Asiri Group complies with all national fire safety regulations and as such has appointed a fire safety team, including fire wardens for each floor at each of the six Group hospitals. The role of the fire safety team encompasses;

- Strictly enforcing the non-smoking policy at all Group hospitals.
- Conducting fire risk assessment to identify common fire hazards in their respective hospital and establishing preventative measures as needed.
- Developing a suitable fire and emergency evacuation plan based on fire risk assessment.
- The Hot Work Permit system is implemented to ensure that individuals involved in construction, renovations, repairs and maintenance of hospital facilities are aware of the hazards associated with hot work and welding and that they implement control measures to help mitigate fire risk.
- Educating employees and verifying their knowledge of the emergency procedures, correct use of fire extinguishers, etc.
- Conduct annual fire evacuation simulation to describe the RACE response system used in health care facilities to ensure patient & staff safety.
- Checking and maintaining the operational effectiveness of all equipment.
- Promoting the safety awareness culture to encourage staff to be vigilant and report on potential safety risks, including cracked, split, melted or broken electrical cords or plugs, etc.
- Regular maintenance of laundry and cooking equipment to minimize the risk of combustion.

CULTURE OF CONTINUOUS IMPROVEMENT

The culture of continuous improvement remains at the heart of the Asiri Health value proposition. Each year the Group makes a considerable investment in technology driven systems in order to streamline processes across all hospitals. Over the years, the focus has been to automate manual/nonvalue adding tasks, review and simplify processes as well as to introduce digital monitoring tools to provide greater visibility and better analytics to enable more effective management decision making in certain critical aspects. The main objectives of this continuous improvement culture are to enhance the patient experience and improve productivity.

Process improvements are undertaken systematically based on a structured framework under the leadership of the Asiri Group Chief Process Officer in collaboration with the Group IT team.

In the year under review the Group undertook some major automation projects, all aimed at enhancing the patient experience and improving overall satisfaction scores. The discharge workflow monitoring tool is an automated tool which extracts data directly from the HBMS billing system to monitor the discharge workflow. This has been rolled out to give key stakeholders across the Group greater visibility regarding monthly progress on key service parameters such as the time taken for the preparation and handover of the final patient bill, time taken to return the room to inventory, etc. The discharge workflow monitoring tool is designed to improve the level of coordination and support greater collaboration between the indoor pharmacy, the wards and the billing teams of each respective hospital. It also includes a digital tracking feature to monitor system outcomes at each touch point of the patient discharge journey, which allows delayed bills to be flagged at the end of day and escalated for further investigation and necessary corrective action, to minimise delays.

Since its roll out a significant improvement has been noted across all key parameters - average billing time, time taken to compile and handover the final bill to the patient as well as the time taken to get the room back into inventory.

	AMH	ASH	ACH	AHK	AHM	AHG	GROUP
Average time to complete the final bill (minutes)	23	16	15	19	19	15	18
% of bill completion in less than one hour	98%	97%	98%	96%	98%	99%	97%

End-to-end automation of the operating theatre booking process was another important development rolled out across all Group hospitals. Manual bookings were replaced with a digital system to allow the medical team to review theatre utilisation data across the Group for strategic decision-making purposes.

Similarly, the work flow system pertaining to the Radiology units at all Group hospitals was automated, from the point of booking to report completion. The new workflow system also includes an embedded feature, whereby patients receive an SMS alert informing them that their report is ready for collection. This has enabled the hospital to track the service levels based on reports generated for radiology procedures to ensure key deliverables such as 24-hour report generation, are being met.

The workflow in the OPD pharmacies across the Group were further simplified using automation. The new automated workflow system also provides a platform to measure the time taken to handle a prescription, identify delays and take necessary action as needed, ultimately leading to a better patient experience.

	AMH	ASH	ACH	AHK	AHM	AHG	GROUP
Prescription Handling Time Less than 15 Minutes	78.0%	91.6%	82.9%	81.5%	54.4%	66.3%	78.0%

Effective patient feedback management is crucial in the health care industry as it allows hospitals to understand their patients' needs, improve their service and enhance patient satisfaction.

In the year under review, the Asiri Group has invested in Emojot's Customer Experience Management platform which offers a comprehensive solution to help healthcare providers collect, analyse and act on patient feedback effectively.

On a related note, the Facilities Management system (FMS) of the Emojot platform was also rolled out in the current financial year. The user-friendly and simple system is geared to record and monitor the effectiveness of handling internal routine breakdowns by instantly alerting maintenance teams to attend and resolve them. The automated tracking feature helps to monitor response time and resolution of the recorded breakdowns. Today over 75% of maintenance issues are alerted through this system.

In addition to the above there is continuous review of back-end processes to simplify and use technology to improve productivity.

BUILDING A STRONG TEAM

Given that we are in the business of caring for patients, our teams of clinical and non-clinical staff play a crucial role in the delivery of our value proposition. As such, the Group takes a holistic approach to developing its

people by building their unique capabilities and ensuring their knowledge and expertise is up to date in order to deliver the best possible patient outcomes, thereby enabling Asiri Health retain its market competitiveness. This overall approach is based on five fundamental tenets;

Compliance and Best Practices

As a healthcare service provider in Sri Lanka, the main labour laws applicable to Asiri Health are the Nursing Home Act under the Wages Board Ordinance and the Shop and Office Employees Act. The Asiri Group remains fully compliant with all requirements stipulated under both these acts. In addition to the statutory requirements, the group provides a comprehensive package of health insurance including critical illness, personal accident and life cover.

Going beyond compliance the Group has also adopted the best practices for human rights and labour as stipulated by the ILO and the UN Global Compact.

Manpower Planning

Asiri Group follows a highly streamlined manpower planning process where staffing requirements are reviewed on a rolling basis in tandem with the annual budgeting cycle to account for gaps due to resignations and promotions or as a result of special need-based competencies that may arise from time to time. The regular monitoring of

staff composition has helped the group to manage the productivity and efficiency of the workforce effectively.

Recruitment and Selection

The Group adheres to the principle of fair and equitable recruitment and selection based on meritocracy. Accordingly, we identify top talent from within and strive to promote internally whenever possible. However, when the position requirements cannot be met internally, we recruit external talent.

In keeping with the best practices adopted during the pandemic, the initial stages of the recruitment process are now conducted online under the supervision of the Group HR Department.

Remuneration, Benefits and Welfare Initiatives

The Asiri Group ensures that its remuneration and benefit structures are in line with all applicable regulatory requirements and remain industry competitive at all times. Meanwhile Salary increases and bonuses based strictly on merit, with eligibility determined by the results of the annual performance appraisal mechanism.

SUSTAINABILITY REPORT

In light of the economic crisis and severe inflationary pressures that emerged in 2022, salary structures for all employee categories were revised upward in the current financial year.

The popular daycare centre was expanded with additional facilities and the cadre of pre-school teachers and care givers was increased to meet the growing demand.

To lighten the economic burden brought on by the recent inflationary pressures and changes to the tax regime on our employees, we continued to provide school supplies including writing material and school bags to all categories of staff.

Performance Management

A robust performance management process ensures the contribution of all employees is recorded and assessed regularly. The performance of senior staff members (manager and above) are monitored continuously against pre agreed KPIs relating to their respective job roles and set within the scope of the broader divisional objectives. The performance of other staff members is monitored through continuous assessment of division-wise quality indicators and operational targets. This creates a platform for annual performance appraisals to be conducted in a more meaningful manner and identify high performing and potential talent to be recognized and eligible for future promotions and opportunities.

In the year under review the entire performance management process was streamlined through the introduction of an automated performance monitoring mechanism. Along with the automation, a new module was also introduced to integrate soft skills as part of the performance assessment of staff, by enabling supervisors to provide feedback through the system.

TRAINING AND DEVELOPMENT

We invest in providing our staff with necessary training to enable them to perform their assigned job roles effectively and efficiently in line with the Group's core purpose.

The Asiri Nurse's Training School trains and develops young, talented individuals for future nursing positions within the Group. The Nursing Diploma offered by the nursing school is a comprehensive three-year programme where students follow the NVQ level 6 Nursing curriculum approved by the Tertiary and Vocational Education Commission (TVEC) and National Apprenticeship and Industrial Training Authority (NAITA). Further expanding its curriculum in recent years, the school now also offers several other courses, including the Diploma for Medical Laboratory Technicians and a special Phlebotomy programme.

Apart from this, we strive to create an environment for continuous learning through online and physical training sessions. These are typically refresher sessions on topics such as hand hygiene, customer service, basic life support skills, etc. conducted by a pool of internal facilitators who are experts in their respective fields.

Communication and Engagement

We believe having an engaged and motivated workforce is vital, especially in the highly dynamic and fast evolving healthcare industry. It is why we work to foster two-way communication to ensure that employees understand their roles and are aligned to the Company's strategic journey at all times.

A dedicated employee relations officer at each hospital serves as the main communications liaison tasked with maintaining ongoing communication with

employees and for handling grievances. A formal grievance policy is in place for the management of employee grievance and there are several avenues i.e. whistleblower policy, dedicated email to Chairman, second victim policy, sexual harassment and fatigue policy to protect and assist employees to escalate their concerns to the top management. The Director Operations, Medical Director and the Director HR hold regular focus group discussions with different teams, including nursing, medical officers, para medical and operational staff on a continuous basis.

In addition, the Asiri Women's helpline has been established as an internal counselling unit accessible during working hours from 8.30 am - 5pm daily. The Group has also contracted an external counselling service to give employees the opportunity to access 24/7 assistance if needed.

Work-life Balance

Working in a dynamic, high-pressure environment like healthcare, we believe it is vital to ensure our staff benefit from a healthy work-life balance.

The employee relations officers take on the responsibility of organizing team engagement activities on a monthly basis. Our efforts to create a balanced, happy environment for our people include activities such as sports & musical events and physical and mental health initiatives, which are carried throughout the year.

ENVIRONMENTAL STEWARDSHIP

As a strong advocate of environmental stewardship, the Asiri Group has adopted a four-pronged approach to integrate environmental ethics into the day-to-day operations.

Environmental Policy

The Group Environment Policy outlines the fundamental covenants that underpin efforts to minimise the negative impact on the environment resulting from the hospital operations.

Measuring GHG Emissions

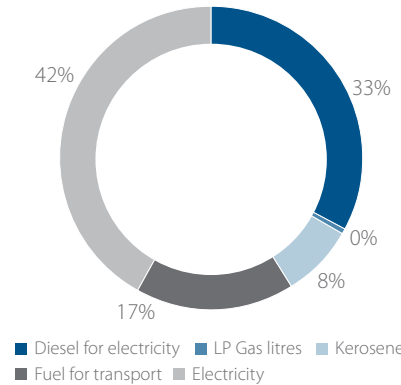
Demonstrating the Group’s green credentials, since 2022, the Group has been voluntarily preparing an annual GHG Inventory report as a means of documenting and reporting on emissions attributed to direct and indirect energy use across the Group. In our effort to ensure the Group’s emission footprint declines systematically over time, we mobilise a number of initiatives to improve energy efficiency across our operations.

Improving energy efficiency

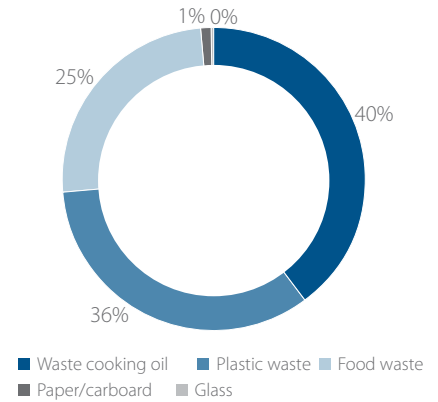
Monthly we monitor GHG emissions as well as electricity consumption per patient bed. Some of the most notable initiatives taken over the years include Upgrading existing chillers with high Coefficient of Performance (COP), Installing Variable Frequency Drivers (VFD) for chilled water pumps, introducing Magnetic-bearing chillers, replacing fluorescent lamps, installing timers inside Air Handling Units (AHUs) introducing pre-heated water supply to the dishwashers in the hospital kitchens and converting most hospital lighting to LED lights. These efforts are accompanied with regular training to increase awareness and promote energy saving among staff.

Energy purchased	liters	GJ	%
Average time to complete the final bill (minutes)	23	16	15
% of bill completion in less than one hour	98%	97%	98%

Energy Purchased (GJ)



Classification of non-hazardous waste-2022/2023



Transform waste.

We are committed to converting a 100% of our non-hazardous waste to value enhanced products by 2025. As at now 45% of our non-hazardous waste is value enhanced by recycling, reusing, upcycling or being turned into a new resource.

Non-hazardous waste generated by Asiri Health operations

Theme	Unit	Qty FY 2022/23	%
Waste cooking oil	kg	192	0.076
Plastic waste	kg	98924	39.5
Food waste	kg	85103	34
Paper/ cardboard	kg	63482	25.4
Glass	kg	2520	1

Hazardous (solid) waste generated by Asiri Health’s operations

When it comes to hazardous waste, each Asiri Group hospital operates in compliance with the conditions set out under the Environmental Protection Licence issued by the Central Environmental Authority. Accordingly, hazardous waste disposal is undertaken strictly as per recommended guidelines.

Restore biodiversity

SDG 15 focuses on life on land, and commits to protecting, restoring and promoting the sustainable use of terrestrial ecosystems, sustainably managing forests, combating desertification, halting and reversing land degradation, and halting biodiversity loss.

In 2022, the Asiri Group embarked on its most significant external environmental initiative to date, by undertaking to restore approximately one acre of degraded forest land in the Yagirala Forest Reserve located in the Kalutara District.

SUSTAINABILITY REPORT

The Yagirala forest reserve and its biodiversity has been challenged by numerous conservation issues as a result of the rapid spread of invasive species as well as due to the encroachment, illegal logging and poaching by villagers in recent years. Identifying these the Asiri Group in February 2022 agreed to provide financial support to restore a 1-acre land area of the Yagirala Forest Reserve with the aim of achieving the following objectives;

- Restoration of degraded forest patches with native floral species
- Restoration of exotic pine-dominated patches with native floral species
- Eradication of invasive plant species and rehabilitating the natural Tropical Rainforest
- Community awareness and engagement in conservation efforts
- Promoting Voluntary Carbon offsetting practices and developing public awareness towards Carbon neutrality and transferring it to the new generation.

COMMUNITY WELLBEING

As a leading healthcare provider in Sri Lanka, the Asiri Group considers its a duty in service to the nation to safeguard the wellbeing of the wider community. In this regard, the Group has for the past several years been conducting routine health clinics on timely and relevant disciplines.

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BOARD OF DIRECTORS



MR. ASHOK PATHIRAGE
Chairman/Managing Director



DR. SIVAKUMAR SELLIAH
Deputy Chairman



DR. MANJULA KARUNARATNE
Group Chief Executive Officer



MR. HARRIS PREMARATNE
Non-Executive Independent Director



MR. SUDARSHAN AHANGAMA

Non-Executive Independent Director



MR. VISHAL BALI

Non-Executive Independent Director



MR. ANKUR THADANI

Non-Executive Independent Director



MR. H K KAIMAL

Non-Independent Non-Executive Director

BOARD OF DIRECTORS

MR. ASHOK PATHIRAGE

Chairman/Managing Director

Mr. Ashok Pathirage, recognised as a visionary leader of Sri Lanka's corporate world, is the founding member and Chairman/Managing Director of Softlogic Group, one of Sri Lanka's leading conglomerates. He manages over 50 companies with a pragmatic vision providing employment to more than 11,000 employees. Mr. Pathirage manages and gives strategic direction to the Group which has a leading market presence in three core verticals, namely Retail, Healthcare Services and Financial Services and in three non-core verticals namely, IT, Leisure & Automobiles.

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

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

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

DR. SIVAKUMAR SELLIAH

Deputy Chairman

MBBS, M Phil

Dr. Selliah holds an MBBS degree and a Master's Degree (M.Phil).

He has over two decades of diverse and extensive experience in serving on the Boards related to varied fields including Manufacturing, Healthcare, Insurance, Logistics, Packaging, Renewable Power, Plantation, Retail etc. He serves on the Boards of many Public listed and Private companies. Has extensive experience on serving on Board sub committees as

Chairman or Member which include Human Resource and Remuneration committee, Investment committee, Related Party Transaction committee, Audit committee, Strategic Planning committee, Nomination committee and Risk Management committee.

Dr. Selliah is currently the Chairman of JAT Holdings PLC and the Deputy Chairman of Asiri Hospital Holdings PLC, Asiri Surgical Hospital PLC and Central Hospitals Private Ltd. He also serves on the following listed companies as a Director: Commercial Bank of Ceylon PLC, Lanka Tiles PLC, Lanka Walltiles PLC, ACL Cables PLC, Swisstek (Ceylon) PLC. He has also served on many other Listed company Boards in the past.

Dr. Selliah has served as a Senior Lecturer in the Faculty of Medicine, University of Kelaniya for many years in the past and served on several committees. He has also been Head of the Department of Physiology for many years during this period at the Faculty. He has also served as a Member of the University Council at the University of Colombo in the past.

DR. MANJULA KARUNARATNE

Group Chief Executive Officer

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

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

MR. HARRIS PREMARATNE

Non-Executive Independent Director

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

MR. SUDARSHAN AHANGAMA

Non-Executive Independent Director

Mr. Sudarshan Ahangama is a fellow member of the Institute of Chartered Accountants of Sri Lanka. He served on the board of MAS Holdings, as its Group Finance Director for 15 years where he had responsibilities for the finance function in 17 countries across multiple regions. He continues with MAS as Director Strategic Investments handling the

Groups mergers & acquisitions, cross border transactions, venture capital investments and organizational restructuring .

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

MR. VISHAL BALI

Non-Executive Independent Director

Mr. Bali brings with more than two decades of experience in building and leading global healthcare delivery organisations through organic and M&A driven strategic growth initiatives across Asia Pacific. His experience of managing a billion-dollar integrated healthcare delivery organisation comprising Hospitals, Diagnostics, Primary Care and Day Care Speciality in diversified geographies of India, Australia, New Zealand, Hong Kong, Singapore, Vietnam, Sri Lanka and Dubai has given him the exceptional opportunity to transform healthcare businesses in both developing and developed countries. Mr. Bali is currently Asia Head - Healthcare, TPG Growth, which is amongst the leading private equity firms globally. He is also Executive Chairman, Asia Healthcare Holdings. Prior to his current assignment he was the Group CEO for Fortis Healthcare Limited which is the leading provider of healthcare services in India with a network of 68 hospitals and had earlier built Asia's leading integrated healthcare delivery system with presence across 12 countries and a human capital base of more than 20,000 people and \$1.2 Bn. annualised revenues. His earlier roles also include CEO for Fortis Healthcare International in Singapore and

CEO for Fortis Hospitals in India. His past assignment also includes spearheading the growth and transformation of Wockhardt Hospitals from a single hospital to one of India's largest speciality hospital chains as its CEO and Managing Director. He has successfully led post-merger integration and divestments of multiple healthcare delivery assets in different countries. His expertise in integrating healthcare strategy with operations and management has set industry benchmarks. Mr. Bali completed his Bachelors in Science and Post-graduation in Business from Bombay University and completed an advance programme in hospital management from Harvard Medical, Boston. He sits on the Board of leading healthcare organisations and has been an invited member of the Strategic Initiatives Group of Joint Commission International, US and a past member of the Global Agenda Healthcare Council of the World Economic Forum. His keen interest in education and globalisation of healthcare takes him to leading Healthcare Education Institutes and Business Schools globally which include case studies at the Harvard Business School. He is an active member of various Industry bodies and globally recognised industry public speaker.

MR. ANKUR THADANI

Non-Executive Independent Director

Mr. Ankur Thadani is Partner and Head of India at TPG Growth and RISE Funds. He joined TPG in 2013 and has worked on multiple investments in Healthcare, Energy and Consumer sectors across India and the broader South-Asia region. Mr. Ankur also serves on the Board of API Holdings, Tata Electric Passenger Vehicles, Campus Activewear, Solara Active Pharma, Stelis Biopharma, Rhea Healthcare, Nova IVF and Fourth Partner Energy. Prior to joining TPG, he worked with an Indian private equity fund, India Equity Partners, focusing on investments in consumer and healthcare sectors. Mr. Ankur received his MBA from IIFT, where he was awarded a Gold Medal for all-round achievement.

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 and many other Group Companies.

GROUP SENIOR MANAGEMENT TEAM



MR. NIHAL RATHNAYAKE
Director Operations Asiri Central Hospital



MR. N P JOHN
Director Laboratory Services



**MRS. HASANTHI DE SARAM
KARANDAGASPITIYA**
Director Human Resources



DR. RUWAN SENATILLEKE
Medical Director Asiri Central Hospital



MS. MIHIRI CABANDUGAMA
Director Strategic Planning and Laboratory
Development



**MS. INDRESH PUVIMANASINGHE
FERNANDO**
Chief Process Officer



DR. UTHPALA MALAWARA ARACHCHI
Medical Director Asiri Hospital Kandy



MRS. ROCHELLE RODE DE SILVA
Director Marketing



DR. SANDUN YAPA
Medical Director Asiri Hospital Matara &
Galle

**DR. PRASAD MEDAWATTE**

Director Operations Asiri Hospital Kandy

**MR. AJITH KARUNARATHNE**

Director Finance

**MRS. THELANI WEERASINGHE**

Director Nursing

**DR. MAHESH KANDAMBI**

Director Operations Asiri Hospitals Matara and Galle

**DR. CHAMPIKA BOGAHAWATTE**

Medical Director Asiri Surgical Hospital

**DR. HASANTHIE IDDAMALGODA**

Medical Director Asiri Medical Hospital

**DR. GAWRIE GALAPPATHTHY**

Head of Healthcare Quality & Safety

**MR. SUDATH HEWAGE**

Director Pharmacy Operations

GROUP CONSULTANT MEDICAL TEAM



PROF. L R AMARASEKARA
Consultant Histopathologist



DR. CHRISHANTHA MENDIS
Consultant / Head Dept. of Anaesthesiology,
Asiri Central Hospital



DR. DARSHANI AMARASINGHE
Consultant Anaesthesiologist



DR. GAYANI SENANAYAKE
Consultant Anaesthesiologist



DR. STELLA FERNANDO
Consultant Anaesthesiologist



DR. DINESH DE SILVA
Consultant Eye Surgeon



DR. RANGIKA GOONARATNE
Consultant Eye Surgeon



DR. LAKMALI PARANAHEWA
Consultant/Head Dept. of Radiology - Asiri
Central Hospital



DR. GULPA SUBASINGHE
Consultant Radiologist

**DR. SAMAN PERERA**

Consultant Radiologist

**DR. GAMINI JAYAWEERA**Consultant / Head Dept. of Transfusion
Medicine, Asiri Group**DR. NATASHA PEIRIS**

Consultant Resident Physician

**DR. VIVEK GUPTHA**

Senior Consultant Cardiothoracic Surgeon

**DR. THURUL ATTYGALLE**

Resident Physician Stroke Unit

**DR. THUSHARA FERNANDO**

Consultant Anaesthesiologist

**PROF. VAJIRA DISSANAYAKE**

Consultant Medical Geneticist

**DR. AJITH KARUNARATNE**

Consultant Cardiothoracic Surgeon

**DR. RAJEEVA PIERIS**

Consultant Cardiothoracic Surgeon

GROUP CONSULTANT MEDICAL TEAM



DR. PHILOMENA CHANDRASIRI
Consultant Microbiologist / Head of
infection Control



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



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



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



DR. DISHNA DE SILVA
Consultant Pediatrician



DR. SUMEDHA AMARASEKARA
Consultant Orthopaedic Surgeon



MRS. GITANJALI JAYATHILAKA
Consultant Anaesthesiologist



DR. HIRANTHI ABEYSINGHE
Consultant Anaesthesiologist



DR. KALYANI MIRANDA
Consultant Radiologist



DR. VERNON MANIL FERNANDO
Consultant Orthopedic Surgeon



**DR. M VISHVAJINI PRIYADARSHANI
KUMARIHAMY**
Consultant Cardiac Anesthesiologist



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



DR. HIMARU WIRITHAMULLA
Consultants General Surgeon



DR. UDENI DISSANAYAKE
Consultant Eye Surgeon



DR. SUJATHA PATHIRAGE
Consultant Microbiologist



DR. CHAMPIKA ABEYSINGHE
Consultant Anaesthesiologist



DR. NIMALI PUWAKWATHTHA
Consultant Anaesthesiologist



DR. NIRODHIKA DAYARATNE
Consultant Paediatrician

GROUP CONSULTANT MEDICAL TEAM



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. MEDHANI HEWAGAMA
Consultant Psychologist



DR. MILANKA WATTEGAMA
Consultant Endocrinologist



DR. HASANTHA RANAWAKA
Consultant Cardiologist

CORPORATE GOVERNANCE

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

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

behaviour and risk management at every level of the organisation.

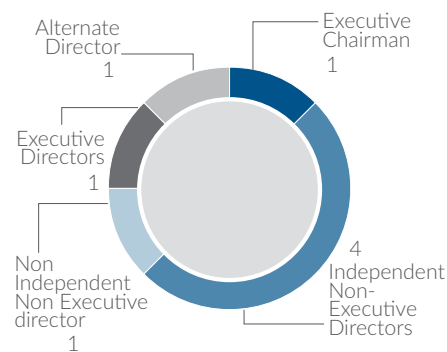
BOARD OF DIRECTORS

The Board of Directors is responsible for setting the strategic direction of the Group, safeguarding assets, managing risks and setting the tone at the top. They have set in place governance frameworks to facilitate achievement of strategic goals and compliance with regulatory frameworks while balancing stakeholder interests. Composition of the Board is set out graphically on the previous page while profiles of the Directors are given on pages 24 to 27. 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 four Non-Executive Independent Directors who are reputed leaders in their fields of expertise. A sufficiency of financial acumen within the Board is assured with the presence of Two Directors who are experienced accounting and finance professionals. The skills, experience and standing of the individual Board members ensures sufficient deliberation on matters set before the Board and exercise of independent judgement. Directors can also seek independent professional advice when deemed necessary, for which the expenses are borne by the Group.

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

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

COMPOSITION OF THE BOARD



COMMITTEES OF THE BOARD

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

Governance of The Board Sub Committees

Sub-Committee	Composition	Mandate
Audit Committee	<ul style="list-style-type: none"> Mr. S. Ahangama Independent Non - Executive Director - Chairman Mr. G L H Premaratane Independent Non- Executive Director Mr. S A B Rajapaksa Independent Non - Executive Director (Resigned with effect from 13th March 2023) Mr. H.K. Kaimal - Non Independent Non Executive Director (Appointed with effect from 16th May 2023) 	<p>Responsible for ensuring the integrity of the Company's and Group's Financial Statements, appropriateness of accounting policies and effectiveness of internal control over financial reporting.</p> <p>Periodically approve and review the appointment and retirement of External Auditors and their relationship with the Group.</p> <p>Frequency of Meetings: Committee meets quarterly</p>
Remuneration Committee	<ul style="list-style-type: none"> Mr. G L H Premaratane Independent Non- Executive Director- Chairman Dr. S Selliah Independent Non- Executive Director 	<p>Responsible for determining remuneration policy and the terms of engagement and remuneration of the Chairman, the Board of Directors and the Executive Committees.</p> <p>Frequency of Meetings: Committee meets annually.</p>
Related Party Transactions Review Committee	<ul style="list-style-type: none"> Mr. S A B Rajapaksa Independent Non-Executive Director - Chairman (Resigned with effect from 13th March 2023) 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 (Appointed with effect from 24th May 2023) 	<p>To assist the Board in reviewing all related party transactions carried out by the Company and its listed companies in the Group in terms of the CSE Listing Rule 9</p> <p>Frequency of Meetings: Committee meets quarterly</p>

MEETINGS

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

CORPORATE GOVERNANCE

Name of Director	Board meetings	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	3/3	-	2/2	-
Mr. S.A.B Rajapaksa (Resigned w.e.f 13th March 2023)	3/3	5/5	-	4/4
Mr. G.L.H Premaratne	3/3	5/5	2/2	4/4
Mr. S. Ahangama	3/3	5/5	-	4/4
Mr. V. Bali	3/3	-	-	-
Mr. A.N. Thadani	0/3	-	-	-

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. S.Selliah
Mr. S. Ahangama

- As per the Company's Articles of Association, any person appointed as a Director to fill a casual vacancy as an addition to the existing Directors shall hold office until the next following Annual General Meeting and shall be eligible for election.
- The following Director thus retire and offer himself for election:
Mr. H.K. Kaimal
- Re appoint in terms of Section 211 of the Companies Act No. 07 of 2007, Mr. G.L.H Premaratne who is 75 years of age as a Director of the Company.

CHAIRMAN & MANAGING DIRECTOR

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

DIRECTORS' REMUNERATION

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

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

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

The Report of Board Remuneration Committee is on page 46 provides further information. The aggregate remuneration paid to the Directors is disclosed in the Notes to the Financial Statements on page 76 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 56 to 125.
- Statement of Director's Responsibilities – page 48.
- Annual Report of the Board of Directors on the Affairs of the Company – page 49.
- Management Discussion & Analysis – pages 13 to 14.

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 all of whom are Independent during the period under review. The Chairman of the Audit Committee is a Finance professional with extensive experience in the relevant areas whose profile is given on page 26. The Terms of

Reference of the Audit Committee complies with the recommendations of the Code of Best Practice on Board Audit Committees issued by ICASL and guidelines stipulated by the SEC.

The Audit Committee is responsible for approving the terms of engagement of the external auditors including audit fees. The principal auditor has not provided any services which are stipulated as restricted by the SEC and the audit fees and non-audit fees paid by the Company to its auditors are separately disclosed on page 76 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 41 of this Report. The Audit Committee annually reviews the effectiveness of the Group's risk and internal control systems.

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

The Board Related Party Transactions Review Committee has been set up in compliance with guidelines stipulated by the CSE. Directors individually declare their relevant transactions with the Company and its subsidiaries on a quarterly basis. A formalised process is in place for identifying related party transactions and avoiding conflicts of interest. All Related Party Transactions as defined by the applicable accounting standards are disclosed on Note 31 of the Financial Statements on pages 117 to 119 of this Report.

SHAREHOLDERS

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

SUSTAINABILITY REPORTING

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

COMPLIANCE WITH CORPORATE GOVERNANCE RULES OF THE CSE

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

CORPORATE GOVERNANCE

Section	Criteria	Status of Compliance	Disclosure Details
7.10.1 (a)	Non-executive Directors	Compliant	Out of 8 Directors 6 are Non -Executive Director
7.10.2 (a)	Independent Directors	Compliant	There are 6 Independent Directors on the Board. All Non-Executive Directors have submitted the declaration with regard to their independence/non-independence.
7.10.3(a & b)	Disclosures relating to Directors	Compliant	Mr. G.L.H Premaratne, Mr. Vishal Bali and Mr. Ankur Thadani meet all the criteria of Independence and Dr. S. Selliah meets all the criteria except one. He has not fulfilled 7.10.4 (e) criteria indicated in the Listing Rules. However, the Board taking into account all the circumstances, the Board of Directors considered that the said Director is Independent. Mr. S.A.B Rajapaksa meets all the criteria of independence except one. He has not fulfilled 7.10.4 (e) criteria indicated in the Listing Rules. However, the Board taking into account all the circumstances, the Board of Directors considered that the said Director is Independent upto 13th March 2023 as he resigned.
7.10.3 (c)	Disclosures relating to Directors. A brief resume of each Director should be included in the Annual Report including his/her area of expertise	Compliant	A brief profile of each Director is available in the Board profile presented on pages 26 and 27.
7.10.3 (d)	Appointment of new Directors. A brief resume of any new Director appointed to the Board	Compliant	One new Director was appointed to the Board.
7.10.5	Remuneration Committee	Compliant	Comprises 2 Independent Non-Executive Directors. The names of the members of the Committee are stated on page 46 of the Annual Report.
7.10.6	Audit Committee	Compliant	Comprises 3 Independent Non-Executive Directors. The names of the members of the Committee are stated on page 37 of the Annual Report. The report of the Committee is stated on page 45. The Director Finance attends all meetings.

RISK MANAGEMENT REPORT

INTEGRATED RISK MANAGEMENT

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

provide greater insights on the areas of improvements while the Risk scoring matrix helps top priorities the Group's key risks.

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

The Asiri Group has adopted an integrated Risk Management framework to identify, assess, prioritize the significant risks and manage those with appropriate risk mitigation actions. In this regard, the Risk Management Committee is assisted by special sub-committees that focus on Quality & Patient safety, Facility management,

Incidents review, patient feedback & complaints review and Mortality & Morbidity review. Heads of the business unit act as the first line of defense, while financial controls, Information Security practices and Compliance functions serve as the second line of defense. The third line of defense comprises of Assurance services and internal controls as well as the Internal & External Auditors. Adequacy and effectiveness of the Risk management framework is periodically reviewed by the Board Audit Committee and required changes are recommended to Board of Directors.

PERCEIVED RISKS

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

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

RISK MANAGEMENT REPORT

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

Risk	Potential Impact	Mitigation Strategy
Human Resources (People)		
<p>Service industry, in which the Group operates, is heavily dependent on human resources.</p> <p>Risks may arise from employee negligence, conflict of interest, fraud or misappropriation and due to poorly trained employees.</p> <p>Human capital may affect by failure to attract, develop and retain skilled workforce.</p>	<p>Human resource issues could affect the continuity of business operations. The consequences could be serious, when loss of key executives without suitable replacement.</p> <p>Thus the ability to recruit and retain qualified and skilled healthcare professionals are crucial for the Group's success.</p>	<p>The Group has introduced a comprehensive recruitment and retention process. Clinical staff are recruited following a thorough evaluation of their credentials and regulatory requirements. While ensuring the safety and welfare of the employees, our risk management approach is directed towards minimizing the Human related concerns. A succession planning program is in place which includes; regular trainings, developments, promotions, KPI and supervision.</p> <p>Recognition and reward schemes to encourage and promote desirable behaviour is in place.</p> <p>Retaining key talent with appropriate incentive schemes and periodic review of performance if in place.</p>
Technological & information security		
<p>The healthcare industry is exposed to frequent technological change and failure to adopt these latest technologies will drive the Group towards technological obsolescence.</p> <p>Increasing use of technology has hosted new levels of complexity and threats such as: security breaches, system failures, malicious attacks, IT fraud and many other issues.</p>	<p>If systems are disrupted over the internet, by an adversary or an accident, that can have a profound impact on patient care.</p> <p>Inability to adopt the latest pioneering technology could result in loss of customers, leading to fall in revenue and loss of market leadership.</p>	<p>Research and innovations in the healthcare industry are regularly perused as the Group is intent on adopting most innovative & advance technologies for diagnostics and treatments.</p> <p>Preventive maintenance of IT infrastructure, scheduled data backups, offsite storage and round-the-clock IT support by the parent Group are some of the strategies adopted to ensure zero losses of data during a system failure.</p> <p>The Asiri Group makes regular investments in pioneering technology and training of staff for optional application of existing technology.</p>
Legal and Compliance Risk		
<p>In a highly regulated, high Risk industry such as healthcare, compliance is especially important.</p> <p>Compliance risk arises when the Group fails to act in accordance with industry laws and regulations, internal policies or prescribed best practices.</p>	<p>The Group will be exposed to legal penalties, financial forfeiture and material losses and the consequences of litigation are difficult to predict or quantify.</p> <p>In addition to complying with the Colombo Stock Exchange, Securities and Exchange Commission and Companies Act disclosure requirements, the Group also complies with Sri Lanka Accounting Standards. Non-compliance would cause severe reputation damages as well.</p>	<p>Regulatory compliance is ensured with check lists, timely renewal of licenses, regular inspection and review of practices and training of staff in HR, Finance, waste management, pharmacy and laboratory services etc.</p> <p>The Group's corporate governance framework ensures the transparency, compliance with laws & regulation and ethical business in all affairs with stakeholders. The Related Party Transaction Review committee has been established to assure the highest level of integrity and transparency.</p>

ETHICS COMMITTEE REPORT

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

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

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

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

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

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

MEMBERS:

Prof. Rohan W Jayasekara, (Chairperson)
(Emeritus Professor of Anatomy / Medical Geneticist, Faculty of Medicine, University of Colombo.)

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

Dr. Arittha Wickramanayake
(Attorney at Law /Precedent Partner, Nithya Partners)

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

Prof. Kemal I Deen
(Consultant General Surgeon -Intestinal)

Dr. Indrani Amarasinghe
(Consultant Oncologist)

Prof. Chandani Wanigatunga
(Professor in Pharmacology and Consultant Physician)

Dr. Kamal Weerapperuma
(Company Director)

Prof. Shalini Sri Ranganathan
(Professor in Pharmacology and Specialist Paediatrician)

Sgd.
Prof. Rohan Jayasekara
Chairman - Ethics Committee

31 August 2023
Colombo

AUDIT COMMITTEE REPORT

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

The scope and responsibilities of the Committee are set out in the terms of reference of the Committee, which is approved by the Board. The Committee's responsibilities relate to the Group as a whole, and in discharging its responsibilities, the Committee places reliance on the work carried out by internal and external auditors to the Company and its subsidiaries.

The Audit Committee is appointed by the Board of Directors and comprises three independent Non-Executive Directors. Their names are stated in the Corporate Governance Report on Page 36.

MEETING AND ATTENDANCE

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

The attendance at Audit Committee meetings was as follows:

Mr. S. Ahangama (Chairman) - Non-Executive Independent Director, 5 of 5 meetings.

Mr. S A B Rajapaksa (member) - Non-Executive Independent Director, 5 of 5 meetings.

Mr. G L H Premaratne - (member) - Non-Executive Independent Director, 5 of 5 meetings.

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 and the Group Finance Director 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.

The Audit Committee engaged in the following activities during the financial year under review.

FINANCIAL REPORTING

During the year, the Committee reviewed and discussed with Management unaudited quarterly financial statements and final audited financial statements, prior to them being recommended to the Board. Senior management, Finance Head of the group and the respective companies provided information and confirmations required by the Audit Committee that the said financial statements for the year were prepared in accordance with the Sri Lanka Accounting Standards and requirements of the Companies Act No. 07 of 2007.

The Committee continued to focus on the effectiveness of the controls and risks related to the information systems that are being used to prepare the Financial Statements. The Committee also discussed with the External Auditors the results of their reports to the Committee on the audit for the year and their level of comfort over management's significant judgements and estimates and the acceptability of the Company's accounting policies.

The External Auditors report to the Committee on the audit for the year, and matters arising from the audit were discussed by the Committee in the presence of both, External Auditors and Management.

INTERNAL AUDIT, RISK AND CONTROLS

The Committee reviewed the adequacy and effectiveness of the Internal Audit coverage for the Group and the Internal Audit Plans for the Group. These comprise updates on internal audits conducted, including those performed in the unlisted subsidiaries within the Group.

Reports from the Internal Auditors on the operations of the Company and its subsidiaries were also reviewed by the Committee. Follow-up action taken on the recommendations of the Internal Auditors and any other significant follow-up matters are documented and presented to the Committee as an update to the matters arising from previous meeting minutes.

EXTERNAL AUDITORS

M/s Ernst and Young, the Auditors of the company retire and offer themselves for re-appointment. The Board recommends their re-appointment for the year 2023/2024 subject to the approval of the shareholders at the Annual General Meeting.

The Committee also reviewed the arrangements made by the External Auditors to maintain their independence and confirmation has been received from the Auditors of their compliance with the independence.

Therefore, the Board has determined that the External Auditors are independent as they are not engaged in providing any non-audit services and the fees charged for audit assignments are not significant to impair their judgement/independence.

As far as the Directors are aware, the Auditors do not have any other relationship with the Company or any interest in contracts with the Company.

COMPLIANCE

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.

Sgd.

S. Ahangama

Chairman – Board Audit Committee

31 August 2023

Colombo

REMUNERATION COMMITTEE REPORT

PURPOSE

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

COMMITTEE COMPOSITION AND MEETING

The Human Resources and Remuneration Committee consists of 2 Non-Executive Independent Directors. The members of the Human Resources and Remuneration Committee as at 31 March 2023 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	2/2
Dr. S. Selliah Non- Executive Independent Director	Member	2/2

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.

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.

SUMMARY

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

Sgd.

Mr. G.L.H Premaratne

Chairman – Remuneration Committee

31 August 2023
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.A.B Rajapaksa – Chairman – Resigned with effect from 13th March 2023
- Mr. G.L.H Premaratne – Independent Non-Executive Director
- Mr. S. Ahangama - Independent Non-Executive Director

Pursuant to the resignation of the Mr. S.A.B Rajapaksa the Committee re constituted as follows:

The Related Party Transactions Review Committee comprises two Non-Executive Independent Directors and a Non Independent and non-Executive Director.

- Mr. S. Ahangama - Independent Non-Executive Director – Chairman – Appointed w.e.f. 24th May 2023
- Mr. G.L.H Premaratne – Independent Non-Executive Director

- Mr. H.K. Kaimal - Non Independent Non Executive Director - Appointed w.e.f. 24th May 2023

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

ATTENDANCE AT MEETINGS

Name of Director	Meeting Attended
Mr. S.A.B Rajapaksa (Resigned w.e.f. 13th March 2023)	4/4
Mr. G.L.H Premaratne	4/4
Mr. S. Ahangama	4/4
Mr. H.K. Kaimal (Appointed w.e.f. 24th May 2023)	0/4

ROLES AND RESPONSIBILITIES

1. Reviewing in advance all proposed related party transactions of the Company in compliance with the Code.
2. Adopting policies and procedures to review related party transactions of the company and its subsidiaries and reviewing and overseeing existing policies and procedures.
3. Determining whether related party transactions that are to be entered into by the Company require the approval of the Board or Shareholders of the respective Companies.
4. If related party transactions are ongoing (recurrent related party transactions) the Committee establishes guidelines for senior management to follow in its ongoing dealings with the relevant related party.
5. Ensuring that no Director of the Company shall participate in any discussion of a proposed related party transaction for which he or she is a related party, unless such Director is requested to do so by the Committee for the express purpose of providing information concerning the related party transaction to the Committee.

6. If there is any potential conflict in any related party transaction, the Committee may recommend the creation of a special committee to review and approve the proposed related party transaction.
7. Ensuring that immediate market disclosures and disclosures in the Annual Report as required by the applicable rules/regulations are made in a timely and detailed manner.

REVIEW OF THE RELATED PARTY TRANSACTIONS DURING THE YEAR

The Committee reviewed all proposed Related Party Transactions of Asiri Hospital Holdings PLC and scrutinised such transactions to ensure that they are no less favourable to the Group than those generally available to an unaffiliated third party in a similar circumstance. The activities of the Committee have been communicated to the Board quarterly through tabling minutes of the meeting of the Committee at Board Meetings. Relevant disclosures have been made to the Colombo Stock Exchange in compliance with regulations. Details of Related Party Transactions entered by the Group during the above period are disclosed in Note 31 to the Financial Statements.

During the year 2022/23 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

31 August 2023
 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 53 to 55. 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 56 to 125 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.

Softlogic Corporate Services (Pvt) Ltd
Secretaries

31 August 2023
Colombo

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

The Directors of Asiri Hospital Holdings PLC have pleasure in presenting to the members of their report together with the Audited Financial Statements of the Company and the Audited Consolidated Financial Statements of the Group for the year ended 31 March 2023.

GENERAL

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

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

PRINCIPAL ACTIVITIES AND NATURE

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

FUTURE DEVELOPMENTS

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

PERFORMANCE REVIEW

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

FINANCIAL STATEMENTS

Section 168 (b) of the Companies Act require that the Annual Report of the Directors include financial statements of the Company, in accordance with Section 151 of the Companies Act and Group financial statements for the accounting period, in accordance with section 152 of

the Companies Act. The requisite financial statements of the Company are given on pages 52 to 125 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 48.

AUDITOR'S REPORT

The Auditor's Report on the financial statements is given on page 53 of the Annual Report.

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the financial statements are given on pages 62 to 73 of the Annual Report. There was no change in the accounting policies adopted from the previous year except for the standards listed in Note 2.5 and 2.6.

PROPERTY, PLANT & EQUIPMENT

The details and movement of property, plant and equipment during the year under review is set out in Note 9 to the Financial Statements on pages 80 to 83.

CAPITAL EXPENDITURE

The total capital expenditure incurred on the acquisition of property, plant and equipment for the Company and the Group amounted to Rs. 490 Mn (2022 - 504 Mn) and Rs. 1,453 Mn (2022 - Rs. 1,228 Mn) respectively. Details of capital expenditure and their movements are given in Note 9 to the Financial Statements on pages 80 to 83 of the Annual Report.

RESERVES

The reserves for the Company and Group amounted to Rs. 4,923 Mn (2022 Rs. 5,849 Mn) and Rs. 12,968 Mn (2022 - Rs. 9,905 Mn) respectively. The movement and composition of the Capital and Revenue reserves is disclosed in the Statement of Changes in Equity.

DONATIONS

During the year, donations made by the Company and Group amounted to Rs. 0.1 Mn (2022 - 1.3 Mn) and Rs 3.8 Mn (2022 - Rs. 5.8 Mn) respectively.

STATED CAPITAL

The stated capital of the Company as at 31 March 2023 was Rs. 4,748,108,334/- (2021/2022- LKR. 4,748,108,334/-) represented by 1,137,533,596 ordinary shares. There was no change in the stated capital of the Company during the year under review.

EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL PERFORMANCE

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

TAXATION

The information relating to income tax and deferred taxation is given in Note 6 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

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Group as at the date of the Statement of Financial Position have been paid or, where relevant provided for, except as specified in Note 29 to the Financial Statements, covering contingent liabilities.

RELATED PARTY TRANSACTIONS

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

DIRECTORATE

The following Directors held Office during the year under review. The biographical details of the Board members are set out on pages 26 to 27.

Mr. A.K. Pathirage - (Chairman/ Managing Director)
Dr. S. Selliah - Deputy Chairman
Dr. K.M.P Karunaratne - Group Chief Executive Officer
Mr. G.L.H. Premaratne
Mr. S.A.B Rajapaksa - Resigned with effect from 13th March 2023
Mr. S. Ahangama
Mr. V Bali
Mr. A.N Thadani
Mr. A.N Thadani (Alternate Director to Mr. V Bali)
Mr. H.K. Kaimal - Appointed w.e.f 16th May 2023

DIRECTORS' SHAREHOLDING

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

Name of Director	No. of Shares as at 31/03/2023	No. of Shares as at 31/03/2022
Mr. A K Pathirage	371,664	371,664
Dr. S. Selliah	-	-
Dr. K.M.P Karunaratne	9474	9,424
Mr. G.L.H Premaratne	-	-
Mr. S.A.B Rajapaksa (Resigned w.e.f. 13th March 2023)	-	-
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 2023 was Rs. 28 Mn (2022 - Rs23 Mn).The remuneration of the Directors is determined by the Board.

DIRECTORS' INTERESTS IN CONTRACTS AND PROPOSED CONTRACTS WITH THE COMPANY

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

INTERESTS REGISTER

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

SHAREHOLDERS' INFORMATION

The distribution of shareholders is indicated on page 127 of the Annual Report. There were 5662 registered shareholders as at 31 March 2023 (31 March 2022 - 5,471).

SHARE INFORMATION

Information on share trading is given on page 127 of the Annual Report.

INTERNAL CONTROL

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

EMPLOYEES & INDUSTRIAL RELATIONS

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

RISK MANAGEMENT

The Group's risk management objectives and policies and the exposure to risks, are set out in pages 41 and 43 of the Annual Report.

CORPORATE GOVERNANCE

The report on Corporate Governance is given on pages 36 to 40 of the Annual Report.

DIVIDENDS

There were no Dividend declared during the period.

THE AUDITORS

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

The Auditors of the Company, Messrs. Ernst & Young, Chartered Accountants were paid Rs. 2.4 Mn as audit fees for the financial year ended 31 March 2023 (2022 – Rs. 1.9 Mn) by the Company. Details of which are given in Note 5 to the Financial Statements.

As far as the Directors are aware, the Auditors do not have any relationship (other than that of an auditor) with the Company that would have an impact on their independence. The Auditors also do not have any interest in the Company.

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

RELATED PARTY TRANSACTIONS

Transaction of the related parties (as defined in LKRS 24- Related Parties Disclosure) with the Company are set out in Note No. 31 to the Financial Statements. There are no any other related party transaction which exceed the threshold of 10% of the equity or 5% of the total assets, whichever is lower than in relation to non-recurrent related party transactions or 10% of the gross revenue in relation to recurrent related party transactions other than the transaction mentioned in page 117. The Company has complied with the requirements of the Listing Rules of the Colombo Stock Exchange on Related Party Transactions.

GOING CONCERN

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

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held either physically or electronic means on Monday, the 25th September 2023 at 10.00 am. The Notice of the Annual General Meeting is on page 134 of the Annual Report.

Sgd.
A K Pathirage
Chairman/Managing Director

Sgd.
Dr. Manjula Karunaratne
Group Chief Executive Officer

Sgd.
Softlogic Corporate Services (Pvt) Ltd
Secretaries

31 August 2023
Colombo

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INDEPENDENT AUDITORS' REPORT



Ernst & Young
Chartered Accountants
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Colombo 10, Sri Lanka

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Email: eysl@lk.ey.com
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TO THE SHAREHOLDERS OF ASIRI HOSPITAL HOLDINGS PLC

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Asiri Hospital Holdings PLC ("the Company") and the consolidated financial statements of the Company and its subsidiary ("the Group"), which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2023, and of their financial

performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial

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

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

Key Audit Matter	How our audit addressed the key audit matter
<p>Assessment of fair value of land and buildings Property, Plant and Equipment includes Land and Buildings carried at fair value as disclosed in Note 9 to the financial statements. This was a key audit matter due to:</p> <ul style="list-style-type: none"> Materiality of the reported Land & Buildings balances which amounted to Rs. 27 Bn and represented 54% of the total assets as of 31 March 2023. The degree of management assumptions, judgements and estimations involved in assessing the fair value of Land and Buildings. <p>Key areas of significant judgments, estimates and assumptions used in the valuation of the Land and Buildings included the following:</p> <ul style="list-style-type: none"> Estimate of per perch value of the Land Estimate of the per square foot value of the Buildings 	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessed the competency, capability and objectivity of the external valuer engaged by the Group. Read the external valuer's report and understood the key estimates made and the approach taken by the valuer in determining the valuation of each Land and Building Assessed the reasonableness of the significant judgements made by the valuer relating to valuation techniques, per perch price and value per square foot used by the valuer in the valuation of each Land and Building. We have also assessed the adequacy of the disclosures made in Notes 2.4.6 and 9 to the financial statements.

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

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

A member firm of Ernst & Young Global Limited

INDEPENDENT AUDITORS' REPORT

Key Audit Matter	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>The Group derives its revenue of Rs. 24.7Bn by providing healthcare services as disclosed in Notes 2.4.15 and 3.1 to the financial statements</p> <p>Revenue was a key audit matter due to:</p> <ul style="list-style-type: none"> Materiality of the reported revenues coupled with the increase of 11% in revenue recorded by the Group during the year. Reliance on Information Technology (IT); and Complexity of revenue recognition due to involvement of multiple divisions to provide medical services 	<p>Our audit procedures included the following;</p> <ul style="list-style-type: none"> Obtained an understanding and evaluated, the design of internal controls and tested the relevant key controls over revenue recognition .We also tested the general IT control environment relating to the most significant IT systems relevant to revenue recognition and tested relevant IT application controls 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. We also, assessed the adequacy of the disclosures made in Notes 2.4.15 and 3.1 to the financial statements.
<p>Interest Bearing Borrowings</p> <p>As of the reporting date, the Group reported total interest bearing borrowings of Rs. 20.9 Bn, of which Rs.16.2 Bn was reported as current liabilities and the balance Rs. 4.7 Bn as non-current liabilities.</p> <p>Interest bearing borrowings was a key audit matter due to:</p> <ul style="list-style-type: none"> The materiality of the interest-bearing borrowings and its significance to the overall financial statements (67% of total liabilities). Existence of a number of financial and non-financial covenants and disclosures relating to the current and non-current classification of such borrowings in the financial statements. 	<p>Our Audit procedures included the following;</p> <ul style="list-style-type: none"> Assessed the design and effectiveness of controls implemented for recording of the borrowings, monitoring, evaluating and timely reporting on covenant compliances in relation to interest bearing borrowings Obtained direct confirmations from Financial Institutions for outstanding amounts as of the reporting date Assessed the adequacy and appropriateness of the disclosures made in Notes 23 relating to interest bearing borrowings.

Other information included in the Group's 2023 Annual Report

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or

otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance

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

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance

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

Report on Other Legal and Regulatory Requirements

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

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



31 August 2023
Colombo

STATEMENT OF PROFIT OR LOSS

Year ended 31 March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Revenue	3.1	24,785,715,950	22,324,121,158	10,477,629,150	8,759,388,357
Cost of services		(13,118,805,196)	(11,923,489,031)	(5,145,823,886)	(4,277,636,036)
Gross Profit		11,666,910,754	10,400,632,127	5,331,805,264	4,481,752,321
Other Income	3.2	223,071,731	226,579,493	124,922,954	121,141,841
Administrative Expenses		(5,195,589,669)	(4,212,239,944)	(2,175,749,726)	(1,773,309,902)
Selling and Distribution Expenses		(786,202,113)	(615,992,303)	(326,125,152)	(291,283,801)
Finance Cost	4.1	(5,152,096,165)	(1,273,987,647)	(3,905,821,284)	(1,189,910,434)
Finance Income	4.2	2,439,180,709	247,210,049	184,648,057	62,033,595
Dividend Income		-	-	-	2,345,493,836
Profit/(Loss) Before Tax	5	3,195,275,245	4,772,201,773	(766,319,887)	3,755,917,455
Tax (Expense)/Reversal	6	(1,496,016,789)	(968,903,722)	(215,417,393)	(499,464,094)
Profit/(Loss) for the Year		1,699,258,456	3,803,298,051	(981,737,280)	3,256,453,361
Attributable to:					
Equity Holders of the Parent Company		1,468,949,169	3,503,939,215		
Non-Controlling Interests		230,309,287	299,358,836		
		1,699,258,456	3,803,298,051		
Earnings Per Share - Basic	7	1.29	3.08	(0.86)	2.86
Dividend Per Share	8	-	2.50	-	2.50

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 62 through 125 form an integral part of these Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Profit/(Loss) for the Year		1,699,258,456	3,803,298,051	(981,737,280)	3,256,453,361
Other Comprehensive Income not to be reclassified to Statement of Profit or Loss in subsequent periods					
Net (Loss) on Equity Instruments at Fair Value Through Other Comprehensive Income	14.2	(63,262,454)	(161,016,255)	2,056,577	(36,711,427)
Revaluation of Land and Buildings		3,589,711,463	4,628,026,820	1,031,292,485	2,109,130,674
Actuarial Gain/(Loss) on Post Employment Benefit Liability	25.1	199,974,696	3,909,843	90,682,227	(10,284,456)
Net Other Comprehensive Income not to be reclassified to Statement of Profit or Loss in subsequent periods		3,726,423,705	4,470,920,407	1,124,031,289	2,062,134,791
Other Comprehensive Income to be reclassified to Statement of Profit or Loss in subsequent periods:					
Currency Translation of Foreign Operation		(270,590)	(2,333,463)	-	-
Net Other Comprehensive Income to be reclassified to Statement of Profit or Loss in subsequent periods		(270,590)	(2,333,463)	-	-
Tax on Other Comprehensive Income	24.1	(2,072,450,239)	(670,472,921)	(1,067,868,681)	(288,457,301)
Other Comprehensive Income for the Year, Net of Tax		1,653,702,877	3,798,114,023	56,162,608	1,773,677,490
Total Comprehensive Income for the Year, Net of Tax		3,352,961,333	7,601,412,074	(925,574,672)	5,030,130,851
Total Comprehensive Income Attributable to:					
Equity Holders of the Parent Company		3,063,669,509	7,203,526,399		
Non-Controlling Interest		289,291,824	397,885,675		
		3,352,961,333	7,601,412,074		

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 62 through 125 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 31 March	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
ASSETS					
Non-current Assets					
Property, Plant and Equipment	9	33,205,836,331	29,612,478,928	14,918,707,716	14,107,013,151
Right of Use Assets	10	1,175,011,170	1,280,844,185	1,000,620,616	956,155,474
Goodwill	11	609,654,071	609,654,071	-	-
Investment in Subsidiaries	12	-	-	12,341,731,252	12,341,417,365
Loans Granted to Related Parties	20	5,354,886,724	-	-	-
Other Non Current Assets	13	61,506,062	62,408,163	35,524,062	36,426,161
Non Current Financial Assets	14	351,419,210	386,326,932	99,929,600	93,200,000
		40,758,313,568	31,951,712,279	28,396,513,245	27,534,212,151
Current Assets					
Inventories	17	1,232,954,509	1,000,220,190	470,774,491	299,553,034
Trade and Other Receivables	18	802,221,721	707,745,547	801,408,927	467,203,227
Dividend Receivable		-	-	-	744,959,212
Loans Granted to Related Parties	20	5,456,408,364	4,237,404,138	328,265,517	716,672,052
Other Current Assets	19	482,503,552	507,544,251	129,522,783	147,488,561
Cash and Cash Equivalents	28.1	1,552,653,341	838,746,156	551,970,991	394,360,827
		9,526,741,486	7,291,660,282	2,281,942,709	2,770,236,913
Total Assets		50,285,055,054	39,243,372,561	30,678,455,955	30,304,449,064
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	21	4,748,108,334	4,748,108,334	4,748,108,334	4,748,108,334
Other Components of Equity	22	8,368,528,850	6,915,288,031	4,069,022,149	4,075,642,663
Retained Earnings		4,600,553,861	2,990,073,369	854,660,646	1,773,614,804
Equity Attributable to Equity Holders of the Parent		17,717,191,045	14,653,469,734	9,671,791,129	10,597,365,801
Non-Controlling Interests		1,458,293,985	1,169,367,850	-	-
Total Equity		19,175,485,030	15,822,837,584	9,671,791,129	10,597,365,801
Non-current Liabilities					
Interest Bearing Loans and Borrowings	23	4,715,755,743	6,246,747,700	5,220,707,512	9,167,260,449
Deferred Tax Liabilities	24	4,573,108,327	2,042,325,097	2,212,227,860	923,941,783
Employee Benefit Liability	25	582,583,970	699,050,763	223,590,779	276,748,806
		9,871,448,040	8,988,123,560	7,656,526,151	10,367,951,038
Current Liabilities					
Trade and Other Payables	26	3,653,043,000	1,938,262,248	1,747,169,469	1,076,281,363
Dividend Payable		75,685,657	1,509,632,702	61,999,952	1,400,551,797
Interest Bearing Loans and Borrowings	23	12,808,752,047	7,590,045,963	8,754,221,822	4,263,102,675
Income Tax Payable	27	521,814,063	348,485,366	7,140,625	231,862,481
Bank Overdraft	28.2	4,178,827,217	3,045,985,138	2,779,606,807	2,367,333,910
		21,238,121,984	14,432,411,418	13,350,138,675	9,339,132,226
Total Equity and Liabilities		50,285,055,054	39,243,372,561	30,678,455,955	30,304,449,064

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

Sgd.

Ajith Karunaratne

Director Finance

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

Sgd.

Ashok Pathirage

Director

Sgd.

Dr. Manjula Karunaratne

Director

The Accounting Policies and Notes on pages 62 through 125 form an integral part of these Financial Statements.

31 August 2023

Colombo

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March	Attributable to Equity Holders of the Parent										
	GROUP	Stated Capital	Fair Value Reserve of Financial Assets at FVOCI	Revaluation Reserve	Other Reserve	Retained Earnings	Foreign Currency Translation Reserve	Total	Non-Controlling Interest	Total Equity	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
As at 1 April 2021	4,748,108,334	(46,240,071)	4,185,577,785	(920,570,832)	2,327,573,999	(670,556)	10,293,778,659	1,003,479,433	11,297,258,092		
Profit for the Year	-	-	-	-	3,503,939,215	-	3,503,939,215	299,358,836	3,803,298,052		
Other Comprehensive Income	-	(137,340,542)	3,836,867,046	-	2,394,144	(2,333,463)	3,699,587,184	98,526,839	3,798,114,023		
Total Comprehensive Income	-	(137,340,542)	3,836,867,046	-	3,506,333,359	(2,333,463)	7,203,526,399	397,885,676	7,601,412,074		
Acquisition of Non-Controlling Interests	-	-	-	(1,335)	-	-	(1,335)	(239,290)	(240,624)		
Interim Dividends 2021/22	-	-	-	-	(2,843,833,990)	-	(2,843,833,990)	-	(2,843,833,990)		
Subsidiaries Dividends to Minority Shareholders	-	-	-	-	-	-	-	(231,757,969)	(231,757,969)		
As at 31 March 2022	4,748,108,334	(183,580,613)	8,022,444,831	(920,572,167)	2,990,073,368	(3,004,019)	14,653,469,734	1,169,367,850	15,822,837,584		
Profit for the Year	-	-	-	-	1,468,949,169	-	1,468,949,169	230,309,287	1,699,258,456		
Other Comprehensive Income	-	(50,645,891)	1,503,411,068	-	142,225,752	(270,590)	1,594,720,340	58,982,537	1,653,702,877		
Total Comprehensive Income	-	(50,645,891)	1,503,411,068	-	1,611,174,921	(270,590)	3,063,669,509	289,291,824	3,352,961,333		
Equity Investments at FVOCI reclassified to Retained Earnings	-	694,428	-	-	(694,428)	-	-	-	-		
Acquisition of Non-Controlling Interests	-	-	-	51,804	-	-	51,804	(365,689)	(313,885)		
As at 31 March 2023	4,748,108,334	(233,532,076)	9,525,855,899	(920,520,363)	4,600,553,861	(3,274,609)	17,717,191,047	1,458,293,985	19,175,485,030		

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 62 through 125 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March	Stated Capital	Revaluation Reserve	Retained Earnings	Fair Value Reserve of Financial Assets at FVOCI	Total
COMPANY	Rs.	Rs.	Rs.	Rs.	Rs.
As at 31 March 2021	4,748,108,334	2,293,120,542	1,369,840,065	-	8,411,068,940
Profit for the Year	-	-	3,256,453,361	-	3,256,453,361
Other Comprehensive Income	-	1,819,233,549	(8,844,632)	(36,711,427)	1,773,677,490
Total Comprehensive Income	-	1,819,233,549	3,247,608,729	(36,711,427)	5,030,130,851
Interim Dividends 2021/2022	-	-	(2,843,833,990)	-	(2,843,833,990)
As at 31 March 2022	4,748,108,334	4,112,354,091	1,773,614,804	(36,711,427)	10,597,365,801
Loss for the Year	-	-	(981,737,280)	-	(981,737,280)
Other Comprehensive Income	-	(9,371,519)	63,477,550	2,056,577	56,162,608
Total Comprehensive Income	-	(9,371,519)	(918,259,730)	2,056,577	(925,574,672)
Equity Investments at FVOCI reclassified to Retained Earnings	-	-	(694,428)	694,428	-
As at 31 March 2023	4,748,108,334	4,102,982,572	854,660,646	(33,960,423)	9,671,791,129

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 62 through 125 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

Year ended 31 March	Note	Group		Company	
		2023	2022	2023	2022
		Rs.	Rs.	Rs.	Rs.
Cash Flows From Operating Activities					
Profit/(Loss) Before Tax Expense		3,195,275,245	4,772,201,773	(766,319,887)	3,755,917,455
Adjustments for					
Depreciation	9	1,580,756,616	1,390,819,802	707,749,146	628,791,580
Amortisation of Right of Use Assets	10.2	151,485,950	155,105,590	109,878,486	94,640,802
Net Loss on Disposal of Property, Plant and Equipment	3.2	2,388,264	1,568,875	1,839,599	218,561
Provision for Bad and Doubtful Debts	5	22,928,988	10,141,658	10,198,283	10,192,327
Provision and Inventory Write-off	17	13,338,038	15,643,475	2,754,908	1,579,875
Provision for Retirement Gratuity	25.1	174,853,394	116,083,585	69,195,315	49,033,481
Unrealized Foreign Currency Exchange Gain		48,122	715,308	92,077	(1,576,002)
Fair Value movement in Financial Investment	4.2	(426,026)	(7,078,142)	-	-
Finance Cost	4.1	5,152,096,165	1,273,987,647	3,905,821,284	1,189,910,434
Finance Income	4.2	(2,403,810,378)	(240,131,906)	(178,648,057)	(62,033,595)
Dividend Income		(34,944,306)	-	(6,000,000)	(2,345,493,836)
Operating Profit Before Working Capital Changes		7,853,990,074	7,489,057,664	3,856,561,154	3,321,181,083
Changes in Working Capital					
(Increase)/Decrease in Inventories		(246,072,357)	(351,566,653)	(173,976,364)	(98,105,835)
(Increase)/ Decrease in Trade and Other Receivables		(117,405,162)	69,376,485	(344,403,982)	73,642,249
(Increase)/ Decrease in Other Current Assets		25,040,699	(155,638,499)	17,965,778	(17,459,345)
Increase/ (Decrease) in Trade and Other Payables		1,714,780,751	144,566,734	670,888,105	41,217,459
Cash Generated From Operations		9,230,334,004	7,195,795,730	4,027,034,691	3,320,475,611
Income Tax Paid	27	(864,424,333)	(385,725,860)	(219,721,855)	(102,062,733)
Defined Benefit Plan Costs Paid	25	(91,081,071)	(79,412,824)	(32,464,456)	(42,120,686)
Finance Cost Paid		(4,822,860,043)	(1,195,888,693)	(3,156,253,119)	(1,582,601,085)
Net Cash From Operating Activities		3,451,968,555	5,534,768,354	618,595,261	1,593,691,108
Cash Flows From/(Used in) Investing Activities					
Acquisition of Property, Plant and Equipment		(1,453,825,192)	(1,228,216,152)	(490,958,361)	(504,094,532)
Acquisition of Right of use Assets		(2,724,074)	-	-	-
Investment in Financial Instruments		-	(219,383,802)	-	(99,911,427)
Increase in Interest in Subsidiaries		-	-	(313,885)	(240,625)
Proceeds from Disposal of Property, Plant and Equipment		17,929,412	20,275,772	967,533	15,577,024
Interest and Guarantee Income Received		698,851,407	115,783,584	159,390,945	47,547,228
Dividends Received		-	-	744,959,212	1,600,534,624
(Increase)/ Decrease in Loans Granted to Related Parties		(4,833,894,227)	(2,433,284,369)	407,663,648	(702,051,968)
Net Cash Flows From/(Used in) Investing Activities		(5,573,662,674)	(3,744,824,968)	821,709,092	357,360,324
Cash Flows From/(Used in) Financing Activities					
Dividends Paid		(1,338,551,845)	(1,516,426,447)	(1,338,551,845)	(1,516,426,447)
Dividends Paid to Minority Shareholders		(95,395,200)	(140,709,744)	-	-
Proceeds from Interest Bearing Borrowings		7,431,592,416	3,261,429,442	7,059,073,073	862,671,640
Repayment of Interest Bearing Borrowings		(4,073,679,285)	(3,632,067,677)	(7,266,338,144)	(1,123,304,242)
Repayment of Lease Obligations	23.3	(220,892,978)	(237,898,513)	(149,150,170)	(114,180,445)
Acquisition of Non Controlling Interests		(313,885)	(240,625)	-	-
Net Cash Flows From/ (Used in) Financing Activities		1,702,759,223	(2,265,913,564)	(1,694,967,086)	(1,891,239,495)
Net Increase/(Decrease) in Cash and Cash Equivalents		(418,934,896)	(475,970,179)	(254,662,733)	59,811,937
Cash and Cash Equivalents at the Beginning of the Year		(2,207,238,982)	(1,731,268,802)	(1,972,973,083)	(2,032,785,019)
Cash and Cash Equivalents at the End of the Year	28	(2,626,173,877)	(2,207,238,982)	(2,227,635,816)	(1,972,973,082)

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 62 through 125 form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 General

Asiri Hospital Holdings PLC (“Company”) is a public limited liability Company, incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office and principal place of business is located at No. 181, Kirula Road, Colombo 5.

1.2 Principal Activities and Nature of Operations

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

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

1.3 Parent Enterprise and Ultimate Parent Enterprise

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

1.4 Date of Authorization for Issue

The Financial Statements of Asiri Hospital Holdings PLC and its Subsidiaries for the year ended 31 March 2023 was authorised for issue in accordance with a resolution of the Board of Directors on 31 August 2023.

1.5 Statement of Compliance

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

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

Going Concern

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

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

The Group valued 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 and Functional Currency

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

Offsetting

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

Materiality and Aggregation

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

Comparative Information

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

2.2 Basis of Consolidation

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

2.2.1 Subsidiaries

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

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

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

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three

elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies into line

with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

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

The Financial Statements for the year ended 31 March 2023 of the following subsidiary companies are included in the Consolidated Financial Statements.

Company	Effective Holding 2023	Effective Holding 2022	Principal Activities
1. Asiri Central Hospitals Ltd	99.10%	99.09%	The principal activities of the Company were providing medical services. With the cessation of the medical services business operations, the Company operated as an investment company.
2. Asiri Hospital Matara (Pvt) Ltd.	100%	100%	The principal activities of the Company are to operate a hospital and provide healthcare services.
3. Asiri Diagnostics Services (Pvt) Ltd.	66.54%	66.54%	The principal activities of the Company are to carry out diagnostic laboratory services.
4. Asiri Surgical Hospital PLC	79.96%	79.96%	The principal activities of the Company are to operate a two tier hospital and provide healthcare services.
5. Central Hospital Ltd	99.73%	99.73%	The principal activities of the Company are to operate a hospital and provide healthcare services.
6. Asiri Laboratories (Pvt) Ltd.	100%	100%	The principal activities of the Company are to carry out diagnostic laboratory services.
7. Asiri Hospital Galle (Pvt) Ltd.	100%	100%	Company was incorporated on 20 January 2016 under the Companies Act No. 07 of 2007 and has not commenced its operations. The principal activities of the Company are to operate a hospital and provide healthcare services.
8. Asiri AOI Cancer Centre (Pvt) Ltd	39.98%	39.98%	The principal activities of the Company are to carry out cancer treatment services.
9. Asiri Myanmar Limited	100%	100%	The principal activities of the Company are to investment in medical diagnostic opportunities in South and South East Asia and has not commenced its operations.
10. Asiri Diagnostic Services (Asia) Pte. Ltd	100%	100%	The principal activities of the Company are to investment in medical diagnostic opportunities in South and South East Asia and has not commenced its operations.
11. Asiri Port City Hospital (Pvt) Ltd	100%	-	Company was incorporated on 4 May 2022 under the Companies Act No. 07 of 2007 and has not commenced its operations.

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

2.3 Significant Accounting Judgments, Estimates and Assumptions

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

Fair Value of Property, Plant and Equipment

The Group measures land and buildings at revalued amounts with changes in fair value being recognised in Other Comprehensive Income. Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and

condition of the property. Capital work in progress is stated at cost less accumulated impairment.

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

Deferred Tax Assets

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

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

Defined Benefit Plans

The cost of the retirement benefit plan of employees is determined using an actuarial valuation. The actuarial valuation is based on assumptions concerning the rate of interest, rate of salary increase, staff turnover, retirement age and going concern of the Group. Due to the long term nature of the plan, such estimates are subject to significant uncertainty. (Refer Note 25)

Leases

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

Provision for Expected Credit Losses of Financial Assets

The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. (Refer Note 2.4.10)

2.4 Summary of Significant Accounting Policies Applied

2.4.1 Business Combination and Goodwill

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

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

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

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition

date. Contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SLFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SLFRS 9. Other contingent consideration that is not within the scope of SLFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in the Statement of Profit or Loss.

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

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

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain

or loss on disposal. Goodwill disposed of in this circumstance is measured based on the relative values of the disposed operation and the portion the cash-generating unit retained.

2.4.1.1 Impairment of Goodwill

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use (VIU). The fair value less costs to sell calculation is based on available data from an active market in an arm's length transaction of similar assets, or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

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

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

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

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

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

2.4.2 Foreign Currency Translation

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

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

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

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

2.4.3 Current Versus Non-Current Classification

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

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

2.4.4 Fair Value Measurement

Fair value related disclosures for assets measured at fair value or financial instruments that are not measured at fair value, for which fair values are disclosed, are summarized in the Note 16 to the Financial Statements.

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

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

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

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

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

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

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

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

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

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

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

2.4.5 Taxation

Current Taxes

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

Asiri Central Hospitals Ltd

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

Central Hospital Ltd

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

Asiri Hospital Galle (Pvt) Ltd

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

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

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

Deferred Taxation

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

2.4.6 Property, Plant and Equipment

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

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognising of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss in the year the asset is derecognised.

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

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

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

Subsequent Measurement

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

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

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

A revaluation surplus is recognised in Other Comprehensive Income and credited to the revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in the Statement of Profit or Loss, such the increase is recognised in the Statement of Profit or Loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the revaluation reserve.

2.4.7 Leases

Estimating the Incremental Borrowing Rate

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

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of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Right of Use Assets

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

Lease Liabilities

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

Short-term Leases and Leases of Low-Value Assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from

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

Group as a Lessor

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

2.4.8 Borrowing Costs

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

2.4.9 Financial Instruments - Initial Recognition and Subsequent Measurement

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

i) Financial Assets

Initial Recognition and Measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under SLFRS 15. Refer to the accounting policies in section 2.4.15 Revenue.

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

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

Subsequent Measurement

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

1. Financial assets at amortized cost (debt instruments)

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

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

Financial Assets at Amortised Cost (Debt Instruments)

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

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

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

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

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

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair

value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

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

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

Derecognition

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

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

Or

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

Impairment of Financial Assets

The Group recognises an allowance for Expected Credit Losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash

flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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

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

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

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- Trade Receivables Note 18

ii) Financial Liabilities

Initial Recognition and Measurement

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

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

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

Subsequent Measurement

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

Loans and Borrowings

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

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

Financial Guarantee Contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment in accordance

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

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

Derecognition

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

2.4.10 Impairment of Non Financial Assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments

of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

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

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

is recognised in the Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

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

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

2.4.11 Inventories

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

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

2.4.12 Cash and Cash Equivalents

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

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

2.4.13 Provisions

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

2.4.14 Post Employment Benefits

a) Defined Benefit Plan – Gratuity

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

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

The Group's accounting policy for defined benefit plans is to recognise actuarial gains and losses in the period in which they occur in full in the Statement of Other Comprehensive Income. The gratuity liability is not externally funded.

b) Defined Contribution Plans:

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 to Employees' Provident Fund and Employees' Trust Fund.

2.4.15 Revenue

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

The Group recognised the revenue based on SLFRS 15 with effect from 1 April 2018. It applies to all contracts with customers to provide goods and services in the ordinary course of business. The Group/Company adopts principle based five steps model for revenue recognition.

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

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

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

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

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

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

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

2.4.16 Contract Assets

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

2.4.16.1 Contract Liabilities

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

services, short-term advances received to render certain services. Contract liabilities of the Group has been disclosed in trade and other payable Note 26.

2.4.17 Dividend Income

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

2.4.18 Other Income

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

2.4.19 Finance Income

Interest income is recorded as it accrues using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included under finance income in the Statement of Profit or Loss.

2.4.20 Finance Expense

Finance costs comprise interest expense on borrowings and guarantee cost.

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

2.4.21 Expenditure

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

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

2.4.22 Dividend

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

2.4.23 Earnings Per Share (EPS)

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

2.4.24 Segment Reporting

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

2.4.25 Statement of Cash Flow

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

2.5 New and Amended Standard

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

2.6 Standards Issued But Not Yet Effective

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

• Definition of Accounting Estimates - Amendments to LKAS 8

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.

NOTES TO THE FINANCIAL STATEMENTS

3. REVENUE AND OTHER INCOME

3.1 Revenue

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Healthcare Services	22,889,367,078	20,758,203,366	9,854,036,990	8,247,266,910
Sale of Pharmaceutical Goods	1,896,348,872	1,565,917,792	623,592,160	512,121,447
	24,785,715,950	22,324,121,158	10,477,629,150	8,759,388,357

3.1.a Segment Information

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

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

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

The following table presents the revenue and other income generated by the Group's segments for the year ended 31st March 2023 and comparative figures for the year ended 31st March 2022:

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Pre Care	9,918,421,174	9,149,252,016	5,721,040,575	4,609,361,888
Post Care	12,231,555,527	11,608,951,351	3,393,606,039	3,637,905,022
Pharmaceutical	2,635,739,249	1,565,917,791	1,362,982,536	512,121,447
	24,785,715,950	22,324,121,158	10,477,629,150	8,759,388,357

3.1.b Timing of Revenue Recognition

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Services and Goods Transferred at a Point In Time	12,554,160,423	10,715,169,807	7,084,023,111	5,121,483,335
Services Transferred Over Time	12,231,555,527	11,608,951,351	3,393,606,039	3,637,905,022
	24,785,715,950	22,324,121,158	10,477,629,150	8,759,388,357

3.2 Other Income

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Rental Income	121,372,089	98,780,799	52,757,829	41,262,233
Share of Profit from Jointly Operating Laboratories	64,784,212	61,131,717	64,784,212	61,131,717
Net Loss on Disposal of Property, Plant and Equipment	(2,388,264)	(1,568,875)	(1,839,599)	(218,561)
Exchange Gain/(Loss) on Foreign Currency	13,610,406	22,579,745	1,782,965	2,679,846
Sundry Income	25,693,289	45,656,106	7,437,547	16,286,606
	223,071,731	226,579,493	124,922,954	121,141,841

4. FINANCE COST/ INCOME

4.1 Finance Cost

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Interest Expense on External Borrowings	4,072,955,302	1,027,866,425	2,134,416,144	462,458,216
Interest Expense on Related Party Borrowings	79,556,735	1,156,205	1,061,712,451	515,558,713
Bank Charges on Interest Bearing Loans	17,369,599	22,207,478	8,972,241	7,535,206
Interest on Bank Overdrafts	923,055,834	171,272,464	645,994,291	161,225,652
Lease Interest	59,158,696	51,485,075	50,113,386	38,820,846
Guarantee Expense	-	-	4,612,771	4,311,802
	5,152,096,165	1,273,987,647	3,905,821,284	1,189,910,434

4.2 Finance Income

Interest Income	2,402,069,545	240,131,906	155,430,106	44,483,670
Guarantee Income	1,740,833	-	23,217,951	17,549,926
Fair Value movement in Financial Investment	426,026	7,078,142	-	-
Dividend Income	34,944,306	-	6,000,000	-
	2,439,180,709	247,210,049	184,648,057	62,033,595

4.3 Dividend Income

Dividend from Subsidiaries	-	-	-	2,345,493,836
	-	-	-	2,345,493,836

NOTES TO THE FINANCIAL STATEMENTS

5. PROFIT BEFORE TAX

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

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Included in Cost of Sales				
Depreciation	734,941,501	674,720,175	250,079,318	241,082,799
Staff related Expenses including the following:-	3,734,133,567	3,470,837,302	1,458,755,458	1,224,574,611
- Defined Contribution Plan Costs - EPF and ETF	335,476,055	279,585,472	127,807,049	100,081,730
Included in Administrative Expenses				
Depreciation	845,815,115	716,099,626	457,653,269	387,708,781
Staff related Expenses including the following :-	1,381,776,762	1,188,634,177	495,166,341	428,045,080
- Defined Benefit Plan Costs - Gratuity	174,853,394	116,083,585	69,195,316	49,033,481
- Defined Contribution Plan Costs - EPF and ETF	63,169,008	64,519,460	24,577,993	21,730,084
Directors' Fees and Remuneration	58,875,350	44,520,000	28,763,208	23,356,500
Amortization of Right of Use Assets	151,485,950	155,105,590	109,878,486	94,640,802
Donations	3,849,750	5,840,554	100,000	1,332,221
Legal Fees	16,984,069	11,685,532	2,226,863	2,652,240
Audit Fees and Related Expenses	6,447,803	5,494,500	2,478,100	1,968,194
Included in Selling and Distribution Costs				
Advertising Expenses	379,392,310	150,427,673	189,384,198	59,747,124
Impairment of Trade Debtors	22,928,988	10,141,658	10,198,283	10,192,327

6. INCOME TAX

The Major Components of Income Tax Expense are as follows :

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Current Income Tax				
Current Income Tax charge	903,288,816	725,398,921	-	372,651,590
(Over)/Under Provision in Respect of Previous Years	134,464,216	(21,263,854)	(5,000,000)	(19,152,494)
Deferred Income Tax				
Deferred Taxation recognised in Profit or Loss (Note 24)	458,263,758	264,768,655	220,417,393	145,964,998
Tax Expense reported in the Statement of Profit or Loss	1,496,016,789	968,903,722	215,417,393	499,464,094
Deferred Income Tax				
Deferred Taxation Recognised in Other Comprehensive Income (Note 24)	2,072,450,239	670,472,921	1,067,868,684	288,457,301
Tax Expense reported in the Statement of Other Comprehensive Income	2,072,450,239	670,472,921	1,067,868,684	288,457,301

NOTES TO THE FINANCIAL STATEMENTS

6.1 Reconciliation between Tax Expense and Accounting Profit

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Accounting Profit/(Loss) before Tax	3,195,275,245	4,772,201,773	(766,319,887)	3,755,917,455
Other Source of Income	(2,586,473,824)	(925,557,839)	(226,187,934)	(85,745,903)
Dividend Income from Group Companies	-	-	-	(2,345,493,836)
Other Consolidation Adjustments	(4,361,338)	(46,152,470)	-	-
Adjusted Accounting Profit/ (Loss) chargeable to Income Taxes	604,440,083	3,800,491,464	(992,507,821)	1,324,677,717
Deductible Expenses	(2,676,465,287)	(2,589,184,477)	(1,480,486,802)	(1,457,318,793)
Non Deductible Expenses	3,221,861,488	2,153,905,104	1,154,525,189	1,071,227,464
Other Source of Income	1,708,391,794	3,168,675,595	226,187,934	2,431,239,739
Set off against Tax Losses	(351,854,663)	(1,842,665,371)	(208,187,935)	(724,025,091)
Taxable Income	2,506,373,415	4,691,222,314	(1,300,469,435)	2,645,801,035

Tax has been computed at 30% all standard rate companies (including listed companies), at 15% for Central Hospital Ltd and 20% for Asiri Hospital Galle (Pvt) Ltd which is consisted with the business Losses.14% and 24% rates are applicable for the period ended 30th September 2022. Standard rate is increased to 30% from 1st October 2022.

Income Tax at 14%	21,236,147	561,484,204	-	367,276,922
Income Tax at 15%	157,142,455	28,897,755	-	-
Income Tax at 24%	296,436,938	135,016,962	-	5,374,668
Income Tax at 30%	428,473,276	-	-	-
Current Income Tax charge	903,288,816	725,398,921	-	372,651,590

7. EARNINGS PER SHARE

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

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

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Profit/(Loss) Attributable to Equity Holders of the Parent Company	1,468,949,168	3,503,939,215	(981,737,280)	3,256,453,361
Basic Earnings /(Loss) per Share	1.29	3.08	(0.86)	2.86
	Group		Company	
	2023	2022	2023	2022
Number of Ordinary Shares used as the Denominator				
Weighted Average Number of Ordinary Shares	1,137,533,596	1,137,533,596	1,137,533,596	1,137,533,596

8. DIVIDENDS

Declared during the year

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Equity Dividends on Ordinary Shares :				
- Dividend Per Share	-	2.50	-	2.50
- Interim Dividend	-	3,075,591,959	-	2,843,833,990

NOTES TO THE FINANCIAL STATEMENTS

9. PROPERTY, PLANT AND EQUIPMENT

9.1 Group

9.1.1 Gross Carrying Amounts

	Balance As at 01.04.2022 Rs.	Additions Rs.	Transfers Rs.	Revaluation Rs.	Disposal / Derecognition Rs.	Balance As at 31.03.2023 Rs.
At Cost or Valuation						
Land	7,095,150,000	-	-	810,270,009	-	7,905,420,009
Buildings	16,460,163,250	196,165,231	(320,448,863)	2,779,441,454	-	19,115,321,072
Building Improvements on Lease Hold Land	43,094,798	-	-	-	-	43,094,798
Medical Equipment	8,947,099,563	718,952,727	247,010,404	-	(79,675,816)	9,833,386,877
Plant & Machinery	1,398,546,863	28,671,702	-	-	(23,799,708)	1,403,418,858
Furniture and Fittings	1,320,505,954	237,051,336	-	-	(8,793,916)	1,548,763,374
Motor Vehicles	348,551,488	-	18,175,000	-	-	366,726,488
Sundry Equipment	2,219,085,855	208,585,799	(86,250)	-	(27,289,119)	2,400,296,285
	37,832,197,771	1,389,426,795	(55,349,709)	3,589,711,463	(139,558,559)	42,616,427,760
Capital Work in Progress	11,088,283	64,398,397	(46,013,362)	-	-	29,473,317
Total Value of Assets	37,843,286,054	1,453,825,192	(101,363,071)	3,589,711,463	(139,558,559)	42,645,901,078

9.1.2 Accumulated Depreciation

	Balance As at 01.04.2022 Rs.	Charge for the Year Rs.	Transfers Rs.	Disposal / Derecognition Rs.	Balance As at 31.03.2023 Rs.
Buildings	-	362,417,821	(362,417,821)	-	-
Building Improvements on Lease Hold Land	33,597,761	1,780,694	-	-	35,378,456
Medical Equipment	4,987,270,405	734,941,501	92,178,667	(64,058,062)	5,750,332,511
Plant & Machinery	840,260,389	51,236,278	-	(22,808,652)	868,688,016
Furniture and Fittings	844,791,186	138,184,772	-	(7,777,102)	975,198,856
Motor Vehicles	197,792,759	36,139,269	18,010,298	-	251,942,326
Sundry Equipment	1,327,094,605	256,056,282	(29,237)	(24,597,066)	1,558,524,583
Total Depreciation	8,230,807,104	1,580,756,616	(252,258,092)	(119,240,882)	9,440,064,747

Transfers include the accumulated depreciation amounting to Rs.362 Mn (2022 - Rs.282 Mn) as at revaluation date that was eliminated against the gross carrying amount of the Revalued Assets.

9.2 Company

9.2.1 Gross Carrying Amounts

	Balance As at 01.04.2022 Rs.	Additions Rs.	Transfers Rs.	Revaluation Rs.	Disposal / Derecognition Rs.	Balance As at 31.03.2023 Rs.
At Cost or Valuation						
Land	3,435,300,000	-	-	245,400,000	-	3,680,700,000
Buildings	7,598,700,000	70,765,131	(162,087,566)	785,892,485	-	8,293,270,050
Medical Equipment	2,812,610,277	194,603,951	-	-	(2,762,332)	3,004,451,896
Plant & Machinery	246,475,102	344,999	-	-	-	246,820,101
Furniture and Fittings	559,443,874	107,210,653	-	-	(1,764,422)	664,890,105
Motor Vehicles	179,448,951	-	-	-	-	179,448,951
Sundry Equipment	1,452,250,999	113,659,403	-	-	(6,243,909)	1,559,666,493
	16,284,229,203	486,584,138	(162,087,566)	1,031,292,485	(10,770,663)	17,629,247,596
Capital Work-in-Progress	-	4,374,223	(4,374,223)	-	-	-
Total Value of Assets	16,284,229,203	490,958,361	(166,461,789)	1,031,292,485	(10,770,663)	17,629,247,596

9.2.2 Accumulated Depreciation

	Balance As at 01.04.2022 Rs.	Charge for the Year Rs.	Transfers Rs.	Disposal / Derecognition Rs.	Balance As at 31.03.2023 Rs.
Buildings	-	166,461,789	(166,461,789)	-	-
Medical Equipment	1,124,864,223	235,337,450	-	(2,480,739)	1,357,720,935
Plant & Machinery	61,406,410	24,164,100	-	-	85,570,510
Furniture and Fittings	248,949,095	78,082,359	-	(1,033,040)	325,998,414
Motor Vehicles	97,386,292	18,837,526	-	-	116,223,818
Sundry Equipment	644,610,034	184,865,923	-	(4,449,753)	825,026,204
Total Depreciation	2,177,216,054	707,749,146	(166,461,789)	(7,963,531)	2,710,539,880
Total Depreciation	2,177,216,054	707,749,146	(166,461,789)	(7,963,531)	2,710,539,880

Transfers include the accumulated depreciation amounting to Rs.166 Mn(2022-131Mn) as at revaluation date that was eliminated against the gross carrying amount of the Revalued Assets.

NOTES TO THE FINANCIAL STATEMENTS

9.3 Net Book Values

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Land	7,905,420,009	7,095,150,000	3,680,700,000	3,435,300,000
Buildings	19,115,321,072	16,460,163,250	8,293,270,050	7,598,700,000
Building Improvements in Leasehold Lands	7,716,343	9,497,016	-	-
Medical Equipment	4,083,054,366	3,959,829,159	1,646,730,961	1,687,746,054
Plant & Machinery	534,730,841	558,286,473	161,249,591	185,068,692
Furniture and Fittings	573,564,518	475,714,768	338,891,692	310,494,779
Motor Vehicles	114,784,162	150,758,729	63,225,133	82,062,659
Sundry Equipment	841,771,702	891,991,250	734,640,289	807,640,965
	33,176,363,014	29,601,390,645	14,918,707,716	14,107,013,149
Capital Work in Progress	29,473,317	11,088,283	-	-
Total Carrying Amount of Property, Plant and Equipment	33,205,836,331	29,612,478,928	14,918,707,716	14,107,013,149

9.4 During the year, the Group acquired Property, Plant and Equipment to the aggregate value of Rs. 1,453,825,192/- (2022- Rs. 1,228,216,152/-). Cash payments amounting to Rs. 1,453,825,192/- (2022-Rs 1,228,216,152/-) 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.490,958,361/- (2022- Rs 504,094,532/-). Cash payments amounting to Rs.490,958,361/- (2022-Rs 504,094,532/-).

9.5 Group Property, Plant and Equipment with a carrying value of Rs. 21,569,056,800/- (2022 - Rs. 19,382,500,000./-) have been pledged as security for term loans obtained , details of which are disclosed in Note 23.4.

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

9.6 Group's Property, Plant & Equipment include fully depreciated assets which are still in use, the cost of which at the reporting date amounted to Rs.4,832Mn (2022-Rs 4,352 Mn). Company's fixed assets include fully depreciated assets, which are still in use the cost of which at the reporting date amounted to Rs. 838 Mn (2022 - Rs. 734 Mn).

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

	Group/Company 2022/2023
Buildings	Over 50-60 Years
Building Improvements on Lease Hold Land	Over 5-20 Years
Furniture and Fittings	Over 10 Years
Medical Equipments	Over 10 Years
Plant and Machinerics	Over 10 Years
Motor Vehicles	Over 5-8 Years
Sundry Equipments	
Computer and Office Equipments	Over 4-5 Years
Short Life Assets	Over 2-3 Years
Others	Over 10 Years

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

	Group			
	Cost	Cumulative Depreciation If Assets were Carried at Cost	Net Carrying Amount 2023	Net Carrying Amount 2022
	Rs.	Rs.	Rs.	Rs.
Class of Assets				
Freehold Lands	1,791,129,658	-	1,791,129,658	1,791,129,658
Buildings	11,603,336,396	8,725,132,865	9,690,599,468	9,828,076,999
	13,394,466,054	8,725,132,865	11,481,729,125	11,619,206,656

	Company			
	Cost	Cumulative Depreciation If Assets were Carried at Cost	Net Carrying Amount 2023	Net Carrying Amount 2022
	Rs.	Rs.	Rs.	Rs.
Class of Assets				
Freehold Lands	799,140,898	-	799,140,898	799,140,898
Buildings	5,923,403,880	590,084,541	5,333,319,340	5,372,293,267
	6,722,544,778	590,084,541	6,132,460,238	6,171,434,165

NOTES TO THE FINANCIAL STATEMENTS

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

Company	Location	Extent	Effective Date of Valuation	Method of Valuation	Range of Estimates for Significant Unobservable Inputs		Fair Value Measurement
					Per perch Value - Rs. Mn.	Per square feet Value -Rs.	
Property Valuations by G. W. G. Abeygunawardene (Chartered Valuation Surveyor)							
Asiri Hospital Holdings PLC	No 181, Kirula Road, Colombo.05	245.38 Perch	31st March 2023	Land - CM*	15	14	- 3,680,700,000
	2 Buildings			Buildings - DRC*	-	-	1,363,270,050.
		118,209 square feet			-	-	5,100 - 11,850.
		1 Building			-	-	5,100 - 14,500
	No 907, Peradeniya Road, Kandy	346.641 square feet	31st March 2023	Buildings - DRC	-	-	11,400 - 23,150
					-	-	6,930,000,000
Asiri Surgical Hospital PLC	No 21, Kirimandala Mawatha, Narahenpita	3 Buildings 368,124 square feet	31st March 2023	Buildings - DRC	-	-	7,580 - 14,830
					-	-	4,880 - 11,580
					-	-	3,927,965,020
	No 21, Kirimandala Mawatha, Narahenpita	2 Floors 6,710 square feet	31st March 2023	Buildings - DRC	-	-	38,750
					-	-	260,012,500
Asiri Hospital Matara (Pvt) Ltd	No 15, Dharmapala Mawatha, Uyanwatta	241.50 Perch	31st March 2023	Land - CM	1.80 - 2.0	1.10 - 1.40	- 464,700,000
				Buildings - DRC	-	-	1,750 - 14,750
		82 104 square feet			-	-	1,500 - 10,000
					-	-	799,006,750
Central Hospital Ltd	No 114, Norris Canal Road, Colombo 10	181.03 Perch	31st March 2023	Land - CM	14	13	- 2,534,420,000
				Buildings - DRC	-	-	5,279,330,000
		1 Building 453,842 square feet			-	-	3,750 - 12,500
Asiri Hospital Galle (Pvt) Ltd	No.59, Wackwella, Galle	153.20 Perch	31st March 2023	Land - CM	8	6.5	- 1,225,600,000
				Buildings - DRC	-	-	5,000 - 12,500
		"4 Buildings 45,252 square feet"			-	-	5,000 - 13,750
					-	-	5,000 - 12,500
					-	-	555,736,750

* CM- Comparison Method under Market Approach, DRC - Depreciated Replacement Cost Method under Cost Approach
Unobservable inputs are positively correlated with fair values.

10. RIGHT OF USE ASSETS

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

Set out below are the, carrying amounts of the right of use assets and the movements for the period ended 31 March 2023.

10.2 Right of Use Assets

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

	Group 2022				Company 2022		
	Leasehold Properties	BOI Lands	Motor Vehicles	Total	Leasehold Properties	Motor Vehicles	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At the beginning of the year	1,223,524,842	22,820,900	63,514,055	1,309,859,797	915,560,017	31,052,168	946,612,186
Additions and improvements	157,689,647	-	-	157,689,647	135,236,259	-	135,236,259
Amortisation for the year	(149,621,714)	(296,376)	(5,187,500)	(155,105,590)	(94,640,802)	-	(94,640,802)
Derecognition of lease assets prior to the expiry date of agreement	(547,500)	-	(31,052,168)	(31,599,668)	-	(31,052,168)	(31,052,168)
At the end of the year	1,231,045,274	22,524,524	27,274,387	1,280,844,185	956,155,475	-	956,155,474

10.3 Leasehold Property as at 31 March 2023 consists of the below;

- Asiri Surgical Hospital PLC obtained leasehold right to the land (extent of land is 2 Acres, 1 Rood and 11.6 perches) situated at No.21, Kirimandala Mawatha, Colombo 05 for 99 years from the Board of Investment of Sri Lanka by agreement dated 29th March 2000.
- Asiri Hospital Matara (Pvt) Ltd obtained lease hold right to land (extent of land is perches 38.34) and building situated at No 37, Anagarika Dharmapala Mawatha, Matara for 20 years commencing from 04th October 2006.
- Asiri Hospital Holdings PLC has entered into a lease agreement with Urban Development Authority for a lease of the land (extent of land is 2 Acres 15.5 perches) situated at No 907, Peradeniya Road, Kandy for period of 50 years commencing from 18th January 2015.

NOTES TO THE FINANCIAL STATEMENTS

11. GOODWILL

	Group	
	2023	2022
	Rs.	Rs.
At the beginning of the year	609,654,071	609,654,071
Acquisition of a Subsidiary	-	-
At the end of the year	609,654,071	609,654,071

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

	Group	
	2023	2022
	Rs.	Rs.
Asiri Surgical Hospital PLC	548,706,564	548,706,564
Asiri Hospital Galle (Pvt) Ltd	60,947,507	60,947,507
At the end of the year	609,654,071	609,654,071

11.1 Impairment of Goodwill

Accounting Judgements, Estimates and Assumptions

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

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

12. INVESTMENT IN SUBSIDIARY COMPANIES

12.1 Quoted

Company	2023		2022		2023		2022	
	Direct Holding		Carrying	Market	Carrying	Market	Carrying	Market
	%	%	Value	Value	Value	Value	Value	Value
			Rs.	Rs.			Rs.	Rs.
Asiri Surgical Hospital PLC	79.96	79.96	2,796,871,687	5,281,942,663	2,796,871,687	6,338,331,195	2,796,871,687	6,338,331,195
			2,796,871,687	5,281,942,663	2,796,871,687	6,338,331,195		

12.2 Un-quoted

Company	2023		2022		2023		2022	
	Direct Holding		Carrying	Carrying	Value	Value	Value	Value
	%	%	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Asiri Diagnostics Services (Pvt) Ltd	66.54	66.54	2,691,400	2,691,400				
Asiri Hospital Matara (Pvt) Ltd	100	100	261,780,971	261,780,971				
Central Hospital Ltd	99.73	99.73	7,119,787,789	7,119,787,789				
Asiri Central Hospitals Ltd	99.10	99.09	1,709,599,269	1,709,285,384				
Asiri Laboratories (Pvt) Ltd	100	100	1,000,000	1,000,000				
Asiri Hospital Galle (Pvt) Ltd	100	100	450,000,000	450,000,000				
Asiri Diagnostic Services (Asia) Pte. Ltd	100	100	133	133				
Asiri Myanmar Limited	100	100	1	1				
Asiri Port City Hospital (Pvt) Ltd	100	-	1	-				
			9,544,859,564	9,544,545,678				
Carrying Value of Investment in Subsidiaries			12,341,731,252	12,341,417,365				

12.3 The Shares of Subsidiary Companies owned by Asiri Hospital Holdings PLC were pledged on behalf of the loans and overdraft facilities obtained by the Company. (Refer Note 23.4)

NOTES TO THE FINANCIAL STATEMENTS

12.4 Material partly-owned subsidiaries

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

Proportion of Equity Interest held by Non-Controlling Interests:

	2023	2022
	%	%
Company Name		
Asiri Surgical Hospital PLC	20.04%	20.04%
Asiri Diagnostics Services (Pvt) Ltd	33.46%	33.46%

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

	Asiri Surgical Hospital PLC		Asiri Diagnostics Services (Pvt) Ltd	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Revenue	5,082,832,648	5,446,729,057	78,856,906	59,534,483
Cost of Services	(3,118,573,458)	(3,192,664,407)	(55,732,883)	(44,723,441)
Profit for the Year	458,098,591	1,206,380,907	42,950,568	2,830,515
Total Comprehensive Income for the Year	736,863,193	1,642,868,237	43,829,233	3,050,289
Attributable to Non-Controlling Interests	147,666,324	329,228,432	14,665,261	1,020,627

Summarised Statement of Financial Position as at 31 March:

	Asiri Surgical Hospital PLC		Asiri Diagnostics Services (Pvt) Ltd	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Current Assets	5,568,272,086	3,638,272,437	126,254,101	45,505,312
Non- Current Assets	7,435,656,549	6,544,297,421	316,041,641	324,241,514
Current Liabilities	4,571,348,864	3,087,503,976	63,413,803	28,878,973
Non- Current Liabilities	2,607,211,625	2,006,560,929	8,417,270	14,232,411
Total Equity	5,825,368,147	5,088,504,953	370,464,668	326,635,436
Attributable to:				
Equity Holders of Parent	4,657,972,748	3,642,502,442	246,507,190	217,343,228
Non-Controlling Interests	1,167,395,399	1,019,729,074	123,957,478	109,292,217

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

	Asiri Surgical Hospital PLC		Asiri Diagnostics Services (Pvt) Ltd	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Cashflow from / (used) in Operating Activities	384,070,462	955,275,350	5,898,187	13,428,195
Cashflow from / (used) in Investing Activities	(824,202,056)	(1,127,403,734)	(137,617)	(809,510)
Cashflow from / (used) in Financing Activities	40,844,806	104,081,710	(8,217,568)	(7,699,228)
Net increase / (decrease) in Cash and Cash Equivalents	(399,286,788)	(68,046,674)	(2,456,998)	4,919,457

13. OTHER NON CURRENT ASSETS

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Security Deposits	61,506,062	62,408,163	35,524,062	36,426,161
	61,506,062	62,408,163	35,524,062	36,426,161

14. NON CURRENT FINANCIAL ASSETS

14.1 Quoted/Non Quoted Equity Investments

	Note	Group			
		2023	2022	2023	2022
		Number of Shares	Number of Shares	Fair Value Rs.	Fair Value Rs.
Investment in Equity Securities					
Quoted Equity Investments	14.2	7,701,093	7,199,917	321,419,210	356,326,932
Non Quoted Equity Investments	14.3	3,000,000	3,000,000	30,000,000	30,000,000
Total Investment in Equity Securities		10,701,093	10,199,917	351,419,210	386,326,932
	Note	Company			
		2023	2022	2023	2022
		Number of Shares	Number of Shares	Fair Value Rs.	Fair Value Rs.
Investment in Equity Securities					
Quoted Equity Investments	14.2	2,099,988	2,000,000	69,929,600	63,200,000
Non Quoted Equity Investments	14.3	3,000,000	3,000,000	30,000,000	30,000,000
Total Investment in Equity Securities		5,099,988	5,000,000	99,929,600	93,200,000

NOTES TO THE FINANCIAL STATEMENTS

14.2 Investment in Equity Securities-Quoted

	Group			
	2023	2022	2023	2022
	Number of	Number of	Fair	Fair
	Shares	Shares	Value	Value
			Rs.	Rs.
Seylan Bank PLC	2,099,988	2,000,000	69,929,600	63,200,000
National Development Bank PLC	5,601,105	5,199,917	251,489,610	293,126,932
Total Investment in Equity Securities-Quoted	7,701,093	7,199,917	321,419,210	356,326,932

	Company			
	2023	2022	2023	2022
	Number of	Number of	Fair	Fair
	Shares	Shares	Value	Value
			Rs.	Rs.
Seylan Bank PLC	2,099,988	2,000,000	69,929,600	63,200,000
	2,099,988	2,000,000	69,929,600	63,200,000

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
At the Beginning of the Year	356,326,932	293,258,010	63,200,000	-
Investments Made During the year	-	219,383,802	-	99,911,427
Disposal Of Shares	(1,326,976)		(1,326,976)	
Fair Value (Loss)/Gain	(63,262,454)	(161,016,255)	2,056,577	(36,711,427)
Share Allotment as Scrip Dividends	29,681,709	4,701,375	6,000,000	-
At the End of the Year	321,419,210	356,326,932	69,929,600	63,200,000

14.3 Investment in Equity Securities-Non Quoted

	Group/Company			
	2023 Number of Shares	2022 Number of Shares	2023 Fair Value Rs.	2022 Fair Value Rs.
Digital Health (Pvt) Ltd	3,000,000	3,000,000	30,000,000	30,000,000
	3,000,000	3,000,000	30,000,000	30,000,000

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

15.1 Financial Assets

	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Financial Assets at Fair value through OCI (Equity Instruments)				
Non Current Financial Assets	351,419,210	386,326,932	99,929,600	93,200,000
Financial Assets at Amortised Cost				
Trade and Other Receivables	802,221,721	707,745,547	801,408,927	467,203,227
Loans Granted to Related Parties	10,811,295,087	4,237,404,138	328,265,517	716,672,052
Cash and Cash Equivalents	1,552,653,341	838,746,156	551,970,991	394,360,827
Carrying Value of Financial Assets	13,517,589,359	6,170,222,773	1,781,575,036	1,671,436,106
Fair Value of Financial Assets	13,517,589,359	6,170,222,773	1,781,575,036	1,671,436,106

NOTES TO THE FINANCIAL STATEMENTS

15.2 Financial Liabilities

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Financial Liabilities at Amortised Cost				
Interest Bearing Loans and Borrowings	17,524,507,790	13,836,793,663	13,974,929,334	13,430,363,124
Trade and Other Payables	3,653,300,685	1,938,262,248	1,747,169,460	1,076,281,363
Bank Overdraft	4,178,827,217	3,045,985,138	2,779,606,807	2,367,333,910
Carrying Value of Financial Liabilities	25,356,635,692	18,821,041,049	18,501,705,600	16,873,978,398
Fair Value of Financial Liabilities	25,356,635,692	18,821,041,049	18,501,705,600	16,873,978,398

The management assessed that, cash in hand and at bank, loans granted to related parties, trade and other receivables, trade and other payables, interest bearing borrowings and bank overdrafts approximate to their fair value largely due to the short-term maturities of these instruments. The fair value of financial assets at amortised cost and financial liabilities does not significantly vary from the value based on the amortised cost methodology for the Group/Company.

15.3 Fair Value of Financial Liabilities Not Carried at Fair Value

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

15.4 Group

	Carrying Amount		Fair Value (Level 2)	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Financial Liabilities				
Loans and Borrowings- Non Current	4,715,755,743	6,246,747,700	4,715,755,743	6,246,747,700

15.5 Company

	Carrying Amount		Fair Value (Level 2)	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Financial Liabilities				
Loans and Borrowings- Non Current	5,220,707,512	9,167,260,449	5,220,707,512	9,167,260,449

16. FAIR VALUE HIERARCHY

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

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

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

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

16.1 Group

Assets Measured at Fair Value:

	31 March			
	2023	Level 1	Level 2	Level 3
	Rs.	Rs.	Rs.	Rs.
Financial Assets at Fair value through OCI	351,419,210	321,419,210	-	30,000,000
Land and Buildings	27,028,457,424	-	-	27,028,457,424

	31 March			
	2022	Level 1	Level 2	Level 3
	Rs.	Rs.	Rs.	Rs.
Financial Assets at Fair value through OCI	386,326,932	356,326,932	-	30,000,000
Land and Buildings	23,564,810,287	-	-	23,564,810,287

Company

Assets Measured at Fair Value:

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

	31 March			
	2022	Level 1	Level 2	Level 3
	Rs.	Rs.	Rs.	Rs.
Financial Assets at Fair value through OCI	93,200,000	63,200,000	-	30,000,000
Land and Buildings	11,034,000,000	-	-	11,034,000,000

NOTES TO THE FINANCIAL STATEMENTS

17. INVENTORIES

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Chemical and Test Materials	246,374,183	155,952,614	170,692,735	91,603,355
Pharmaceuticals and Surgical	888,868,197	806,892,302	274,978,114	194,502,421
Consumables	112,885,409	54,853,990	27,858,550	15,027,133
Write off during the period	(13,338,038)	(15,643,475)	(2,754,908)	(1,579,875)
Allowance for Obsolete Inventory	(1,835,241)	(1,835,241)	-	-
	1,232,954,509	1,000,220,190	470,774,491	299,553,034

18. TRADE AND OTHER RECEIVABLES

18.1 Trade and Other Receivables

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Trade Debtors	708,316,553	696,867,772	223,527,522	217,299,795
Related Parties (Note 18.2)	67,275,180	25,484,283	355,867,717	126,197,389
Less - Impairment of Trade Debtors	(45,296,606)	(54,229,151)	(18,301,990)	(11,331,327)
	730,295,127	668,122,905	561,093,250	332,165,857
Other Debtors - Related Parties (Note 18.3)	7,956,667	1,592,479	197,231,084	105,546,815
Staff Loans	45,924,025	10,423,402	41,124,715	7,195,930
Other Receivables	18,045,901	27,606,761	1,959,878	22,294,625
	802,221,721	707,745,547	801,408,927	467,203,227

18.1.1 Movement in Provision for Trade and Other Receivables

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
At the Beginning of the Year	54,229,151	52,575,157	11,331,327	1,880,454
Provision for Impairment of Trade and Other Receivables	22,928,988	10,141,658	10,198,283	10,192,327
Written offs During the Year	(31,861,534)	(8,487,663)	(3,227,620)	(741,454)
At the End of the Year	45,296,604	54,229,152	18,301,990	11,331,327

18.2 Trade Debtors - Related Parties

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Parent Company				
Softlogic Holdings PLC	7,830,499	2,028,213	-	472,368
Subsidiaries				
Central Hospital Ltd	-	-	88,336,369	10,124,523
Asiri Surgical Hospital PLC	-	-	212,521,950	85,374,863
Asiri Diagnostics Services (Pvt) Ltd	-	-	24,551,180	9,561,632
Asiri Hospital Matara (Pvt) Ltd	-	-	1,059,653	3,363,994
Asiri Hospital Galle (Pvt) Ltd	-	-	17,415,857	13,849,930
Companies under Common Control/Affiliate Companies				
Softlogic Life Insurance PLC	47,871,196	15,978,007	11,683,268	3,450,079
Softlogic Communication Services (Pvt) Ltd	-	71,000	-	-
Softlogic Pharmaceuticals (Pvt) Ltd	146,550	175,496	-	-
Softlogic Automobiles (Pvt) Ltd	117,000	117,000	-	-
Softlogic Information Technologies (Pvt) Ltd	-	47,000	-	-
Softlogic International (Pvt) Ltd	6,500	201,000	-	-
Softlogic Restaurants (Pvt) Ltd	2,713,500	251,090	-	-
Softlogic City Hotels (Pvt) Ltd	6,461,364	3,606,700	-	-
Softlogic Supermarkets (Pvt) Ltd	582,340	1,909,205	-	-
Softlogic BPO Services (Pvt) Ltd	-	34,558	-	-
Softlogic Destination Management (Pvt) Ltd	1,000	24,500	-	-
Softlogic Mobile Distribution (Pvt) Ltd	6,500	19,500	-	-
Softlogic Retail (Pvt) Ltd	158,952	454,825	-	-
Softlogic Brands (Pvt) Ltd	299,440	18,899	299,440	-
Ceysand Resorts (Pvt) Ltd	930,000	-	-	-
Odel PLC	150,340	547,290	-	-
	67,275,180	25,484,283	355,867,717	126,197,389

NOTES TO THE FINANCIAL STATEMENTS

18.3 Other Debtors - Related Parties

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Parent Company				
Softlogic Holdings PLC	3,982,314	1,589	3,982,314	1,589
Subsidiaries				
Asiri Hospital Matara (Pvt) Ltd	-	-	6,734,471	11,029,105
Central Hospital Ltd	-	-	67,840,023	20,990,324
Asiri Surgical Hospital PLC	-	-	16,170,636	37,292,125
Asiri Diagnostics Services (Pvt) Ltd	-	-	16,343,102	6,641,508
Asiri Hospital Galle (Pvt) Ltd	-	-	74,117,384	19,254,730
AOI Cancer Center (Pvt) Ltd	-	-	327,528	629,448
Asiri Myanmar Limited	-	-	-	3,219,879
Asiri Diagnostic Services (Asia) Pte. Limited	-	-	7,741,272	4,897,217
Companies under Common Control/Affiliate Companies				
Softlogic Supermarkets (Pvt) Ltd	3,974,354	1,590,890	3,974,354	1,590,890
	7,956,667	1,592,479	197,231,084	105,546,815

19. OTHER CURRENT ASSETS

Advances, Deposits and Prepayments

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Advances, Deposits and Prepayments	439,650,225	461,835,281	129,522,783	147,488,561
Other Tax Receivables	42,853,327	45,708,970	-	-
	482,503,552	507,544,251	129,522,783	147,488,561

20. LOANS GRANTED TO RELATED PARTIES

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April	4,237,404,138	1,679,771,447	716,672,052	133,717
Loans Granted	11,818,079,912	5,577,479,970	1,310,522,038	702,185,685
Loans Settlement (Capital+ Interest)	(7,334,006,310)	(3,205,584,648)	(1,760,662,760)	(133,717)
Interest expense for the year	2,089,817,347	185,737,369	61,734,187	14,486,367
Net Carrying amount as at 31 March	10,811,295,087	4,237,404,138	328,265,517	716,672,052

Group	Relationship	2023			2022		
		Amount	Amount	Total	Amount	Amount	Total
		Repayable	Repayable		Repayable	Repayable	
		Within 1 Year	After 1 Year		Within 1 Year	After 1 Year	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Softlogic Holdings PLC	Parent Company	2,934,741,662	5,354,886,724	8,289,628,385	3,513,567,207	-	3,513,567,207
Softlogic Retails (Pvt) Ltd	Companies under Common Control	1,353,363,059	-	1,353,363,059	723,836,931	-	723,836,931
Softlogic Brands (Pvt) Ltd	Companies under Common Control	766,939,686	-	766,939,686	-	-	-
Softlogic Capital PLC	Companies under Common Control	5,760,903	-	5,760,903	-	-	-
Softlogic Supermarket (Pvt) Ltd	Companies under Common Control	26,340,973	-	26,340,973	-	-	-
Softlogic Communications (Pvt) Ltd	Companies under Common Control	369,262,082	-	369,262,082	-	-	-
		5,456,408,364	5,354,886,724	10,811,295,087	4,237,404,138	-	4,237,404,138

NOTES TO THE FINANCIAL STATEMENTS

Company	Relationship	2023			2022		
		Amount	Amount	Total	Amount	Amount	Total
		Repayable	Repayable		Repayable	Repayable	
		Within 1 Year	After 1 Year		Within 1 Year	After 1 Year	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Softlogic Holdings PLC	Parent Company	-	-	-	460,435,203	-	460,435,203
Softlogic Retails (Pvt) Ltd	Companies under Common Control	-	-	-	256,236,849	-	256,236,849
Softlogic Brands (Pvt) Ltd	Companies under Common Control	296,163,642	-	296,163,642	-	-	-
Softlogic Capital PLC	Companies under Common Control	5,760,903	-	5,760,903	-	-	-
Softlogic Supermarket (Pvt) Ltd	Companies under Common Control	26,340,973	-	26,340,973	-	-	-
		328,265,517	-	328,265,517	716,672,052	-	716,672,052

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

Outstanding amounts of inter company balances are anticipated to be settled over a period of two years ,through a combination of cash and dividends . Management has assessed the recoverability of outstanding balances based on the repayment plan and concluded that the recoverability of these amounts. Interest will continue to be charged till the amounts are fully settled. The Board has resolved that no further amounts would be provided to softlogic Group of Companies.

21. STATED CAPITAL

	2023		2022	
	Number	Rs.	Number	Rs.
Balance at the Beginning of the Year	1,137,533,596	4,748,108,334	1,137,533,596	4,748,108,334
Balance at the End of the Year	1,137,533,596	4,748,108,334	1,137,533,596	4,748,108,334

22. OTHER COMPONENTS OF EQUITY

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Revaluation Reserve	9,525,855,899	8,022,444,831	4,102,982,572	4,112,354,091
Fair Value Reserve of Financial Assets at FVOCI	(233,532,076)	(183,580,613)	2,056,577	(36,711,427)
Other Reserve	(920,520,363)	(920,572,167)	-	-
Foreign Currency Translation Reserve	(3,274,609)	(3,004,019)	-	-
Balance at End of the Year	8,368,528,850	6,915,288,031	4,105,039,149	4,075,642,663

Revaluation Reserve

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

Fair Value Reserve of Financial Assets at FVOCI

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

Other Reserve

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

23. INTEREST BEARING LOANS AND BORROWINGS

Group	2023			2022		
	Amount	Amount	Total	Amount	Amount	Total
	Repayable	Repayable		Repayable	Repayable	
	Within 1 Year	After 1 Year	Within 1 Year	After 1 Year		
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Bank Loans (Note 23.1)	2,497,042,325	4,422,321,522	6,919,363,847	1,815,174,084	5,964,365,839	7,779,539,923
Short Term Loans	9,441,864,090	-	9,441,864,090	5,679,139,354	-	5,679,139,354
Loans obtained from Related Parties (Note 23.2)	751,988,827	-	751,988,827	-	-	-
Lease Liability (Note 23.3)	117,856,805	293,434,221	411,291,027	95,732,525	282,381,861	378,114,384
	12,808,752,047	4,715,755,743	17,524,507,790	7,590,045,963	6,246,747,700	13,836,793,663

23.1 Bank Loans

	2023	2022
	Rs.	Rs.
At the Beginning of the Year	7,779,539,923	9,899,421,179
Loan Obtained	1,026,926,727	31,429,442
Interest Charge	1,737,197,651	674,381,833
Repayments	(3,624,300,455)	(2,825,692,530)
At the End of the Year	6,919,363,847	7,779,539,923

NOTES TO THE FINANCIAL STATEMENTS

23.2 Loans Due to Related Parties

	As at 01.04.2022	Temporary Finance Obtained	Interest Charge	Repayments	As at 31.03.2023
	Rs.	Rs.	Rs.	Rs.	Rs.
Softlogic Holdings PLC	-	602,905,505	79,556,735	(55,473,413)	626,988,827
Softlogic Mobile Distribution (Pvt) Ltd	-	125,000,000	-	-	125,000,000
	-	727,905,505	79,556,735	(55,473,413)	751,988,827

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

23.3 Lease Liability

	2023			2022		
	Motor Vehicles	Leasehold Properties	Total	Motor Vehicles	Leasehold Properties	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At the Beginning of the Year	10,530,308	367,584,088	378,114,386	16,030,960	389,354,660	405,385,621
Facility Obtained	-	194,910,924	194,910,924	-	159,142,214	159,142,214
Interest Charge	538,866	58,619,830	59,158,696	1,691,018	49,794,057	51,485,075
Repayments	(1,980,000)	(218,912,977)	(220,892,978)	(7,191,670)	(230,706,842)	(237,898,513)
At the End of the Year	9,089,172	402,201,865	411,291,027	10,530,308	367,584,088	378,114,386

23.3.1 Leasehold Land- Board of Investment of Sri Lanka (BOI) - Under Leasehold Properties

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

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

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

23.4 Long-Term Loan Details

Company	Lending institution	Nature of facility	Interest rate	Repayment term	Outstanding balance		Carrying value of collaterals	Security
					2023 Rs. '000	2022 Rs. '000		
Asiri Surgical Hospital PLC	Commercial Bank of Ceylon PLC	Term loan	AWPLR plus margin	95 equal monthly installments of Rs 5,328,000/- each and a final installment of Rs 5,266,000/- .Loan Commences from 2015.	21,250	85,186	125Mn	a) 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.
					344,167	-	181 Mn	b) Corporate Guarantee from Asiri Hospital Holdings PLC
	DFCC Bank PLC	Term loan	AWPLR plus margin	60 equal monthly installments of Rs 5,833,333/-	882,075	983,333	1,200	Corporate guarantee from Asiri Hospital Holdings PLC for Rs. 1,200 Mn
	Sampath Bank PLC	Term loan	AWPLR plus margin	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.	531,934	680,300	-	-

NOTES TO THE FINANCIAL STATEMENTS

Company	Lending institution	Nature of facility	Interest rate	Repayment term	Outstanding balance		Carrying value of collaterals	Security
					2023 Rs. '000	2022 Rs. '000		
		Term loan	AWPLR plus margin	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.	140,558	176,900	-	
Asiri A O I 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.	77,500	137,500	240	Corporate Guarantee from Asiri Surgical Hospital PLC
Central Hospitals Ltd	Bank of Ceylon	Term Loan	AWPLR plus margin	96 equal monthly installments commencing after 24 months of grace period from July 2014	-	57,002	960	Primary concurrent mortgage over the premises at No. 114, Norris Canal Road, Colombo - 10 owned by Central Hospitals Ltd
	Sampath Bank PLC	Term Loan	AWPLR plus margin	96 monthly installments commencing from December 2015	6,776	47,528	326	Corporate guarantee from Asiri Hospital Holdings PLC for Rs. 326.00 Mn
		Term Loan	AWPLR plus margin	120 monthly installments commencing from December 2015	334,429	449,200	-	Securitisation of all future credit/ debit card receivables of Central Hospitals Ltd

Company	Lending institution	Nature of facility	Interest rate	Repayment term	Outstanding balance		Carrying value of collaterals	Security
					2023 Rs. '000	2022 Rs. '000		
		Term Loan	AWPLR	60 monthly installments commencing after 3 months of grace period from July 2021	677,523	849,250	1,000	Securitisation of all future credit/ debit card receivables of Central Hospitals Ltd
	Commercial Bank of Ceylon PLC	Term loan	AWPLR plus margin	54 monthly installments commencing after 4 months of grace period from April 2019	431,323	667,978	1,250	Primary mortgage for Rs. 1,250 Mn over the premises at No. 907, Peradeniya Road, Kandy (Asiri Kandy Hospital) owned by Asiri Hospital Holdings PLC
	Commercial Bank of Ceylon PLC	Term loan	AWPLR plus margin	30 monthly installments commencing after 3 months of grace period from Aug 2022	266,488	-	300	Corporate guarantee for Rs. 300,000,000/- from Asiri surgical Hospital PLC, General terms and conditions relating to Term Loan for Rs. 300,000,000/-.
Asiri Hospital Matara (Pvt) Ltd	Nations Trust Bank PLC	Term loan	AWPLR plus margin	24 monthly installments commencing from May 2019	15,715	32,264	100	Assignment over AMEX receivables
Asiri Hospital Galle (Pvt) Ltd	Sampath Bank PLC	Term Loan	AWPLR plus margin	108 monthly installments commencing after 12 months of grace period from March 2020	173,891	181,000	200	Additional mortgage for Rs. 200 Mn over the premises at No. 10, Wackwella Road, Galle owned by Asiri Hospital Galle (Pvt) Ltd
	Term Loan	AWPLR plus margin	108 monthly installments commencing after 24 months of grace period from October 2021	229,731	235,350	244	a) Primary mortgage for Rs. 158 Mn over the premises at No. 10, Wackwella Road, Galle owned by Asiri Hospital Galle (Pvt) Ltd	

NOTES TO THE FINANCIAL STATEMENTS

Company	Lending institution	Nature of facility	Interest rate	Repayment term	Outstanding balance		Carrying value of collaterals	Security
					2023 Rs. '000	2022 Rs. '000		
	Seylan Bank PLC	Term Loan	AWPLR plus margin	48 monthly installments commencing after 12 months of grace period from December 2019	122,497	130,000	150	b) Additional mortgage for Rs. 86.35 Mn over the premises at No. 10, Wackwella Road, Galle owned by Asiri Hospital Galle (Pvt) Ltd Corporate guarantee from Asiri Hospital Holdings PLC for Rs. 150 Mn

23.5 Company

	2023				2022			
	Amount		Total		Amount		Total	
	Repayable	Repayable	Repayable	Repayable	Repayable	Repayable	Repayable	Repayable
Bank Loans (Note 23.5.1)	954,546,342	1,681,659,383	2,636,205,726	854,640,000	2,209,126,861	3,063,766,861		
Short Term Loans	5,943,803,617	-	5,943,803,617	2,863,388,116	-	2,863,388,116		
Loans due to Related Parties (Note 23.5.2)	1,770,572,008	3,263,553,810	5,034,125,818	490,387,747	6,707,333,069	7,197,720,816		
	8,668,921,968	4,945,213,193	13,614,135,161	4,208,415,863	8,916,459,931	13,124,875,793		
Lease Liability (Note 23.5.3)	85,299,855	275,494,318	360,794,173	54,686,812	250,800,518	305,487,330		
	8,754,221,822	5,220,707,512	13,974,929,334	4,263,102,675	9,167,260,449	13,430,363,125		

23.5.1 Bank Loans

	2023	2022
	Rs.	Rs.
At the Beginning of the Year	3,063,766,861	3,991,151,137
Loans Obtained	376,926,727	-
Interest Charge	700,327,303	267,448,362
Repayments	(1,504,815,164)	(1,194,832,636)
At the End of the Year	2,636,205,726	3,063,766,861

23.5.2 Loans Due to Related Parties

	As at 01.04.2022	Temporary Finance Obtained	Interest Charge	Repayments	As at 31.03.2023
	Rs.	Rs.	Rs.	Rs.	Rs.
Asiri Surgical Hospital PLC	1,956,553,186	70,000,000	471,377,387	(217,653,186)	2,280,277,387
Asiri Diagnostics Services (Pvt) Ltd	305,570,755	-	67,198,260	(6,416,181)	366,352,833
Asiri Central Hospitals Ltd	2,319,703,950	700,000,000	276,604,597	(2,038,000,000)	1,258,308,547
Central Hospital Limited	2,575,574,262	245,000,000	154,126,811	(2,682,302,919)	292,398,152
Asiri Hospital Matara (Pvt) Ltd	40,318,663	35,480,657	12,848,661	(3,847,910)	84,800,072
Softlogic Holdings PLC	-	602,905,505	79,556,735	(55,473,413)	626,988,827
Softlogic Mobile Distribution (Pvt) Ltd	-	125,000,000	-	-	125,000,000
	7,197,720,816	1,778,386,162	1,061,712,451	(5,003,693,609)	5,034,125,818

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

23.5.3 Lease Liability

	2023			2022		
	Motor Vehicles	Leasehold Properties	Total	Motor Vehicles	Leasehold Properties	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At the Beginning of the Year	-	305,487,329	305,487,329	473,119	245,137,551	245,610,671
Facility Obtained	-	154,343,626	154,343,626	-	135,236,259	135,236,259
Interest Charge	-	50,113,386	50,113,386	1,179	38,819,666	38,820,845
Repayments	-	(149,150,170)	(149,150,170)	(474,299)	(113,706,146)	(114,180,445)
At the End of the Year	-	360,794,172	360,794,173	-	305,487,329	305,487,329

NOTES TO THE FINANCIAL STATEMENTS

23.6 Long Term Loan Details

Company	Lending institution	Nature of facility	Interest rate	Repayment term	Outstanding balance		Carrying value of collaterals	Security
					2022	2021		
					Rs. '000	Rs. '000	Rs. Mn.	
Asiri Hospital Holdings PLC	Commercial Bank of Ceylon PLC	Term loan	AWPLR plus margin	96 monthly installments commencing from April 2015	174,741	450,016	3,218.00	74,454,026 shares of Central Hospitals Ltd owned by Asiri Hospital Holdings PLC
		Term loan	Fixed Rate	24 monthly instalments commencing from August 2020	20,700	20,700	21.00	Leeway available in the existing securities of the Commercial Bank of Ceylon PLC Loans.
		Term loan	AWPLR plus margin	96 monthly installments commencing from April 2015	39,024	100,448	550.00	Corporate guarantee from Asiri Surgical Hospital PLC for Rs. 550Mn
		Term loan	AWPLR plus margin	90 monthly installments after a grace period of 40 months from December 2015	343,354	420,420	2,750.60	Primary mortgage bond Rs. 2750.60 Mn over leasehold right of Asiri Kandy Hospital Property situated at 907 Peradeniya Road Kandy, more fully depicted as lot 1&2 in plan No 3856A owned by the company
		Term loan	AWPLR plus margin	96 monthly installments after a grace period of 24 months from September 2016	1,214,720	1,457,600		
		Term loan	AWPLR plus margin	60 monthly installments commencing from June 2022	45,840	-	53.93	Primary Mortgage bond over Medical Equipment - Rs. 53.9 Mn
		Term loan	AWPLR plus margin	60 monthly installments commencing from June 2022	54,570	-	64.20	Primary Mortgage bond over Medical Equipment - Rs. 64.2 Mn
		Term loan	AWPLR plus margin	48 monthly instalments commencing from January 2023	32,770	-	33.90	Primary Mortgage bond over Medical Equipment - Rs. 33.9 Mn

Company	Lending institution	Nature of facility	Interest rate	Repayment term	Outstanding balance		Carrying value of collaterals	Security
					2022	2021		
					Rs. '000	Rs. '000	Rs. Mn.	
Sampath Bank PLC	Term loan	AWPLR plus margin	120 monthly installments commencing from December 2015		193,983	261,183	193.98	Securitisation of all future credit/ debit card receivables of Asiri Hospital Holdings PLC
					303,000	353,400	450.00	a) Third party primary mortgage bond for Rs. 450 Mn over hospital property at No. 10, Wackwella Road, Galle owned by Asiri Hospital Galle (Pvt) Ltd
National Development Bank PLC	Term loan	AWPLR plus margin	06 equal Quarterly installments commencing from January 2023		187,414	-	225.00	Corporate guarantee from Asiri Surgical Hospital PLC for Rs. 225 Mn

NOTES TO THE FINANCIAL STATEMENTS

24 DEFERRED TAX ASSETS AND LIABILITIES

24.1 Net Deferred Tax Liability

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
At the Beginning of the Year	2,042,325,097	1,107,083,521	923,941,783	489,519,484
Charge Recognised in Statement of Profit or Loss (Note 25.2)	458,263,758	264,768,655	220,417,393	145,964,998
Charge Recognised in Statement of Other Comprehensive Income (Note 25.2)	2,072,450,239	670,472,921	1,067,868,681	288,457,301
At the End of the Year	4,573,108,327	2,042,325,097	2,212,227,860	923,941,783

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

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Revaluation of Land and Buildings	3,721,005,687	1,715,987,371	1,703,369,101	662,705,086
Accelerated Depreciation for Tax Purpose	1,315,313,991	451,872,034	807,012,376	300,760,211
Employee Benefit Liabilities	(146,792,781)	(100,818,305)	(67,075,658)	(38,744,833)
Losses Available for off set against Future Taxable Income	(312,480,547)	(23,302,452)	(230,761,966)	-
Impairment of Trade Receivables	(537,241)	(669,992)	-	-
Net of ROU Assets & Liability	(3,400,781)	(674,326)	(315,993)	(778,683)
	4,573,108,327	2,042,394,330	2,212,227,860	923,941,783

24.2 Deferred Tax Charge/ (Release)

Deferred Tax Charge/(Reversal) recognised through

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Statement of Profit or Loss				
Charge/ (Reversal) Arising on During the Year Movement	280,219,943	264,768,655	59,291,140	145,964,998
Charge/ (Reversal) Due to Change in Tax Rates	178,043,816	-	161,126,253	-
	458,263,758	264,768,655	220,417,393	145,964,998
Other Comprehensive Income				
Charge/ (Reversal) Arising on During the Year Movement	932,621,993	670,472,921	341,832,357	288,457,301
Charge/ (Reversal) Due to Change in Tax Rates	1,139,828,246	-	726,036,324	-
	2,072,450,239	670,472,921	1,067,868,681	288,457,301

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Statement of Profit or Loss				
Deferred tax Expense Arising From;				
Accelerated Depreciation for Tax Purposes	834,786,776	51,788,193	506,252,163	65,511,116
Employee Benefit Liabilities	(97,748,021)	(4,827,912)	(55,535,494)	(1,033,142)
Benefit arising from Tax Losses	(279,296,754)	218,880,581	(230,761,966)	82,103,571
Others	521,756	(1,072,207)	462,690	(616,547)
	458,263,758	264,768,656	220,417,393	145,964,998
Other Comprehensive Income				
Deferred Tax Expense Arising From;				
Revaluation of Land and Building to Fair Value	2,020,294,495	669,901,809	1,040,664,016	289,897,125
Actuarial Gain on Employee Benefit Liabilities	52,155,744	571,112	27,204,668	(1,439,824)
	2,072,450,239	670,472,921	1,067,868,684	288,457,301

24.3 Tax Losses Carried Forward

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Tax Losses Brought Forward	364,657,325	1,921,582,265	-	605,101,133
Adjustments on Finalisation of Liability	1,159,867,585	285,740,431	-	118,923,958
Tax losses Arising During the Year	64,947,774	-	1,156,203,631	-
Utilisation of Tax Losses	(351,858,966)	(1,842,665,371)	(208,187,935)	(724,025,091)
	1,237,613,717	364,657,325	948,015,696	-

The Group has tax losses amounting to Rs. 1,237,613,717 (2022 Rs. 364,657,325) available to offset against future taxable profits. Tax losses amounting to Rs. 178,809,142 (2022 Rs. 214,416,518) not utilised for recognition of deferred tax assets.

As per the new Inland Revenue (Amendment) Act No. 45 of 2022, which was implemented with effect from 1 October 2022, the standard income tax rate was increased to 30% from 24%. The increase in tax rates had implications on the tax expense for 2022/23. The change in tax rates also warranted the deferred tax for 2022/23 to be computed based on the revised tax rates, whereby the Group/Company recorded notable changes to the cumulative deferred tax provisions.

NOTES TO THE FINANCIAL STATEMENTS

25 EMPLOYEE BENEFIT LIABILITY

25.1 Retirement Benefit Obligations- Gratuity

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
At the Beginning of the Year	699,050,763	666,289,845	276,748,805	259,084,762
Employees Transferred (out)/ in	(264,420)	-	793,342	466,793
Interest on Retirement Benefit Liability	97,867,107	43,308,534	38,744,833	16,840,510
Current Service Cost	76,986,287	75,350,842	30,450,483	31,535,371
Past Service (Income)/Cost	-	(2,575,792)	-	657,601
Actuarial (Gain)/Loss for the Year	(199,974,696)	(3,909,843)	(90,682,227)	10,284,456
Benefit Paid During the Year	(91,081,071)	(79,412,824)	(32,464,456)	(42,120,686)
Defined Benefit Obligation at the End of the Year	582,583,970	699,050,763	223,590,779	276,748,806
Charge/(Reversal) for the period - Statement of Profit or Loss				
Interest Charge for the year	97,867,107	43,308,534	38,744,833	16,840,510
Current Service Cost	76,986,287	75,350,842	30,450,483	31,535,371
Past Service Cost	-	(2,575,792)	-	657,601
	174,853,394	116,083,585	69,195,315	49,033,481
Charge for the period - Other Comprehensive Income				
Actuarial (Gain)/Loss for the year	(199,974,696)	(3,909,843)	(90,682,227)	10,284,456
	(199,974,696)	(3,909,843)	(90,682,227)	10,284,456

25.2 Messrs. Actuarial and Management Consultants (Pvt) Ltd, Actuaries, carried out an actuarial valuation of the defined benefit plan gratuity as at 31st March 2023. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used are as follows:

	Group	
	2023	2022
Discount Rate	23% p.a	14% p.a
Salary Increase Rate	15% p.a	12% p.a
Staff Turnover Rate	22.0% across the board upto age 54 and thereafter zero.	27.0% across the board upto age 54 and thereafter zero.

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

25.3 Sensitivity to Assumptions Used

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

	Group		Company	
	2023	2022	2023	2022
Effect on the Defined Benefit Obligation Liability:				
Increase by one percentage point in discount rate	(16,738,380)	(20,856,411)	(7,660,565)	(8,273,219)
Decrease by one percentage point in discount rate	14,968,844	22,326,771	5,340,496	8,849,859
Effect on the Defined Benefit Obligation Liability:				
Increase by one percentage point in salary increment rate	18,609,668	25,615,612	6,558,939	10,143,553
Decrease by one percentage point in salary increment rate	(20,424,912)	(24,311,533)	(8,914,988)	(9,631,481)

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

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Within the next 12 months	165,573,659	175,504,877	62,774,570	70,993,760
Between 1 to 2 years	186,092,626	229,734,283	72,392,800	87,377,127
Between 3 to 5 years	139,618,599	162,363,429	52,074,313	65,396,044
Between 6 to 10 years	74,939,178	102,562,762	29,598,880	42,044,884
Beyond 10 years	16,359,907	28,885,411	6,750,215	10,936,991
Total Expected Payments	582,583,970	699,050,763	223,590,779	276,748,806

25.5 Weighted Average Durations of Service

The Group's and the company's weighted average durations of service in is 3.3 years (2022-3.6 years) and 3.8 years (2022 - 3.8 years) respectively.

NOTES TO THE FINANCIAL STATEMENTS

26. TRADE AND OTHER PAYABLES

26.1 Trade and Other Creditors

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Trade Payables	2,290,909,193	756,715,477	764,715,417	293,227,110
Trade Payable - Related Parties (Note 26.3)	153,192,804	30,441,129	404,220,577	279,521,599
Other Payables (Note 26.2)	1,209,198,688	1,151,105,642	578,233,466	503,532,654
	3,653,043,000	1,938,262,248	1,747,169,469	1,076,281,363

26.2 Other Payables

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Sundry Creditors Including Accrued Expenses	1,069,552,122	1,074,382,271	311,479,297	271,172,822
Other Payable Related Parties (Note 26.4)	83,396,662	46,651,896	256,310,253	230,582,799
Other Tax Payables	30,207,352	4,039,690	10,443,916	1,777,033
Contract Liabilities	26,042,552	26,031,786	-	-
	1,209,198,688	1,151,105,642	578,233,466	503,532,654

26.3 Trade Payable - Related Parties

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Parent Company				
Softlogic Holdings PLC	18,174,128	12,780,480	-	-
Subsidiaries				
Asiri Surgical Hospital PLC	-	-	303,141,431	224,475,545
Asiri Diagnostics Services (Pvt) Ltd	-	-	36,326,254	17,305,067
Central Hospital Ltd	-	-	10,222,353	35,234,247
Asiri Hospital Matara (Pvt) Ltd	-	-	299,692	237,604
Asiri Hospital Galle (Pvt) Ltd	-	-	574,978	557,888
Companies under Common Control/ Affiliate Companies				
Softlogic Life Insurance PLC	2,944,768	1,472,096	-	-
Softlogic BPO Services (Pvt) Ltd	3,287,337	3,665,571	234,818	-
Softlogic Corporate Services (Pvt) Ltd	583,340	-	-	-
Softlogic Finance PLC	1,597,293	561,534	725,258	-
Softlogic Supermarkets (Pvt) Ltd	-	-	908,976	-
Softlogic Computers (Pvt) Ltd	34,644,356	1,148,214	19,419,085	-
Softlogic Information Technologies (Pvt) Ltd	27,674,807	840,203	12,586,065	-
Softlogic Retail (Pvt) Ltd	6,147,368	1,378,502	3,571,895	-
Softlogic Asset Management (Pvt) Ltd	295,000	450,000	-	-
Future Automobiles (Pvt) Ltd	2,356,899	291,681	321,792	-
Softlogic Information System (Pvt) Ltd	-	2,266,487	-	-
Softlogic Automobiles (Pvt) Ltd	2,104,206	-	69,099	-
Softlogic Destination Management (Pvt) Ltd	-	4,500	-	-
Softlogic Pharmaceuticals (Pvt) Ltd	50,023,509	4,364,390	15,818,881	1,287,067
Softlogic Rewards (Pvt) Ltd	893,827	-	-	-
Softlogic Supermarket (Pvt) Ltd	2,417,064	764,381	-	424,181
Softlogic Restuarants (Pvt) Ltd	48,900	335,752	-	-
Nextage (Pvt) Ltd	-	117,338	-	-
	153,192,804	30,441,128	404,220,577	279,521,599

NOTES TO THE FINANCIAL STATEMENTS

26.4 Other Payable - Related Parties

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Parent Company				
Softlogic Holdings PLC	21,728,687	17,118,359	15,610,563	16,644,279
Subsidiaries				
Asiri Surgical Hospital PLC	-	-	145,717,861	175,374,627
Asiri Diagnostics Services (Pvt) Ltd	-	-	100,648	30,587
Central Hospital Ltd	-	-	50,347,690	11,579,503
Asiri Hospital Matara (Pvt) Ltd	-	-	936,551	571,479
Asiri Hospital Galle (Pvt) Ltd	-	-	262,506	747,351
Asiri AOI Cancer Centre (Pvt) Ltd	-	-	-	395,000
Companies under Common Control/Affiliate Companies				
Nextage (Pvt) Ltd	2,352	-	2,352	-
Softlogic Asset Management (Pvt) Ltd	-	320,000	-	320,000
Softlogic Automobiles (Pvt) Ltd	22,205	321,216	22,205	321,216
Future Automobiles (Pvt) Ltd	8,041,121	794,477	8,041,121	794,477
Softlogic Capital PLC	4,012,930	-	4,012,930	-
Softlogic BPO Services (Pvt) Ltd	15,688,393	16,879,586	11,444,961	16,327,322
Softlogic Communications (Pvt) Ltd	4,389	4,389	4,389	4,389
Softlogic Computers (Pvt) Ltd	5,085,286	2,482,544	5,029,321	1,261,194
Softlogic Corporate Services (Pvt) Ltd	3,459,569	707,327	1,614,990	261,900
Softlogic Finance PLC	314,713	895,383	280,635	814,565
Softlogic Supermarkets (Pvt) Ltd	16,288	-	16,288	-
Softlogic Pharmaceuticals (Pvt) Ltd	1,140,412	787,572	-	659,451
Softlogic Information Technologies (Pvt) Ltd	10,920,530	2,268,694	9,282,515	1,749,282
Softlogic Restuarants (Pvt) Ltd	60,280	9,000	60,280	9,000
Softlogic Mobile Distribution (Pvt) Ltd	-	176,062	-	176,062
Softlogic Life Insurance PLC	2,714,529	69,416	1,818,072	67,073
Softlogic Retail (Private) Ltd	9,824,632	3,458,580	1,352,429	2,400,948
Softlogic Rewards (Pvt) Ltd	360,345	359,292	351,946	73,094
	83,396,662	46,651,896	256,310,253	230,582,799

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

27 INCOME TAX PAYABLE

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Balance at Beginning of the Year	348,485,366	71,930,530	231,862,481	22,977,995
Provision for Income Tax During the Year (Note 6)	903,288,816	725,398,921	-	372,651,590
Utilisation of Tax Refunds	-	(41,854,375)	-	(42,551,877)
(Over)/Under Provision and Adjustments (Note 6)	134,464,216	(21,263,854)	(5,000,000)	(19,152,494)
Payments made During the Year	(864,424,333)	(385,725,860)	(219,721,855)	(102,062,733)
Balance at the End of the Year	521,814,063	348,485,366	7,140,625	231,862,481

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

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Cash in Hand and at Banks	569,167,858	351,607,274	156,585,810	89,300,086
Short Term Investments less than 3 months	983,485,484	487,138,883	395,385,181	305,060,741
	1,552,653,341	838,746,156	551,970,991	394,360,827

28.2 Unfavourable Cash and Cash Equivalents Balance

Bank Overdraft	(4,178,827,217)	(3,045,985,138)	(2,779,606,807)	(2,367,333,910)
Total Cash and Cash Equivalents for the Purpose of the Cash Flow Statement	(2,626,173,877)	(2,207,238,982)	(2,227,635,816)	(1,972,973,082)

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

There were no material commitments outstanding as at 31 March 2023 for future capital expenditure except for the below,

	Group	
	2023	2022
	Rs.	Rs.
Capital Expenditure Commitments	33,745,979	3,838,276
	33,745,979	3,838,276

NOTES TO THE FINANCIAL STATEMENTS

29.2 Contingent Liabilities

(a) Legal Claims

Pending litigations against Asiri Hospital Holdings PLC, Asiri Surgical Hospital PLC and Central Hospital Ltd with a maximum liability of Rs.67.2 Mn, Rs.36Mn and 134Mn respectively exist as at the reporting date. (2022 - Asiri Hospital Holdings PLC - Rs. 66 Mn, Asiri Surgical Hospital PLC -Rs. 46 Mn, Central Hospital Ltd - Rs. 104Mn)

H.C. (Civil) 417/2015/MR- Krishnan Thangaraj Vs. Asiri Central Hospitals Limited, Oraz International Property Developers and Construction (Private) Limited and H.G. Shalika Perera relating to a permanent injunction restraining the payment of any commission on the sale of the land and premises bearing Assessment No.37, Horton Place, Colombo 07 to P.P.M. Edwards. An Enjoining Order was issued restraining above at the First instance.

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 respective Group companies have signed Corporate Guarantee Bonds with Sampath Bank PLC, Hatton National Bank PLC, Commercial Bank of Ceylon PLC, Bank of Ceylon, Seylan Bank PLC and DFCC Bank PLC securing the following banking facilities obtained by the Group:

	Company	
	2023	2022
	Rs.	Rs.
Guarantees Value	3,117,090,000	3,117,090,000
	3,117,090,000	3,117,090,000

Outstanding Banking Facilities as at 31st March 2023 is Rs.2,273,962,692 (2022 -Rs 1,909,381,241).

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 Appeal Commission so far for the years of assessments from 2005/06 to 2013/14 and the company is assessing the provisioning requirement based on the applicable tax laws during that period. We are also in the process of initiating Legal action against these assessments in the Court of Appeal.

We also have a case in the Court of Appeal in CA (Writ) 386/ 2016 preventing the recoverability of tax for the same mater and this will be coming up for argument in Sep 2023, Since there is a litigation, in accordance with Paragraph 92 of LKAS 37, we are unable to provide further information on this and associated risks, in order not to impair the outcome and/or prejudice the Company's position in this matter.

30 EVENTS OCCURRING AFTER THE REPORTING DATE

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

31 RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows:

31.1 Transactions with Related Entities

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Subsidiaries				
At the beginning of the Year	-	-	(7,438,000,435)	(7,492,589,290)
Repayment of Temporary Finance Obtained and Fund Transfers	-	-	4,948,220,196	1,151,453,788
Temporary Finance Obtained	-	-	(1,050,480,657)	(462,671,640)
Interest Charged	-	-	(982,155,716)	(514,402,308)
Guarantee Income	-	-	23,217,950	17,549,926
Sale of Goods/Services/Intercompany Transfers	-	-	571,883,532	61,684,782
Sale/(Purchase) of Non-Current Assets	-	-	(402,514)	(8,996,161)
Channeling Fee Collected by Related Party/ (Company on Behalf of the Related Party)	-	-	(137,536,502)	(100,286,820)
Settlements	-	-	(886,611,138)	(435,683,554)
Expenses incurred by the Company on Behalf of Related Party/ Company on behalf of the Related Party	-	-	654,957,756	345,940,843
At the end of the Year	-	-	(4,296,907,528)	(7,438,000,435)
Parent Entity				
Opening Balance 01 April	3,506,691,544	1,608,725,668	444,264,881	(44,001,816)
Repayment of Temporary Finance Obtained, Fund Transfers	(4,905,775,091)	(120,615,485)	(2,096,498,607)	-
Temporary Finance Granted	7,407,031,287	3,121,682,258	1,061,473,413	460,435,203
Interest Charged	1,647,722,704	219,611,285	(52,429,452)	31,845,915
Sale/(Purchase) of Goods/Services	(43,039,152)	82,332,402	(97,009,263)	-
Settlements	104,459,153	(1,211,609,940)	157,922,637	44,426,105
Expenses incurred by the Company on Behalf of Related Party	(61,610,350)	(193,434,644)	(56,340,685)	(48,440,525)
At the end of the Year	7,655,480,096	3,506,691,544	(638,617,076)	444,264,881

NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Companies under Common Control/Affiliate Companies				
At the beginning of the Year	680,696,330	(11,916,011)	234,326,596	(24,646,644)
Temporary Finance Granted/(Obtained)	1,310,385,313	1,006,236,849	(87,578,236)	256,236,849
Interest Charged	362,444,458	28,556,383	34,606,905	10,956,301
Sale/(Purchase) of Goods/ Services	483,529,318	140,197,220	113,821,365	79,274,335
Settlements	(411,015,544)	(131,954,467)	(94,824,350)	94,092,068
Expenses Incurred by the Company on behalf of Related Party/ (Related Party on behalf of the Company)	(183,571,328)	(350,423,645)	(78,120,006)	(181,586,313)
At the end of the Year	2,242,468,547	680,696,330	122,232,273	234,326,596
Transactions with Key Management Personnel and Their Close Family Members				
At the beginning of the Year	-	-	-	-
Sale/(Purchase) of Goods/ Services	-	-	-	-
At the end of the Year	-	-	-	-
Balance as at 31 March	9,897,948,643	4,187,387,875	(4,813,292,330)	(6,759,408,958)
Included Under Trade Receivables (Note 18.1)	67,275,180	25,484,283	355,867,717	126,197,389
Included Under Other Receivables (Note 18.3)	7,956,667	1,592,479	197,231,084	105,546,815
Included Under Loans granted to Related Parties (Note 20)	10,811,295,087	4,237,404,138	328,265,517	716,672,052
Included Under Interest Bearing Loans and Borrowings (Note 23.2)	(751,988,827)	-	(5,034,125,818)	(7,197,720,816)
Included Under Trade Payables (Note 26.3)	(153,192,804)	(30,441,129)	(404,220,577)	(279,521,599)
Included Under Other Payables (Note 26.4)	(83,396,662)	(46,651,896)	(256,310,253)	(230,582,799)
	9,897,948,643	4,187,387,875	(4,813,292,330)	(6,759,408,958)

31.2 Terms and conditions of transactions with related parties

All related party transactions are carried out in the normal course of business and transacted at normal business terms with parties who are defined as related parties in Sri Lanka Accounting Standard LKAS 24 – Related party disclosure. The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and comparable with those that would have been charged from un-related companies. All related party outstanding balances at the year-end are unsecured and are to be settled in cash. The Group does not have any material commitments to related parties, other than those disclosed in note 23.4 to the financial statements.

31.3 Non-Recurrent Related Party Transactions

There were no any non-recurrent related party transactions which aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Company as per 31st March 2023 Audited Financial Statements, which required additional disclosures in the 2022/23 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 Security Exchange Commission Act.

31.4 Recurrent Related Party Transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the revenue of the Company as per 31st March 2023 audited financial statements, which required additional disclosures in the 2022/23 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

31.5 Compensation of Key Management personnel*

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Short Term Employee Benefits	58,875,350	44,520,000	28,763,208	23,356,500
	58,875,350	44,520,000	28,763,208	23,356,500

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

31.6 Other Transactions

Company

The shareholders of the Company are eligible for discounts up to 50% on the hospital bills excluding the charges for drugs, medical consumables, professional fees and blood charges up to a limit of 12.5% per annum, of the nominal value of the shares held for a minimum period of three months.

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

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The key Financial Risks include Credit Risk, Market Risk including Currency Risk, Interest Rate Risk, Price Risk, and Liquidity Risk. Managing these risks is part of the Group's/Company's risk management process.

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

NOTES TO THE FINANCIAL STATEMENTS

32.1 Credit Risk

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

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Financial Assets at Amortised Cost				
Loans Granted to Related Parties	10,811,295,087	4,237,404,138	328,265,517	716,672,052
Trade and Other Receivables	802,221,721	707,745,547	801,408,927	467,203,227
Cash and Cash Equivalents	1,552,653,341	838,746,156	551,970,991	394,360,827
Total Credit Risk Exposure	13,166,170,148	5,783,895,841	1,681,645,436	1,578,236,106
Financial Assets Designated at Fair Value Through OCI (Equity Instruments)				
Investment in Quoted/Unquoted Equity Securities	351,419,210	386,326,932	99,929,600	93,200,000
Total Equity Risk Exposure	351,419,210	386,326,932	99,929,600	93,200,000
Total	13,517,589,359	6,170,222,773	1,781,575,036	1,671,436,106

Loans Granted to Related Parties

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

Trade Receivables

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

Group	Total	Neither Past Due nor Impaired	Past Due but not Impaired			Impaired > 365 days
			31 - 60 days	61 - 90 days	91 - 365 days	
2023						
Gross Trade Receivable Balance	783,548,401	459,372,746	175,384,294	58,176,595	60,573,335	30,041,431
Less - Impairment	(45,296,606)	-	-	-	(15,255,175)	(30,041,431)
	738,251,795	459,372,746	175,384,294	58,176,595	45,318,159	-
2022						
Gross Trade Receivable Balance	723,944,535	390,840,200	131,671,965	47,373,064	104,133,098	49,926,209
Less - Impairment	(54,229,151)	-	-	-	(4,118,115)	(50,111,035)
	669,715,385	390,840,200	131,671,965	47,373,064	100,014,982	(184,827)
Company						
Company	Total	Neither Past Due nor Impaired	Past Due but not Impaired			Impaired > 365 days
			31 - 60 days	61 - 90 days	91 - 365 days	
2023						
Gross Trade Receivable Balance	776,626,323	218,435,695	216,214,573	118,547,574	187,856,675	35,571,807
Less - Impairment	(18,301,990)	-	-	-	-	(18,301,990)
	758,324,333	218,435,695	216,214,573	118,547,574	187,856,675	17,269,817
2022						
Gross Trade Receivable Balance	449,043,999	218,365,711	118,187,020	25,354,174	52,213,227	34,923,867
Less - Impairment	(11,331,327)	-	-	-	(4,107,363)	(7,223,964)
	437,712,672	218,365,711	118,187,020	25,354,174	48,105,864	27,699,903

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

Cash and Cash Equivalents

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

Foreign Exchange Risk

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

NOTES TO THE FINANCIAL STATEMENTS

32.2 Interest Rate Risk

Interest rate risk is the Group's/Company's exposure to adverse movement in interest rates. The Group/Company has obtained multiple facilities from various banks for working capital, capital expenditure and investment at varying terms and conditions. The finance function negotiate with banks and finance institutions to get the best interest rates and favorable terms for both long and short term borrowing facilities.

Exposure to Interest Rate Risk

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

As at 31 March	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Financial Assets at Variable Interest Rates	10,811,295,087	4,237,404,138	328,265,517	716,672,052
Financial Liabilities at Variable Interest Rates	15,349,480,822	13,437,979,278	13,146,899,220	13,104,175,793
Net Financial Assets/(Liabilities) at Variable Interest Rates	(4,538,185,734)	(9,200,575,140)	(12,818,633,702)	(12,387,503,741)

Interest Rate Sensitivity

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

	Increase in Basis Points	Effect on Profit Before Tax	
		Group	Company
		Rs.	Rs.
2023	+ 400	(527,646,303)	(570,751,537)
	- 400	527,646,303	570,751,537
2022	+ 380	(492,068,416)	(539,980,798)
	- 380	492,068,416	539,980,798

The spread of interest rates used in the sensitivity analysis is based on the currently observable market environment.

32.3 Equity Price Risk

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

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

	Note	Group	
		2023	2022
		Rs.	Rs.
Other Non Current Financial Assets			
Financial Assets at Fair Value Through OCI	14	351,419,210	386,326,932
		351,419,210	386,326,932

Sensitivity Analysis

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

	Change in Equity Price	Group	
		Effect on Fair Value Reserve of Financial Assets at FVOCI	Effect on Equity
	%	Rs.	Rs.
2023			
Quoted/Unquoted Equity Investments	+20	70,283,842	70,283,842
	-20	(70,283,842)	(70,283,842)
2022			
Quoted/Unquoted Equity Investments	+20	77,265,386	77,265,386
	-20	(77,265,386)	(77,265,386)

NOTES TO THE FINANCIAL STATEMENTS

32.4 Liquidity Risk

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

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

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

As at 31 March	Group		Company	
	2023	2022	2023	2022
Cash in Hand and at Banks	1,552,653,341	838,746,156	551,970,991	394,360,827
Total Liquid Assets	1,552,653,341	838,746,156	551,970,991	394,360,827
Current Portion of Interest Bearing Borrowings	12,360,074,277	7,502,870,493	7,650,338,790	4,464,442,031
Bank Overdrafts	4,178,827,217	3,045,985,138	2,779,606,807	2,367,333,910
Total Liabilities	16,538,901,494	10,548,855,631	10,429,945,597	6,831,775,942
Net Debt	(14,986,248,154)	(9,710,109,475)	(9,877,974,606)	(6,437,415,115)

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

	Group				Company			
	2023				2023			
	Interest Bearing Loans and Borrowings	Lease Liability	Trade and Other Payables	Total	Interest Bearing Loans and Borrowings	Lease Liability	Trade and Other Payables	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
0-12 Months	12,690,895,242	117,856,805	3,653,300,685	16,462,052,732	8,668,921,968	85,299,855	1,747,169,460	10,501,391,282
1-5 years	4,330,771,508	289,277,937	-	4,620,049,445	3,313,436,288	271,338,021	-	3,584,774,309
>5 years	91,550,000	4,156,297	-	95,706,297	1,631,776,905	4,156,297	-	1,635,933,202
Total	17,113,216,750	411,291,040	3,653,300,685	21,177,808,475	13,614,135,161	360,794,172	1,747,169,460	15,722,098,792

	Group				Company			
	2022				2022			
	Interest Bearing Loans and Borrowings	Lease Liability	Trade and Other Payables	Total	Interest Bearing Loans and Borrowings	Lease Liability	Trade and Other Payables	Total
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
0-12 Months	7,494,313,438	95,732,525	1,934,222,559	9,524,268,522	4,208,415,863	69,202,361	1,076,281,363	5,353,899,587
1-5 years	5,276,307,162	209,621,323	-	5,485,928,486	5,757,296,826	163,524,433	-	5,920,821,259
>5 years	688,058,678	72,760,536	-	760,819,214	3,159,163,104	72,760,536	-	3,231,923,640
Total	13,458,679,277	378,114,385	1,934,222,559	15,771,016,221	13,124,875,793	305,487,330	1,076,281,363	14,506,644,486

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order. No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March 2023. The Group monitors capital using a gearing ratio for the company to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. and subsidiaries, net debt divided by total capital plus net debt, which is monitored closely by senior management. Net debt of the Group includes, interest bearing loans and borrowings, trade and other payables less cash and cash equivalents.

	Group		Company	
	2023	2022	2023	2022
Net Debt	9,339,386,579	11,806,628,506	15,874,299,633	14,686,664,154
Equity	19,175,227,349	15,822,837,585	9,671,791,137	10,597,365,800
Capital and Total Net Debt	28,514,613,928	27,629,466,092	25,546,090,770	25,284,029,954
Gearing Ratio	33%	43%	62%	58%

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SHAREHOLDER INFORMATION

GENERAL

Stated Capital as at 31 March 2023 was Rs. 4,748,108,334/-

STOCK EXCHANGE LISTING

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

PUBLIC SHAREHOLDING

- Public Holding Percentage was 14.67% as at 31 March 2023.
- The number of public shareholders as at 31 March 2023 was 5,651.
- Float adjusted market capitalisation as at 31 March 2023 was Rs. 4,221,967,316.89
- The Company is in compliance with option 4 of the Listing Rules 7.14.1 (a) which requires 10% minimum public holding percentage and 500 minimum public shareholders.

DISTRIBUTION OF SHAREHOLDING

Number of shares held	31st March 2023			31st March 2022		
	Number of shareholders	Holding	Holding %	Number of shareholders	Holding	Holding %
1 – 1,000	2,949	827,026	0.07	2,792	785,230	0.07
1,001 – 10,000	1,716	6,901,176	0.61	1,677	6,809,730	0.60
10,001 – 100,000	790	27,456,750	2.41	792	27,755,697	2.44
100,001 – 1,000,000	181	47,788,905	4.20	185	47,793,381	4.20
Over 1,000,000	26	1,054,559,739	92.71	24	1,054,389,558	92.69
Total	5,662	1,137,533,596	100	5,471	1,137,533,596	100

COMPOSITION OF SHAREHOLDERS

Category	31st March 2023			31st March 2022		
	Number of shareholders	Holding	Holding %	Number of shareholders	Holding	Holding %
Individual	5,499	113,387,595	9.97	5,302	114,314,335	10.05
Institutional	163	1,024,146,001	90.03	169	1,023,219,261	89.95
Total	5,662	1,137,533,596	100	5,471	1,137,533,596	100
Resident	5,626	772,813,493	67.94	5,434	772,632,793	67.92
Non-resident	36	364,720,103	32.06	37	364,900,803	32.08
Total	5,662	1,137,533,596	100	5,471	1,137,533,596	100

SHAREHOLDER INFORMATION

TWENTY LARGEST SHAREHOLDERS OF THE COMPANY AS AT 31 MARCH 2023 ARE AS FOLLOWS

No	Name	Shares	%
1	SOFTLOGIC HOLDINGS PLC	627,025,050	55.12
2	MERRILL LYNCH PIERCE FENNER & SMITH-TPG GROWTH III SF PTE LTD	328,258,328	28.86
3	BBH-TUNDRA SUSTAINABLE FRONTIER FUND	30,000,000	2.64
4	MR. CHAMINDA DILANTHA WEERASINGHE (DECEASED)	9,375,000	0.82
5	SOFTLOGIC LIFE INSURANCE PLC-A/C NO. 04 (PARTICIPATING FUND)	9,000,000	0.79
6	SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND	7,851,792	0.69
7	MR. PUJITHA PUNSIRI SUBASINGHE	7,431,922	0.65
8	SOFTLOGIC LIFE INSURANCE PLC-A/C NO. 05 (NON-PARTICIPATING FUND)	5,956,877	0.52
9	EMPLOYEES TRUST FUND BOARD	4,245,693	0.37
10	DR. WELAGEDARA MUDIYANSELAGE SWARNAMALI WELAGEDARA	3,375,000	0.30
11	MR. AHAMED UMAR MANIKU	3,219,350	0.28
12	SRI LANKA INSURANCE CORPORATION LTD-GENERAL FUND	2,807,417	0.25
13	MR. HEWA KOMANAGE JAYANTHA DHARRMADASA	2,788,920	0.25
14	DR. LUHUBANDUWADUGE DON ABO CLAUDIUS LUVIS	2,741,720	0.24
15	MR. MOHAMED FAIZER HASHIM	2,081,160	0.18
16	MISS. THEJA THUSHARI WEERASINGHE	1,746,630	0.15
17	CBHK S/A PLATINUM BROKING COMPANY LIMITED	1,168,881	0.10
18	MR. UDITHA HARILAL PALIHAKKARA	1,168,532	0.10
19	MR. GAJATH CHRYSANTHA GOONETILLEKE	1,133,260	0.10
20	MRS. YOGESWARI WIJAYARATNAM	1,074,010	0.09
	Other	85,078,054	7.48
	Total	1,137,533,596	100.00

SHARE TRADING INFORMATION

	2022/23	2021/22
Highest (04/04/2022)	40	60
Lowest (05/01/2023)	23.40	24.50
As at year end (31/03/2023)	24.90	37.50
Number of Trades	5265	9280
Number of shares traded	5,569,627	66,840,138
Value of the Shares Trades (LKR)	167,336,891	2,111,416,609
Market Capitalization (LKR)	28,324,586,540	42,657,509,850
Earnings per share (LKR)	1.29	3.08
Dividend per share (LKR)	-	2.50
Net assets per share (LKR)	15.57	12.88
P/E Ratio	19.30	12.18

FIVE YEAR SUMMARY

Year ended 31 March	2023	2022	2021	2020	2019
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Income Statement					
Revenue	24,785,716	22,324,121	15,784,523	15,510,422	13,476,097
Cost of Sales	(13,118,805)	(11,923,489)	(8,994,513)	(8,499,001)	(7,140,008)
Gross Operating Profit	11,666,911	10,400,632	6,790,010	7,011,421	6,336,089
Other Laboratory Income	64,784	61,132	59,799	75,264	79,003
Administration & Distribution Expenses	(5,981,792)	(4,828,232)	(4,183,026)	(4,232,558)	(3,403,040)
Profit from Operations	5,749,903	5,633,532	2,666,783	2,854,127	3,012,052
Other Income	158,288	165,448	135,246.36	154,140	158,064
Share of Profit /(Loss) of Associate/ Joint Venture	-	-	-	704	73
Profit Before Interest & Tax	5,908,191	5,798,979	2,802,029	3,008,972	3,170,189
Finance Income	2,439,181	247,210	242,331	191,700	73,911
Finance Expenses	(5,152,096)	(1,273,988)	(1,433,382)	(1,789,974)	(877,065)
Profit Before Tax	3,195,275	4,772,202	1,610,978	1,410,697	2,367,035
Tax Expense	(1,496,017)	(968,904)	133,640	(492,490)	(575,311)
Profit After Tax	1,699,258	3,803,298	1,744,618	918,207	1,791,723
Non-Controlling Interest	(230,309)	(299,359)	(213,381)	(110,211)	(109,171)
Profit after Non-Controlling Interest & tax	1,468,949	3,503,939	1,531,236	807,996	1,682,552
Balance Sheet					
Property, Plant & Equipment	33,205,836	29,612,479	25,253,491	24,270,835	21,552,376
Right of Use Assets	1,175,011	1,280,844	1,309,860	1,367,469	-
Investment Property	-	-	-	215,000	193,724
Investment in Associate/Joint Venture	-	-	-	32,245	31,625
Intangible Assets	609,654	609,654	609,654	609,654	609,654
Non Current Assets	61,506	62,408	54,473	54,293	-
Other Non Current Financial Assets	351,419	386,327	323,258	360,695	323,946
Inventories	1,232,955	1,000,220	664,297	665,626	452,519
Trade and Other Receivables	802,222	707,746	789,099	902,178	724,620
Other Current Assets	482,504	507,544	401,696	538,201	1,192,134
Loans Granted to Related Parties	10,811,295	4,237,404	1,679,771	1,733,487	1,458,627
Cash and Cash Equivalents	1,552,653	838,746	985,681	1,448,291	242,986
Total Assets	50,285,055	39,243,373	32,071,279	32,197,975	26,782,211

FIVE YEAR SUMMARY

Year ended 31 March	2023	2022	2021	2020	2019
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Issued Share Capital	4,748,108	4,748,108	4,748,108	4,748,108	4,748,108
Revaluation Reserve	9,525,856	8,022,445	4,185,578	3,384,550	2,846,611
Fair Value Reserve of Financial Assets at FVOCI	(233,532)	(183,581)	(46,240)	7,800	(7,676)
Reserve on Consolidation	(920,520)	(920,572)	(920,571)	(863,977)	(862,299)
Retained Earnings	4,600,296	2,990,073	2,327,574	2,683,467	1,951,119
Foreign Currency Translation Reserve	(3,275)	(3,004)	(671)	-	-
Non-Controlling Interest	1,458,294	1,169,368	1,003,479	901,355	792,320
Total Equity	19,175,227	15,822,838	11,297,258	10,861,304	9,468,184
Amount due on Leasehold Property	411,291	378,114	405,386	476,813	22,057
Interest Bearing Borrowings & Bank Overdraft	21,292,044	16,504,664	16,522,817	16,054,493	12,247,449
Deferred Tax Liabilities	4,573,108	2,042,325	1,107,084	1,833,615	1,644,386
Employee Benefit Liability	582,584	699,051	666,290	555,611	484,451
Trade Creditors	3,653,301	1,938,262	1,909,338	1,996,831	809,275
Other Payables	597,500	1,858,118	163,107	419,309	2,106,411
Total Equity & Liabilities	50,285,055	39,243,373	32,071,279	32,197,975	26,782,211
Net Cash From Operating Activities	3,451,969	5,534,768	2,706,998	2,764,395	904,246
Net Cash Flows Used in Investing Activities	(5,573,663)	(3,744,825)	(1,182,351)	(4,330,673)	(3,651,124)
PBIT/Turnover (%)	24	26	18	19	24
GP Margin (%)	47	47	43	45	47
Return on Equity (%)	9	24	15	8	20
Return on Assets (%)	4	11	5	3	7
Dividend Pay Out (%)	-	81.16	118.86	-	54.05
Debts to Equity	1.13	1.07	1.50	1.52	1.29
Interest Cover	1.62	4.75	2.12	1.79	3.70
Quick Asset Ratio	0.64	0.44	0.36	0.39	0.40
Dividend Per Share	-	2.50	1.60	0.00	0.80
Net Assets Value per Share	15.57	12.88	9.05	8.76	7.63
Earnings per Share	1.29	3.08	1.35	0.71	1.48

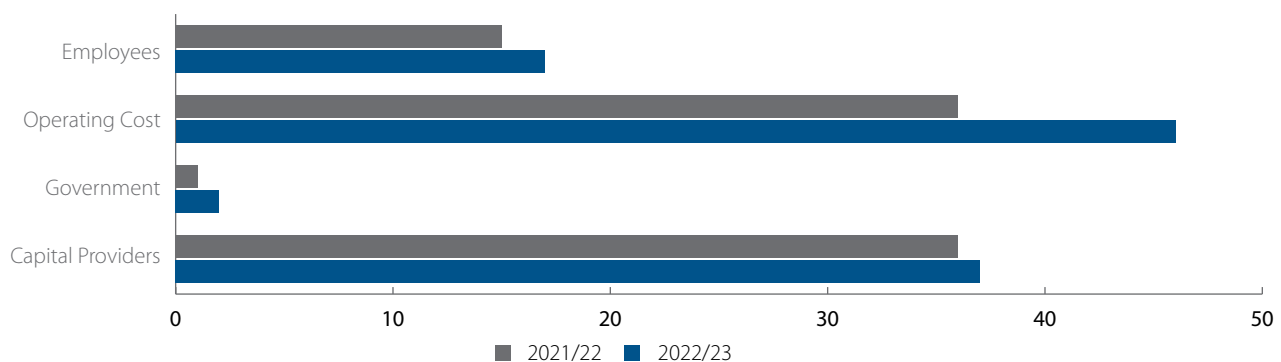
ECONOMIC VALUE ADDED STATEMENT

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

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

	31-Mar-2023	%	31-Mar-2022	%
	Rs. '000		Rs. '000	
Direct Economic Value Generated				
Turnover	10,477,629	78%	8,759,388	78%
Finance Income	178,648	2%	62,034	1%
Dividend Income	6,000	0%	2,345,494	22%
Other Income	124,923	1%	121,142	1%
	10,787,200	100%	11,288,058	100%
Economic Value Distributed				
To Employees				
Employee wages & Benefits	1,953,922	17.37%	1,652,620	14.64%
Operating Cost				
Other Operating Expenses	4,986,044	46.22%	4,060,818	35.97%
	4,986,044		4,060,818	
To Government				
Taxes Paid	219,722	2.04%	102,063	0.90%
To Providers of Capital				
To lenders as Interest	3,905,821	37.00%	1,189,910	10.54%
To Shareholders as dividends	-	0.00%	2,843,834	25.19%
Expansion & Growth				
Depreciation	707,733	6.56%	628,792	5.57%
Retained Earnings	(986,042)	-9.14%	810,021	7.18%
	10,787,200	100%	11,288,058	100%

DISTRIBUTION OF ECONOMIC VALUE ADDED (%)



NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the 43rd ANNUAL GENERAL MEETING of ASIRI HOSPITAL HOLDINGS PLC will be held on Monday, the 25th September 2023 at 10.00 a.m at the Auditorium of Central Hospital Limited (4th Floor), No.114, Norris Canal Road, Colombo 10 for the following purposes:

- (1) To receive and consider the Annual Report of the Board of Directors and Financial Statements of the Company and of the Group for the year ended 31st March 2023 together with the Report of the Auditors thereon.
- (2) To re-elect Dr. S.Selliah who retires by rotation in terms of Article 24(6) of the Articles of Association, as a Director of the Company.
- (3) To re-elect Mr. S. Ahangama who retires by rotation in terms of Article 24(6) of the Articles of Association, as a Director of the Company.
- (4) 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.
- (5) To pass the ordinary resolution set out below to re appoint Mr. G.L.H Premaratne who is 75 years of age, as a Director of the Company
"IT IS HEREBY RESOLVED THAT the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. G.L.H Premaratne who is 75 years of age and that he be and is hereby reappointed a Director of the Company in terms of Section 211 of the Companies Act No. 07 of 2007"
- (6) To re-appoint Messrs. Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.
- (7) To authorise the Directors to determine and make donations for the year ending 31st March 2024 and up to the date of the next Annual General Meeting.

By Order of the Board,

ASIRI HOSPITAL HOLDINGS PLC

Sgd.

SOFTLOGIC CORPORATE SERVICES (PVT) LTD.

Company Secretaries

31 August 2023

Colombo

Notes

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

FORM OF PROXY

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

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

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 25th September 2023 at 10.00 a.m at the Auditorium of Central Hospital Limited (4th Floor), No.114, Norris Canal Road, Colombo 10 for the following purposes and every poll which may be taken in consequence thereof.

	For	Against
(1) To receive and consider the Annual Report of the Board of Directors and the Financial Statements of the Company and of the Group for the year ended 31st March, 2023 together with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
(2) To re-elect Dr. S. Selliah who retires by rotation in terms of Article 24(6) of the Articles of Association, as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(3) To re-elect Mr.S. Ahangama who retires by rotation in terms of Article 24(6)of the Articles of Association, as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(4) To elect Mr. H.K. Kaimal who retires in terms of Article 24(2) of the Articles of Association, as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(5) To pass the ordinary resolution set out below to re appoint Mr. G.L.H Premaratne who is 75 years of age, as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>
“ IT IS HERERBY RESOLVED THAT the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. G.L.H Premaratne who is 75 years of age and that he be and is hereby reappointed a Director of the Company in terms of Section 211 of the Companies Act No. 07 of 2007”	<input type="checkbox"/>	<input type="checkbox"/>
(6) To re-appoint Messrs Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
(7) To authorise the Directors to determine and make Donations for the year ending 31st March 2024 and up to the date of the next Annual General Meeting.	<input type="checkbox"/>	<input type="checkbox"/>

.....
Signature

.....
Date

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

INSTRUCTIONS FOR COMPLETION

1. The full name, National Identity Card number and the registered address of the shareholder appointing the Proxy and the relevant details of the Proxy should be legibly entered in the Form of Proxy which should be duly signed and dated.
2. The completed Proxy should be forwarded to the Company for deposit at the Registered Office through the Company Secretaries, Softlogic Corporate Services (Pvt) Ltd, No.14, De Fonseka Place, Colombo 05, marked "ASIRI HOSPITAL HOLDINGS PLC – Annual General Meeting" or email corporateservices@softlogic.lk not later than 48 hours before the time appointed for the Meeting.
3. In forwarding the completed and duly signed Proxy to the Company, please follow the Guidelines and Attendance Registration Process for the Annual General Meeting available on the Corporate Website of the Company and the Website of the Colombo Stock Exchange.
4. The Proxy shall –
 - (a) In the case of an individual be signed by the shareholder or by his attorney, and if signed by an attorney, a notarially certified copy of Power of Attorney should be attached to the completed Proxy if it has not already been registered with the Company.
 - (b) In the case of a Company or Corporate / statutory body either be under its Common Seal or signed by its Attorney or by an Officer on behalf of the Company or Corporate / statutory body in accordance with its Articles of Association or the Constitution or the Statute. (as applicable)
5. Please indicate with a 'X' how the Proxy should vote on each resolution. If no indication is given, the Proxy in his/her discretion will vote as he/she thinks fit.

CORPORATE INFORMATION

NAME OF THE COMPANY

Asiri Hospital Holdings PLC

REGISTERED OFFICE OF THE COMPANY

No 181, Kirula Road, Colombo 05, Sri Lanka

OFFICE AND ADMINISTRATIVE COMPLEX

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

COMPANY REGISTRATION NUMBER

PQ 204

LEGAL FORM

A quoted public company incorporated in Sri Lanka on 29th September 1980, under the Companies Act No. 17 of 1982, with limited liability

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

STOCK EXCHANGE LISTING

The ordinary shares of the Company have been listed with the Colombo Stock Exchange since June 1986

DIRECTORS

Mr. A. K. Pathirage - Chairman/
Managing Director
Dr. K. M. P. Karunaratne - Group Chief
Executive Officer
Dr. S. Selliah - Deputy Chairman
Mr. S. A. B. Rajapaksa (Resigned w.e.f 13th
March 2023)
Mr. G. L. H. Premaratne
Mr. V. Bali
Mr. A. N. Thadani
Mr. S. Ahangama
Mr. H. K. Kaimal - Appointed w.e.f 16th
May 2023

AUDIT COMMITTEE

Mr. S. Ahangama – Chairman
Independent Non-Executive Director

COMMITTEE MEMBERS

Mr. G.L.H Premaratne
Independent Non Executive Director
Mr. S.A.B Rajapaksa (Resigned w.e.f 13th
March 2023) Independent Non Executive
Director
Mr. H.K. Kaimal – Appointed w.e.f. 24th
May 2023) (Non Independent Non Executive
Director)

FREQUENCY OF MEETINGS

Committee meets quarterly

REMUNERATION COMMITTEE

Mr. G.L.H Premaratne – Chairman
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

Mr. S.A.B Rajapaksa – Chairman
(Resigned w.e.f 13th March 2023)
Independent Non Executive Director

Mr. S. Ahangama – Chairman
Appointed w.e.f 24th May 2023)
Independent Non Executive Director

COMMITTEE MEMBERS

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

Mr. H. K. Kaimal – Appointed w.e.f. 24th
May 2023) (Non Independent Non Executive
Director)

FREQUENCY OF MEETINGS

Committee meets quarterly

SUBSIDIARY COMPANIES

Central Hospital Ltd
No. 114, Norris Canal Road, Colombo 10
Asiri Central Hospital Ltd
No. 114, Norris Canal Road, Colombo 10

Asiri Surgical Hospital PLC
No. 21 Kirimandala Mawatha, Colombo 05
Asiri Diagnostics Services (Pvt) Ltd
No. 181, Kirula Road, Colombo 05
Asiri Hospital Matara (Pvt) Ltd
No. 26, Esplanade Road, Uyanwatte, Matara
Asiri Port City Hospital (Pvt) Ltd
No. 14, De Fonseka Place, Colombo 05
Asiri Laboratories (Pvt) Ltd
No. 181, Kirula Road, Colombo 05
Asiri Hospital Galle (Pvt) Ltd
No. 10, Wackwella Road, Galle
Asiri AOI Cancer Centre (Pvt) Ltd
No. 21, Kirimandala Mawatha, Colombo 5
Asiri Diagnostic Services (Asia) Pte. Ltd
No. 8, Temasek Boulevard, No. 35-03
Suntec Tower 3, Singapore
Asiri Myanmar Limited
Pan Hlaing Street, Unit No.1, Level 8,
Uniteam Marine Office Building No. 8,
Honelan Butar Quarter, Yangon City,
Sanchaung Township Yangon Region,
Myanmar

AUDITORS

Ernst & Young Chartered Accountants
No. 201, De Saram Place
Colombo 10
Sri Lanka

SECRETARIES

Softlogic Corporate Services (Pvt) Ltd
14, De Fonseka Place,
Colombo 05 Sri Lanka
Tel : +94 11 5575 000
Fax : +94 11 2508 291

BANKERS

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

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