



ASIRI SURGICAL HOSPITAL PLC

Annual Report 2022/23



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this Annual Report

About Us

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

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

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

155
Beds

450+
Consultants

24-hour

Emergency Treatment Unit (ETU) and Ambulance Service

World-class

Heart Centre and Comprehensive Cancer Care Centre

Centres of Excellence

Cardiology, Oncology, Orthopedics, Urology, Gastroenterology and Organ Transplantation



Vision

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



Mission

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



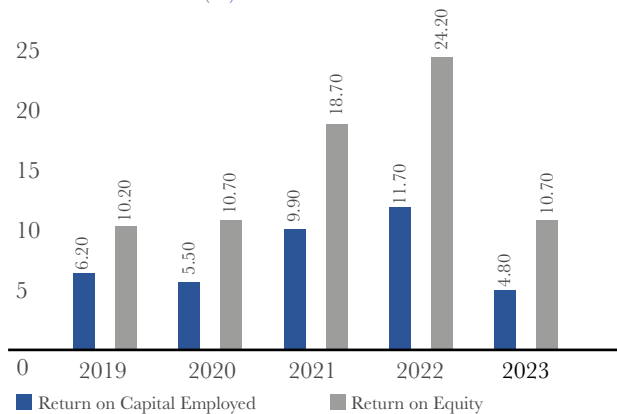
Values

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

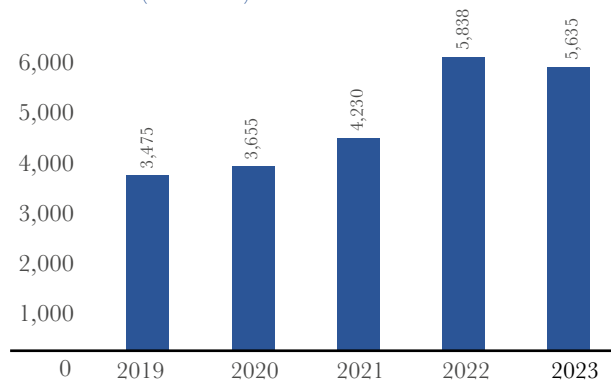
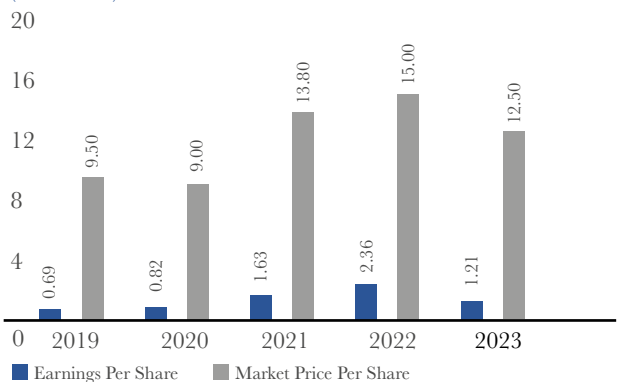
Highlights of the Year

Year ended 31 March	Group		
	2023	2022	
Operating Results			
Revenue	Rs. 000	5,634,695	5,837,833
Profit before Interest and Tax	Rs. 000	942,881	1,460,116
Profit after Tax	Rs. 000	640,029	1,246,317
Return on Equity	%	10.70	24.22
Balance Sheet Highlights			
Total Assets	Rs. 000	13,250,182	10,626,278
Total Equity	Rs. 000	5,981,558	5,146,206
Shareholder Information			
Earnings per Share	Rs.	1.21	2.36
Net Assets per Share	Rs.	11.32	9.74
Dividend per Share	Rs.	0.00	2.10
Share Price (31 March)	Rs.	12.50	15.00

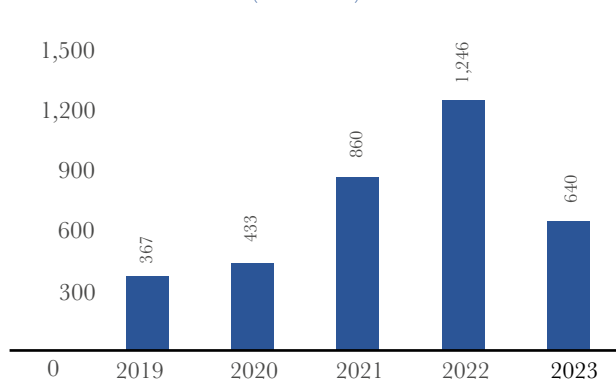
PROFITABILITY (%)



REVENUE (LKR Mn.)

EARNINGS AND MARKET VALUE
(LKR Mn.)

PROFIT AFTER TAX (LKR Mn.)



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Chairman's Review



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

With the COVID-19 pandemic seemingly behind us, we at Asiri Surgical Hospital (ASH) welcomed the resumption of routine operations in FY 2022/23. However the impact of the economic crisis that erupted in Sri Lanka in late March 2022 brought with it fresh challenges that called for conscious reorganisation in order to ride out this latest crisis. For our part, driven by our conviction to deliver world class healthcare solutions to patients, we moved quickly to adapt to the rapidly changing environment.

CAPACITY BUILDING

We continued to build scale where necessary and invested in building capacity across our traditional disciplines.

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 endeavors.

OPERATIONAL HIGHLIGHTS

It was indeed very encouraging to see patients returning to hospital as COVID concerns eased. This was evident in the OPD and consultation numbers, where average footfall in some months even surpassed pre pandemic levels

Meanwhile, the fuel crisis that lasted for several months had a significant impact on in-patient admissions during the first half of the financial year. Several other factors also affected the number of surgical procedures carried out during the year. Inflation induced price increases of surgical consumables and pharmaceuticals proved to be a deciding factor for price

sensitive customers to opt out of elective surgeries. In addition, the scarcity of implants due to import restrictions placed by the government, also contributed towards the slowdown.

LOOKING AHEAD

Going forward, ASH will continue to maintain its core approach which places the patient at the centre of everything we do. We will continue with our proven strategy of delivering modern, high-quality, purpose-built healthcare solutions to serve the current and emerging healthcare needs of patients across Sri Lanka.

At a broader level, we will also look to capitalise on our solid fundamentals along with the Asiri brand presence to spearhead the transformation of the Country's healthcare sector on par with global standards as they evolve in the coming years.

APPRECIATIONS

As I conclude my review, I wish to express my sincere appreciation to all the clinical and non-clinical teams for their steadfast commitment in delivering the ASH promise to our patients. That said, I wish to thank our patients for their trust and confidence in our healthcare solutions.

I would also like to thank my colleagues on the Board for their guidance and wise counsel extended to me at all times. A special word of thanks to the Ministry of Health and other health regulatory bodies for their support. Finally, I wish to thank ASH's shareholders and all other stakeholders for their belief in what we do while I seek your continued support in the years ahead as well.

Sgd.

Ashok Pathirage

Chairman/Managing Director

31 August 2023

Management Discussion and Analysis



OPERATIONAL DEVELOPMENTS

As the leading private surgical care facility in the Country, Asiri Surgical (ASH) Centres of Excellence continued to provide surgical excellence and outstanding clinical outcomes to its customers. The fully fledged Heart Centre at ASH continued to attract patients from around the Country, while 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, a marginal decline in the general admission rate was observed in the first half of the year. This was reflected in the average occupancy level which also showed a slight decline in comparison to the previous financial year. Lower in-patient admissions were attributed mainly to postponement of elective surgeries by patients due to financial and other constraints resulting from the economic crisis, high inflation and other challenges including fuel shortages.

Meanwhile moving ahead with scheduled capacity expansions, a specialist vascular surgery clinic was opened at ASH in mid-2022 along with a cosmetic surgery unit launched later in the year. A purpose built facility with positive and negative pressure rooms for organ transplant was also commissioned during

the latter part of the year. 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 expanded to meet with the increased demand.

PATIENT EXPERIENCE MANAGEMENT INITIATIVES

Several projects were undertaken during the year towards improving the overall patient experience, most notably the discharge workflow system automation, where an automated tool was introduced to expedite the preparation of the final patient bill.

Another important initiative was the end to end automation of the theatre booking process and the implementation of a digital platform for booking Radiology and Dental appointments. Automation was also introduced to simplify the OPD backend as well and to speed up the time taken in handling prescriptions at the pharmacy.

The Emojot platform, a highly versatile customer experience management tool, was rolled out in early 2023 with phase 1 involving the activation of the in-patient customer feedback module to capture real time customer responses at the point of discharge.

EFFICIENCY IMPROVEMENT MEASURES

As part of the ongoing efficiency improvement effort the discharge workflow system automation tool was used to track delayed bills at the end of day, while the historical data tracking option supports trend analysis and determination of the rate of improvement over time.

The facilities management module of the Emojot platform was activated to enable tracking of routine breakdowns and repairs of hospital-wise assets, while the built-in analytics feature was used to monitor the time taken for repairs/breakdowns to enable follow up action to ensure service providers do not exceed agreed delivery timelines.

EMPLOYEE WELFARE INITIATIVES

The popular daycare centre was expanded with additional facilities and an increased cadre of pre-school teachers and care givers 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.

Additionally, in light of the economic crisis and severe inflationary pressures that emerged in 2022, salary adjustments were made for all employee categories.

ASIRI AOI CANCER CENTRE

The Asiri AOI Cancer Centre is a collaboration between the Asiri Surgical Hospital and the American Oncology Institute (AOI), whose vision it is to bring the latest US treatment protocols in Cancer Care to the Indian subcontinent.

Based on these principles, Asiri AOI, takes a comprehensive approach to cancer care that aims to support patients through every step of their journey. Asiri AOI's precision-driven cancer treatment regime is based on collaborative protocols developed by the University of

Pittsburgh Medical Centre (UPMC), one of the leading providers of oncology treatment in the United States.

Asiri AOI offers best in class care across Medical, Radiation and Surgical Oncology backed by high end radio-diagnosis PET services and pathology services. The centers' equipment, including the new generation Radiation Therapy Linear Accelerator is the most advanced in Sri Lanka and amongst a few in South Asia. The AOI Cancer Centre is the only cancer treatment facility in Sri Lanka to house a PET Scanner with Powerful 4 Dimensional imaging technology to help the doctors examine tumors in great detail, enabling them to plan and deliver precisely targeted radiation treatment. Asiri AOI is also the only facility in the country providing a Radiotherapy machine using TrueBeam Technology, ensuring pinpoint accuracy of treatment aimed directly at the tumor, while safeguarding the healthy tissue around it.

Another unique feature is the collaborative multidisciplinary approach, wherein the Medical Oncologist, Radiation Oncologist and the Surgeons, collaborate together to determine the best protocol on a case by case basis. The International Tumor Board also plays a vital role in planning and monitoring of individual care plans on an ongoing basis. Asiri AOI is among the few or possibly the only cancer hospital in South Asia where an International Tumor Board is conducted weekly, during which leading Oncologists from UPMC join for case discussions along with the local clinical experts to plan treatment for specific cases.

The Center's advanced technology, world-class treatment management protocols and the commitment to deliver personalized and compassionate care has earned the trust and respect of the Country's leading oncologists, who continue to refer an increasing number of patients to receive treatment at the Asiri AOI Cancer Centre.

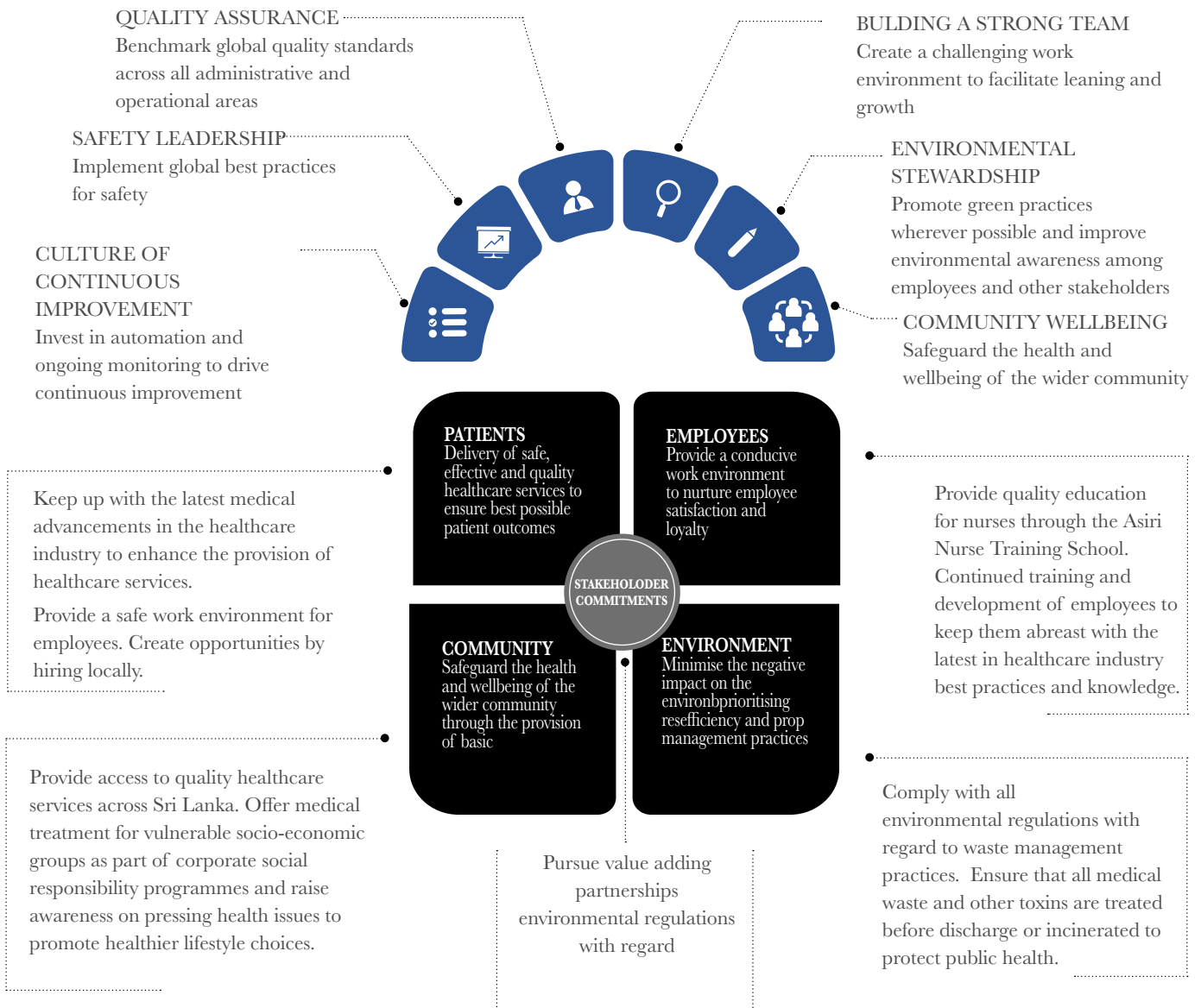
Plans are underway to commence brachytherapy procedures a type of internal radiations used to treat specific types of cancers, during the current year.

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



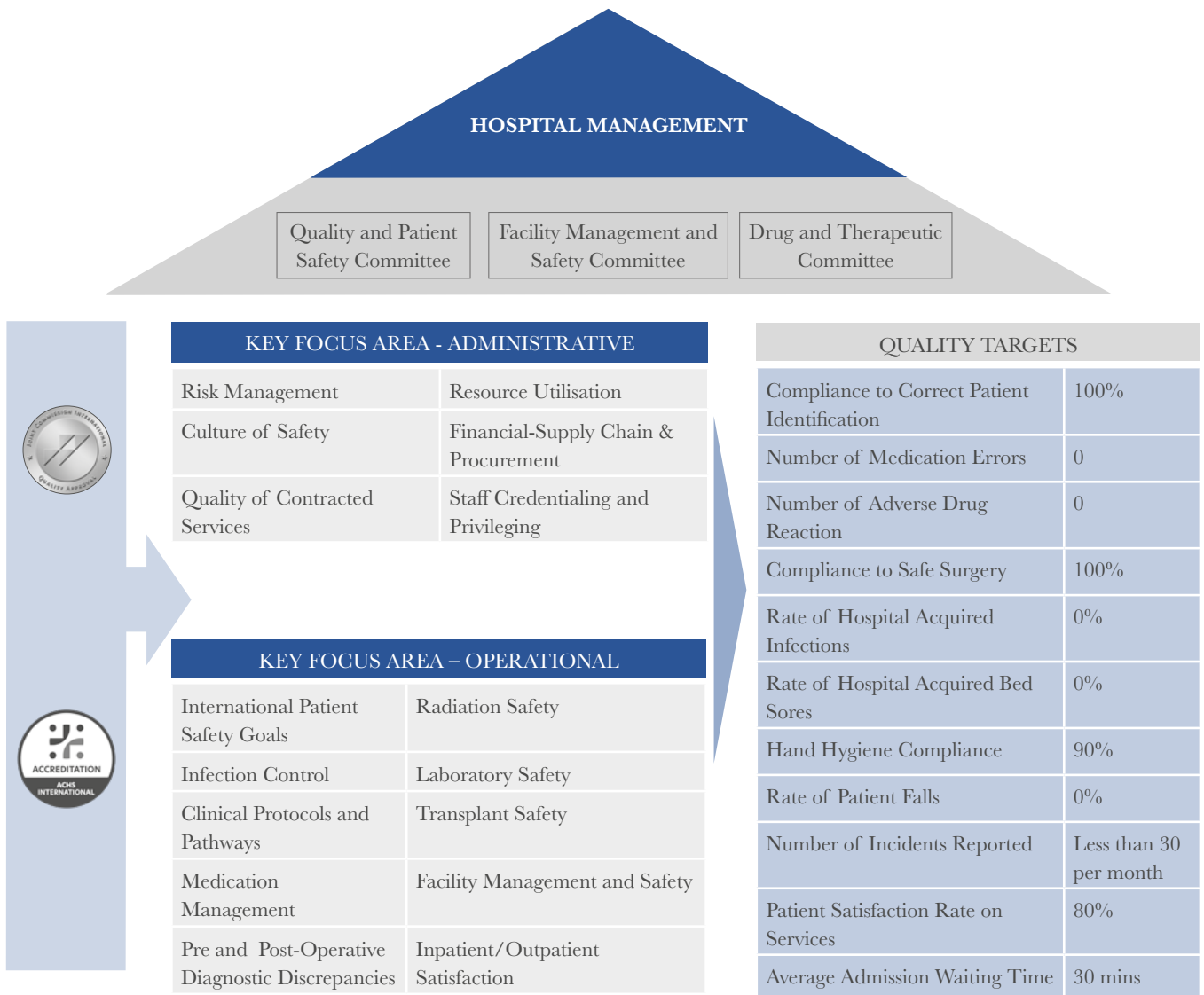
In order to align our sustainability approach with global standards, we have in recent years been guided by the specific targets set out under the Sustainable Development Goals (SDG’s) established by the United Nations as part of its 2030 sustainable development agenda. In this regard, the Group has 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.

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



SUSTAINABILITY REPORT

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
- 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.

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.

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.

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.

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.

SUSTAINABILITY REPORT

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.

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.

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 Apprentice 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.

SUSTAINABILITY REPORT

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%

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.

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.

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.

LEADERSHIP & GOVERNANCE

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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. 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.

Senior Management



DR. MANJULA KARUNARATNE
Group Chief Executive Officer



MRS. THELANI WEERASINGHE
Director Nursing



MR. N P JOHN
Director Laboratory Services



MR. AJITH KARUNARATHNE
Director Finance



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



MS. MIHIRI CABANDUGAMA
Director Strategic Planning and Laboratory
Development



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



MRS. ROCHELLE RODE DE SILVA
Director Marketing



MR. SUDATH HEWAGE
Director Pharmacy Operations



DR. CHAMPIKA BOGAHAWATTE

Medical Director



DR. GAWRIE GALAPPATHTHY

Head of Healthcare Quality & Safety



DR. ARUNI MUNASINGHE

Chief Medical Officer



DR. SEWWANDHI DASANAYAKA

Chief Medical Officer



MS. NANDIKA SENANI DEEGALA

Chief Nursing Officer

Consultant Medical Team



PROF. L R AMARASEKARA

Consultant Histopathologist



DR. CHRISHANTHA MENDIS

Consultant / Head Dept. of Anaesthesiology,
Asiri Central Hospital



DR. DARSHANI AMARASINGHE

Consultant Anaesthesiologist



DR. GAYANI SENANAYAKE

Consultant Anaesthesiologist



DR. STELLA FERNANDO

Consultant 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

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



DR. HIMARU WIRITHAMULLA
Consultants General Surgeon



DR. UDANI DISSANAYAKE
Consultant Eye Surgeon



DR. SUJATHA PATHIRAGE
Consultant Microbiologist



DR. CHAMPIKA ABEYSINGHE
Consultant Anaesthesiologist



DR. NIMALI PUWAKWATHTHA
Consultant Anaesthesiologist



DR. NIRODHIKA DAYARATNE
Consultant Paediatrician



DR. DUMINDA KALUTHANTHRI
Consultant Physician

Consultant Medical Team



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

BOARD OF DIRECTORS

The Board of Directors is responsible for setting the strategic direction, safeguarding assets, managing risks and setting the tone at the top. They have set in place governance frameworks to facilitate achievement of strategic goals and compliance with regulatory frameworks while balancing stakeholder interests. Composition of the Board is set out graphically on the previous page while profiles of the Directors are given on pages 16 to 17. Directors provide annual declarations of their independence in accordance with the stipulations of the Listing Rules of the CSE and the guidelines of the Code of Best Practice. Board balance is facilitated with two Non-Executive Independent Directors who are reputed leaders in their fields of expertise. A sufficiency of financial acumen within the Board is assured with the presence of one Director who is experienced in accounting and finance professional. The skills, experience and standing of the individual Board members ensures sufficient deliberation on matters set before the Board and exercise of independent judgement. Directors can also seek independent professional advice when deemed necessary, for which the expenses are borne by the Group.

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

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

COMPOSITION OF THE BOARD

Executive Chairman (1)

Independent Non-Executive Directors (2)

Executive Directors (1)

COMMITTEES OF THE BOARD

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

Governance of the Board Sub Committees

Sub-Committee	Composition	Mandate
Audit Committee	<ul style="list-style-type: none"> Mr. S. Ahangama - Independent Non-Executive Director - Chairman (Asiri Hospital Holdings PLC) 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)- Asiri Hospital Holdings PLC 	<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. G L H Premaratne Independent Non- Executive Director Mr. S Ahangama Independent Non- Executive Director (Asiri Hospital Holdings PLC) Appointed as the Chairman of the Related Party Transactions Review Committee with effect from 24th May 2023 Mr. H.K. Kaimal – Non Independent Non Executive Director- Asiri Hospital Holdings PLC (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>

BOARD MEETINGS & ATTENDANCE

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

Director	Board	Board Sub Committees		
		Audit Committee	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 (Director of Asiri Hospital Holdings PLC)	3/3	5/5		4/4

COMPANY SECRETARIES

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

RE-APPOINTMENT AND RE-ELECTION TO THE BOARD

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

Dr. K.M.P.Karunaratne

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

INDEPENDENCE OF THE DIRECTORS

Dr. S Selliah, Mr. G L H Premaratne and Mr. S.A.B Rajapaksa function as Independent Directors of the Company. However,

Mr. S. A. B Rajapaksa resigned from the Board w.e.f. 13th March 2023. As per the rules issued by the Colombo Stock Exchange, Mr. G L H Premaratne and Mr. S.A.B Rajapaksa (upto 13th March 2023) meets all the criteria of Independence except one. Dr. S. Selliah meets all the criteria of independence except two. Dr. S. Selliah, Mr. G L H Premaratne and Mr. S.A. B Rajapaksa (upto 13th March 2023) had served on the Board of the Company continuously for a period exceeding nine (9) years from the date of their first appointment. The Board having evaluated all the factors concluded that their independence has not been impaired due to them serving on the Board of another Company which has a significant shareholding in the Company and having served on the Board of the Company continuously for a period exceeding nine (9) years from the date of the first appointment.

DIRECTORS' REMUNERATION

The Remuneration Committee makes recommendations to the Board on remuneration policy and remuneration of the Chairman / 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 35 provides further information. The aggregate remuneration paid to the Directors is disclosed in the Notes to the Financial Statements on page 67 of this Report.

Corporate Governance

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 Members 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 45 to 100
- Statement of Director's Responsibilities page 37
- Annual Report of the Board of Directors on the Affairs of the Company pages 38 to 40
- Management Discussion & Analysis pages 6 to 7

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

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

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

The Audit Committee is responsible for approving the terms of engagement of the external auditors including audit fees. The principal auditor has not provided any services which are stipulated as restricted by the SEC and the audit fees and non-audit fees paid by the Company to its auditors are separately disclosed on page 67 of the Notes to the Financial Statements.

The Board holds overall responsibility for determining the Company's risk appetite and implementing sound risk management and internal control systems to ensure that risk exposures are maintained within defined parameters. The Company'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 30 to 32 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 Company'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 subsidiary on a quarterly basis. A formalised process is in place for identifying related party transactions and avoiding conflicts of interest. All Related Party Transactions as defined by the applicable accounting standards are disclosed on Note 31 of the Financial Statements on page 93 to 95 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 Company continues its efforts to embed Sustainability in to its operations and report on how the Company manages risks stemming from economic, environmental and social factors. The Company'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:

Section	Criteria	Status of Compliance	Disclosure Details
7.10.1 (a)	Non-executive Directors	Compliant	Out of 4 Directors 2 are Non -Executive Directors
7.10.2 (a)	Independent Directors	Compliant	There are 2 Independent Directors on the Board. All Non-Executive Directors have submitted the declaration with regard to their independence/non-independence.
7.10.3	Disclosures relating to Directors	Compliant	Mr. G.L.H Premaratne, Mr. S.A. B Rajapaksa (upto 13th March 2023) meet all the criteria except one. They have not fulfilled the criteria indicated in the Listing Rules 7.10.4 (e). However, the Board taking into account all the circumstances, the Board of Directors considered that the said Directors are Independent. Dr. S. Selliah meets all the criteria except two. He has not fulfilled the criteria indicated in the Listing Rules 7.10.4 (d) and (e). However, the Board taking into account all the circumstances, the Board of Directors considered that the said Director is independent.
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 page 17.
7.10.3 (d)	Appointment of new Directors. A brief resume of any new Director appointed to the Board		Not applicable. This requirement is not applicable as there were no appointments to the Board during the year
7.10.5	Remuneration Committee	Compliant	Comprises two Independent Non-Executive Directors. The Remuneration Committee of Asiri Hospital Holdings PLC (parent company) acts as the Remuneration Committee of Asiri Surgical Hospital PLC. The names of the members of the Committee are given on page 35 of the Annual Report
7.10.6	Audit Committee	Compliant	Comprises three Non-Executive Directors. The Audit Committee of Asiri Hospital Holdings PLC (parent company) acts as the Audit Committee of Asiri Surgical Hospital PLC. The Director Finance attends all the meetings. The report of the Committee is given on page 33 to 34

Risk Management Report

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

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

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

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

PERCEIVED RISKS

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

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

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

Risk Management Report

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>

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 26.

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.

Audit Committee Report

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.

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 Asiri Company'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 (Asiri Hospital Holdings PLC)

Pursuant to the resignation of 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 (Asiri Hospital Holdings PLC) – 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 (Asiri Hospital Holdings PLC) - Appointed w.e.f. 24th May 2023

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

ATTENDANCE AT MEETINGS

Name	Attended/Eligible to attend
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 Companies 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 Surgical Hospital PLC and scrutinised such transactions to ensure that they are no less favourable to the Group than those generally available to an unaffiliated third party in a similar circumstance. The activities of the Committee has 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 42 to 44. 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 45 to 100 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.
Secretaries
Sofilogic Corporate Services (Pvt) Ltd.

31 August 2023
Colombo

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

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

GENERAL

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

The Company has re-registered on 13th October 2008 under the Companies Act No. 07 of 2007. An undertaking approved by the Board of Investment of Sri Lanka (BOI) under the Board of Investment of Sri Lanka Law No. 04 of 1978.

PRINCIPAL ACTIVITIES AND NATURE

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

REVIEW OF OPERATIONS

A review of the operations of the Company and its performance during the year is contained in the Operations Review on page 6 to 7 of the Annual Report. This review together with the Financial Statements reflects the state of affairs of the Company. These reports form an integral part of the Directors' Report.

FINANCIAL STATEMENTS

The Financial Statements of the Company which include the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements are given on pages 45-100.

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 37.

AUDITOR'S REPORT

The Auditor's Report on the financial statements is given on page 42 to 44 of the Annual Report.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the Financial Statements are given on pages 51 to 64. There was no change in the accounting policies adopted other than those disclosed in Note 2.4 to the Financial Statements.

PROPERTY, PLANT AND EQUIPMENT

The 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 71 to 74.

CAPITAL EXPENDITURE

The capital expenditure of the Group and the Company during the year amounted to LKR 322,269,948 and LKR 296,644,538 respectively (2021/2022 – Group LKR 265,316,568 Company LKR 264,542,608) details of which are given in Note 9 to the Financial Statements.

RESERVES

The total reserves of the Group and the Company as at 31st March 2023 amounted to LKR 4,588,229,913 and LKR 4,432,040,582 respectively. The composition of reserves is shown in the Statement of Changes in Equity in the Financial Statements.

DONATIONS

The donations made by the Company during the year amounted to LKR 613,345 2022/2023. (LKR. 1,355,000 - 2021/22)

DIVIDENDS

There were no Dividends declared during the period.

STATED CAPITAL

The stated capital of the Company as at 31st March 2023 was LKR 1,393,327,565. There was no change in the stated capital of the Company during the year under review.

EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL PERFORMANCE

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

STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief are satisfied that all taxes, duties and levies payable by the Company

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

MATERIAL ISSUES PERTAINING TO THE EMPLOYEES AND INDUSTRIAL RELATIONS

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

RELATED PARTY TRANSACTIONS

The Company's transactions with Related Parties, given in Note 31 to the Financial Statements. No related party transaction exceeded the limits of 10% of equity or 5% of total assets requiring immediate disclosure to CSE and a separate disclosure in the Annual Report. As required by Section 9.3.2 (d) of the Listing Rules, the Board confirms that the Company has complied with all requirements as per Section 9 of the Listing Rules. The Directors have disclosed the transaction with Related Parties in terms of Sri Lanka Accounting Standard (LKAS 24), Related Party Disclosures in Note 31 on page 93 to 95 which is adopted in the preparation of these 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 16 to 17.

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 - Non-Executive Independent Director

Mr. S.A.B Rajapaksa (Resigned w.e.f 13th March 2023)

In terms of Articles of Association of the Company, Dr. K.M.P. Karunaratne retires by rotation and being eligible offers himself for re-election with the unanimous support of the Board.

The Directors have recommended the reappointment of Mr. G.L.H. Premaratne who is 75 years of age, as a Director of the Company; accordingly a resolution will be placed before the shareholders in terms of Section 211 of the Companies Act in regard to the reappointment of Mr. G.L.H. Premaratne.

DIRECTORS' SHAREHOLDING

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	-	-
Dr. S. Selliah	17,000	17,000
Dr. K.M.P Karunaratne	133	133
Mr. G.L.H Premaratne	-	-
Mr. S.A.B Rajapaksa (Resigned w.e.f 13th March 2023)	-	-

DIRECTORS' REMUNERATION

Directors' remuneration in respect of the Company for the financial year ended 31 March 2023 was Rs. 5,375,000 Mn(2022 – Rs. 9,993,000 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 102 to 103 of the Annual Report. There were 3,510 registered shareholders as at 31 March 2023 (31 March 2022 – 3,342).

SHARE INFORMATION

Information on share trading is given on page 102 to 103 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

Annual Report of the Board of Directors

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

RISK MANAGEMENT

The Group's risk management objectives and policies and the exposure to risks, are set out in page 30 to 32 of the Annual Report.

CORPORATE GOVERNANCE

The report on Corporate Governance is given on pages 25 to 29 of the Annual Report.

THE AUDITORS

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

The following payments were made to them during the year:

* Audit fees - 1,210,857/-

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

RELATED PARTY TRANSACTIONS

During the year 2022/23, there were / were no non- recurrent or recurrent related party transactions that exceeded the respective thresholds mentioned in the Listing Rules of the Colombo Stock Exchange.

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 Twenty Third Annual General Meeting of the Company will be held 25th September 2023 at 10.30 am. The Notice of the 23rd Annual General Meeting is on Page 107 of the Annual Report.

Sgd.

Ashok Pathirage

Chairman/Managing Director

Sgd.

Dr Manjula Karunaratne

Group Chief Executive Officer

Sgd.

Secretaries

Softlogic Corporate Services (Pvt) Ltd.

31 August 2023

Colombo

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Independent Auditors' Report



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TO THE SHAREHOLDERS OF ASIRI SURGICAL HOSPITAL PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Asiri Surgical Hospital PLC (“the Company”) and the consolidated financial statements of the Company and its subsidiary (“the Group”), which comprise the statement of financial position as at 31 March 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 buildings</p> <p>Property, Plant and Equipment includes Buildings carried at fair value as disclosed in Note 9 to the financial statements.</p> <p>This was a key audit matter due to:</p> <ul style="list-style-type: none"> Materiality of the reported Buildings balances which amounted to Rs. 4.1 Bn and represented 32% of the total assets as of 31 March 2023. The degree of Management assumptions, judgements and estimations involved in assessing the fair value of Buildings. <p>Key areas of significant judgements, estimates and assumptions used in the valuation of the buildings included the following:</p> <ul style="list-style-type: none"> 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 technique, value per square foot used by the valuer in the valuation of each building. We have also assessed the adequacy of the disclosures made in Notes 2.3.3 and 9 to the financial statements.

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

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>The Group derives its revenue of Rs. 5.6 Bn by providing healthcare services as disclosed in Notes 2.3.15 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 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 2.3.15 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. 4.1 Bn, of which Rs. 2.8 Bn was reported as current liabilities and the balance Rs. 1.3 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 (59% of total liabilities). • Existence of number of a 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.
<p>OTHER INFORMATION INCLUDED IN THE GROUP'S 2023 ANNUAL REPORT</p> <p>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.</p> <p>Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.</p> <p>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.</p>	<p>RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE</p> <p>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.</p> <p>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.</p> <p>Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.</p>

Independent Auditors' Report



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

As part of an audit in accordance with SLAuSs, we exercise professional 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

Income Statement

Year ended 31 March	Note	GROUP		COMPANY	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Revenue	3.1	5,634,694,705	5,837,833,179	5,082,832,648	5,446,729,057
Cost of Services		(3,405,380,231)	(3,378,050,470)	(3,118,573,458)	(3,192,664,407)
Gross Profit		2,229,314,474	2,459,782,709	1,964,259,189	2,254,064,650
Other Income	3.4	45,171,452	42,302,149	87,722,039	99,708,754
Administrative Expenses		(1,128,065,246)	(898,908,369)	(1,073,321,050)	(859,024,049)
Selling and Distribution Costs		(146,291,562)	(143,060,329)	(123,318,215)	(123,943,259)
Finance Cost	4.1	(961,981,692)	(248,813,631)	(989,568,417)	(234,501,429)
Finance Income	4.2	1,223,249,360	258,611,320	1,219,653,438	249,870,361
Change in Fair Value of Investment Property	11	-	-	1,712,500	43,600,000
Profit Before Tax	5	1,261,396,786	1,469,913,849	1,087,139,484	1,429,775,029
Tax Expense	6	(621,368,060)	(223,596,773)	(629,040,894)	(223,394,122)
Profit For the Year		640,028,727	1,246,317,076	458,098,591	1,206,380,907
Attributable to:					
Equity holders of the parent		555,119,005	1,184,696,950		
Non-controlling interest		84,909,721	61,620,126		
		640,028,727	1,246,317,076		
Earnings Per Share - Basic	7	1.21	2.36	0.87	2.28
Dividend Per Share - Ordinary Shares	8.1	0.00	2.10	0.00	2.10

Figures in brackets indicate deductions.

The Accounting policies and Notes on pages 51 to 100 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 for the year		640,028,727	1,246,317,076	458,098,591	1,206,380,907
Other Comprehensive Income that will not to be reclassified to profit or loss in subsequent periods (net of tax):					
Revaluation Surplus on Building	9	930,411,409	685,369,146	928,698,909	638,067,422
Actuarial Gain/(Loss) on Employee Benefit Liability	24	37,262,108	5,959,557	36,494,423	6,512,018
Share of Joint Venture Other Comprehensive Income (net of tax)		-	-	-	-
Net Loss on Equity Instrument at Fair Value through Other Comprehensive Income	13.1	(62,845,970)	(117,850,988)	(62,845,970)	(117,850,988)
		904,827,547	573,477,715	902,347,362	526,728,451
Deferred Tax Charge on Other Comprehensive Income	6.2	(624,326,815)	(96,786,018)	(623,582,759)	(90,241,121)
Net Other Comprehensive Income that will not to be reclassified to profit or loss in subsequent periods (net of tax):		280,500,732	476,691,697	278,764,603	436,487,330
Other Comprehensive Income for the Year, Net of Tax		280,500,732	476,691,697	278,764,603	436,487,330
Total Comprehensive Income for the Year, Net of Tax		920,529,460	1,723,008,772	736,863,193	1,642,868,237
Total Comprehensive Income Attributable to:					
Equity Holders of the Parent Company		835,119,857	1,661,626,205		
Non-Controlling Interest		85,409,603	61,382,567		
Total Comprehensive Income Attributable to:		920,529,460	1,723,008,772		

Figures in brackets indicate deductions.

The Accounting policies and Notes on pages 51 to 100 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	5,526,051,609	4,616,830,197	5,042,765,856	4,112,761,975
Right of Use Asset	10	22,228,148	22,524,524	22,228,148	22,524,524
Investment Property	11	-	-	260,012,500	258,300,000
Investment in Subsidiary	12	-	-	33,800,104	33,800,104
Non Current Financial Assets	13	2,050,867,941	2,090,928,818	2,050,867,941	2,090,928,818
Other Non Current Assets	14	25,982,000	25,982,000	25,982,000	25,982,000
		7,625,129,698	6,756,265,539	7,435,656,549	6,544,297,421
Current Assets					
Inventories	17	269,125,705	303,517,063	265,365,645	301,720,469
Trade and Other Receivables	18	992,473,417	814,435,857	1,000,215,642	809,023,181
Other Current Assets	19	196,214,114	223,259,631	183,710,861	220,891,318
Loans Granted to Related Parties	13.3	3,898,234,700	2,213,146,804	3,898,234,700	2,213,146,804
Cash in Hand and at Bank	28.1	269,004,266	315,653,331	220,745,238	93,490,665
		5,625,052,202	3,870,012,686	5,568,272,086	3,638,272,437
Total Assets		13,250,181,900	10,626,278,225	13,003,928,635	10,182,569,858
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	20	1,393,327,565	1,393,327,565	1,393,327,565	1,393,327,565
Other Components of Equity	21	2,038,670,289	1,784,253,033	1,994,099,414	1,740,880,907
Retained Earnings		2,549,559,624	1,968,625,832	2,437,941,167	1,954,296,481
Equity Attributable to Equity Holders of the Parent		5,981,557,477	5,146,206,430	5,825,368,147	5,088,504,953
Non-Controlling Interests		219,296,567	134,118,156	-	-
Total Equity		6,200,854,044	5,280,324,586	5,825,368,147	5,088,504,953
Non-current Liabilities					
Lease Liability	22	1,620,890	5,720,650	1,620,890	5,720,650
Interest Bearing Loans and Borrowings	23	1,302,403,363	1,539,586,363	1,284,903,363	1,462,086,364
Employee Benefit Liability	24	120,396,321	147,442,314	117,704,549	145,001,634
Deferred Tax Liability	6.2	1,207,818,728	405,516,966	1,202,982,822	393,752,281
		2,632,239,302	2,098,266,293	2,607,211,625	2,006,560,929
Current Liabilities					
Trade and Other Payables	25	1,330,700,944	755,380,866	1,214,045,246	656,298,136
Dividend Payable		12,898,831	481,853,921	12,898,831	481,853,921
Lease Liability	22	3,712,584	3,712,584	3,712,584	3,712,584
Interest Bearing Loans and Borrowings	23	2,249,139,960	1,834,028,796	2,189,139,960	1,772,928,156
Loan Due to Related Party	26	-	-	330,916,008	-
Income Tax Payable	27	238,335,831	116,952,138	238,335,831	116,952,138
Bank Overdraft	28.2	582,300,404	55,759,041	582,300,404	55,759,041
		4,417,088,554	3,247,687,346	4,571,348,864	3,087,503,976
Total Equity and Liabilities		13,250,181,900	10,626,278,225	13,003,928,635	10,182,569,858

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 51 to 100 form an integral part of these Financial Statements.

31 August 2023

Colombo

Statement of Changes in Equity

GROUP	Stated Capital	Fair Value Reserve of Financial Assets as at FVOCI	Revaluation Reserve	Retained Earnings	Total	Non- Controlling Interest	Total Equity
Note	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 01 April 2021	1,393,327,565	(172,842,703)	1,485,529,258	1,888,326,949	4,594,341,069	72,735,588	4,667,076,657
Profit for the Year	-	-	-	1,184,696,950	1,184,696,950	61,620,126	1,246,317,076
Other Comprehensive Income	-	(117,850,988)	589,417,466	5,362,778	476,929,256	(237,558)	476,691,698
Total Comprehensive Income	-	(117,850,988)	589,417,466	1,190,067,746	1,661,626,206	61,382,568	1,723,008,774
Interim Dividends 2021/22	8.1	-	-	(1,109,760,845)	(1,109,760,845)	-	(1,109,760,845)
As at 31 March 2022	1,393,327,565	(290,693,691)	2,074,946,724	1,968,625,832	5,146,206,430	134,118,156	5,280,324,586
Profit for the Year	-	-	-	555,119,006	555,119,006	84,909,721	640,028,728
Other Comprehensive Income	-	(62,845,970)	317,263,227	25,814,785	280,232,042	268,690	280,500,732
Total Comprehensive Income	-	(62,845,970)	317,263,227	580,933,791	835,351,048	85,178,411	920,529,461
As at 31 March 2023	1,393,327,565	(353,539,661)	2,392,209,950	2,549,559,624	5,981,557,478	219,296,567	6,200,854,045

Figures in brackets indicate deductions.

The Accounting policies and Notes on pages 51 to 100 form an integral part of these Financial Statements.

Statement of Changes in Equity

COMPANY	Stated Capital	FV Reserve of Financial Assets at FVOCI	Revaluation Reserve	Retained Earnings	Total
Note	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 31 March 2021	1,393,327,565	(172,842,703)	1,482,836,615	1,852,076,084	4,555,397,561
Profit for the Year	-	-	-	1,206,380,907	1,206,380,907
Other Comprehensive Income	-	(117,850,988)	548,737,983	5,600,336	436,487,331
Total Comprehensive Income	-	(117,850,988)	548,737,983	1,211,981,242	1,642,868,237
Interim Dividends 2021/22	-	-	-	(1,109,760,845)	(1,109,760,845)
Balance as at 31 March 2022	1,393,327,565	(290,693,691)	2,031,574,598	1,954,296,481	5,088,504,953
Profit for the Year	-	-	-	458,098,591	458,098,591
Other Comprehensive Income	-	(62,845,970)	316,064,477	25,546,096	278,764,603
Total Comprehensive Income	-	(62,845,970)	316,064,477	483,644,687	736,863,193
Balance as at 31 March 2023	1,393,327,565	(353,539,661)	2,347,639,075	2,437,941,167	5,825,368,148

Figures in brackets indicate deductions.

The Accounting policies and Notes on pages 51 to 100 form an integral part of these Financial Statements.

Statement of Cash Flows

Year ended 31 March	Note	GROUP		COMPANY	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Cash Flows From Operating Activities					
Profit Before Tax		1,261,396,786	1,469,913,849	1,087,139,484	1,429,775,028
Adjustments for					
Amortization of Right of Use Asset	10	296,376	296,376	296,376	296,376
Depreciation	9.2	342,745,384	318,431,989	294,625,008	263,719,759
Loss on Disposal of Property, Plant and Equipment	3.4	440,406	666,293	440,406	650,135
Finance Income	4.2	(1,223,249,360)	(258,611,320)	(1,219,653,438)	(249,870,361)
Finance Costs	4.1	961,981,692	248,813,631	989,568,417	234,501,429
Unrealized Foreign Currency Exchange Gain		4,005,322	11,088,051	4,005,322	(6,490,040)
Provision for Gratuity	24	36,069,561	23,426,404	34,983,359	22,784,683
Provision for Bad Debt	18.3	(2,006,680)	(2,645,062)	(2,006,680)	(2,645,062)
Inventory Write-off	17	4,108,219	7,439,695	4,108,219	7,439,695
Change in Fair Value of Investment Property	11	-	-	(1,712,500)	(43,600,000)
Operating Profit Before Working Capital Changes		1,385,787,706	1,818,819,905	1,191,793,973	1,656,561,645
(Increase)/Decrease in Inventories		30,283,139	(107,306,003)	32,246,605	(109,643,362)
(Increase)/Decrease in Trade and Other Receivables		(176,030,880)	(149,654,818)	(189,185,784)	(135,766,432)
(Increase)/Decrease in Other Current Assets		27,045,517	(74,709,595)	37,180,457	(76,810,845)
(Decrease)/Increase in Trade and Other Payables		575,257,087	36,172,522	614,932,645	12,984,403
Cash Generated From Operations		1,842,342,569	1,535,112,559	1,629,719,373	1,359,115,956
Income Tax Paid		(322,009,419)	(151,420,673)	(322,009,419)	(151,420,673)
Finance Costs Paid		(923,916,914)	(239,670,599)	(897,916,458)	(225,367,291)
Employee Benefit Paid	24	(25,790,456)	(15,439,178)	(25,723,031)	(15,262,095)
Net Cash From Operating Activities		570,625,779	1,128,582,110	384,070,462	967,065,898
Cash Flows From/(Used in) Investing Activities					
Acquisition of Property, Plant and Equipment	9.1	(322,269,948)	(265,316,568)	(296,644,538)	(264,542,608)
Proceeds from Sale of Property, Plant and Equipment		274,156	44,283,686	274,156	44,283,685
Investment in Financial Assets		-	309,115,753	-	(119,472,375)
Finance Income Received		376,635,417	302,037,611	369,717,095	300,374,794
Loans repayments from Related Parties		2,106,000,000	300,000,000	2,106,000,000	300,000,000
Loans Granted to Related Parties		(2,963,000,000)	(1,388,047,230)	(857,000,000)	(1,388,047,230)
Net Cash Flows From/ (Used in) Investing Activities		(802,360,373)	(1,119,436,734)	(783,653,287)	(1,127,403,734)
Cash Flows From/(Used in) Financing Activities					
Payment of Lease Liability	22	(5,420,408)	(5,033,236)	(5,420,408)	(5,033,236)
Repayment of Interest Bearing Loans and Borrowings	23.1	(517,080,336)	(466,736,000)	(455,979,696)	(406,736,000)
Proceeds From Interest Bearing Loans and Borrowings	23.1	650,000,000	1,150,000,000	971,700,000	1,150,000,000
Dividend Paid		(468,955,090)	(634,149,054)	(468,955,090)	(634,149,054)
Net Cash Flows From/(Used in) Financing Activities		(341,455,834)	32,291,162	40,844,806	92,291,162
Net Increase/(Decrease) in Cash and Cash Equivalents		(573,190,428)	41,436,539	(399,286,788)	(68,046,673)
Cash and Cash Equivalents at the Beginning of the Year	28	259,894,290	218,457,751	37,731,622	105,778,295
Cash and Cash Equivalents at the End of the Year	28	(313,296,138)	259,894,290	(361,555,166)	37,731,622

Figures in brackets indicate deductions.

The Accounting policies and Notes on pages 51 to 100 form an integral part of these Financial Statements.

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1 General

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

1.2 Principal Activities and Nature of Operations

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

1.3 Parent Enterprise and Ultimate Parent Enterprise

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

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

1.4 Date of Authorization for Issue

The Consolidated Financial Statements of Asiri Surgical Hospital PLC for the year ended 31 March 2023 was authorized for issue in accordance with a resolution of the Board of Directors on 31 August 2023.

2. BASIS OF PREPARATION AND OTHER SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

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

Materiality and Aggregation

Each material class of similar items is presented cumulatively in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri

Lanka Accounting Standard - LKAS 1 ‘Presentation of Financial Statements’.

Going Concern

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

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

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

Presentation of Functional Currency

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

Statement of Compliance

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

Notes to the Financial Statements

Comparative Information

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

The Company presented Consolidated financial statements for the year ended 31 March 2023 based on the determination of the Asiri AOI Cancer Centre (Pvt) Ltd is an investment in subsidiary from 1 April 2020.

2.1.1 Basis of Consolidation

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

Subsidiary

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

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

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee,

the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

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

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

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

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

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

Company	Effective Holding 2023	Effective Holding 2022	Principal Activities
1. Asiri AOI Cancer Centre (Pvt) Ltd	50.00%	50.00%	The principal activities of the Company are to carry out cancer treatment services.

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

Summary of Significant Accounting Policies

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

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

Current Versus Non-Current Classification

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when it is:

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

The Group classifies all other liabilities as non-current.

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

Foreign Currency Translation

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

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

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

2.2 Summary of Significant Accounting Judgments, Estimates and Assumptions

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

Notes to the Financial Statements

underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised prospectively.

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

Fair Value of Property, Plant and Equipment

The Group measures buildings on lease hold land at revalued amounts with changes in fair value being recognised in other comprehensive income. The Group engaged an independent valuation specialist to assess fair value of such assets as at 31 March 2023. Refer Note 9.5 to these financial statements for Significant unobservable valuation input.

Fair Value of Investment Property

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

Taxes

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

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

Post-Employment Benefit Plan

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

Provision for Expected Credit Losses of Financial Assets

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

2.3 Summary of Significant Accounting Policies Applied

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

2.3.1 Business Combination and Goodwill

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

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

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

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted

for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SLFRS 9 Financial Instruments, is measured at fair value with

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

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

2.3.2 Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

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

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

2.3.3 Property, Plant and Equipment

Property, plant and equipment are initially stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as

Notes to the Financial Statements

individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Income Statement as incurred.

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

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

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

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

2.3.4 Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting

date. Gains or losses arising from changes in the fair values of investment properties are included in Income Statement in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

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

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

2.3.5 Right of Use Assets and Lease Liabilities

Estimating the Incremental Borrowing Rate

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

Right of Use Assets

The Group recognises right of use assets when the underlying asset is available for use. Right of use assets are measured at cost, less any accumulated

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

Lease Liabilities

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

Short-Term Leases and Leases of Low-Value Assets

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

Company as a Lessor

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

are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as in the period in which they are earned.

2.3.6 Borrowing Costs

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

2.3.7 Financial Instruments - Initial Recognition and Subsequent Measurement

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

i) Financial Assets

Initial Recognition and Measurement

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

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

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount

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outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

Subsequent Measurement

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

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

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

Financial Assets at Amortised Cost (Debt Instruments)

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

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

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

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

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

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

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

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired,
- Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through'

arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Impairment of Financial Assets

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

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

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

The Group considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements

held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

- Trade receivables Note 18 to the financial statement

ii) Financial Liabilities

Initial Recognition and Measurement

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

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

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

Subsequent Measurement

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

Loans and Borrowings

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

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

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Financial Guarantee Contracts

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

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

Derecognition

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

2.3.8 Equity Accounted Investees

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

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

2.3.9 Inventories

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

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

2.3.9.1 Contract Assets

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

2.3.10 Impairment of Non-Financial Assets

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

2.3.11 Cash and Cash Equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of the above net of outstanding

bank overdrafts. Investments with short maturities (i.e. three months or less from the date of acquisition) are also treated as Cash and Cash Equivalents.

2.3.12 Provisions

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

2.3.13 Post-Employment Benefits

a. Defined Benefit Plan – Gratuity

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

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

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

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

The Gratuity liability is not externally funded.

b. Defined Contribution Plans

Employees’ Provident Fund and Employee’ Trust Fund

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

2.3.13.1 Contract Liabilities

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

2.3.14 Dividend Payable

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

2.3.15 Revenue

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

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

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

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

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

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

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

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

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

2.3.16 Other Income

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

2.3.17 Dividend Income

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

2.3.18 Finance Income

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

2.3.19 Finance Expense

Finance costs comprise interest expense on borrowings and guarantee cost.

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

2.3.20 Expenditure

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

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

2.3.21 Taxation

Current tax

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

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

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

Deferred Taxation

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based

on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

2.3.22 Earnings Per Share (EPS)

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

2.3.23 Segment Reporting

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

2.4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

2.6 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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. REVENUE AND OTHER INCOME

3.1 Revenue

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Healthcare Services	5,393,112,422	5,641,823,935	4,841,245,484	5,250,693,930
Sales of Goods	241,642,284	196,486,592	241,642,284	196,486,592
Loyalty points	(60,001)	(477,348)	(55,121)	(451,465)
	5,634,694,705	5,837,833,179	5,082,832,647	5,446,729,057

3.2 Segment Information

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

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

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

The following table presents the revenue generated by the Company's segments for the year ended 31 March 2023 and comparative figures for the year ended 31 March 2022.

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Pre care	2,270,359,450	2,786,077,742	1,718,492,512	2,394,973,620
Post Care	3,122,752,972	2,855,268,845	3,122,752,972	2,855,268,845
Pharmaceutical	241,642,284	196,486,592	241,642,284	196,486,592
	5,634,754,706	5,837,833,179	5,082,887,768	5,446,729,057

3.3 Timing of Revenue Recognition

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Services and Goods Transferred at a Point In Time	2,512,001,735	2,982,564,334	1,960,134,797	2,591,460,212
Services Transferred over Time	3,122,752,972	2,855,268,845	3,122,752,972	2,855,268,845
	5,634,754,706	5,837,833,179	5,082,887,769	5,446,729,057

Notes to the Financial Statements

3. REVENUE AND OTHER INCOME (CONTD.)

3.4 Other Income

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Rental Income	24,627,780	22,817,955	67,178,367	63,180,311
Sundry Income	15,814,732	28,157,130	15,814,732	27,607,130
Loss on Disposal of Property, Plant and Equipment	(440,406)	(666,293)	(440,406)	(650,135)
Exchange Gain/(Loss)	5,169,346	(8,006,643)	5,169,346	9,571,448
	45,171,452	42,302,149	87,722,039	99,708,754

4. FINANCE COST AND INCOME

4.1 Finance Cost

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Interest Expense on Overdrafts	107,998,020	881,213	107,998,020	881,213
Interest Expense on Borrowings	828,113,848	225,689,597	864,252,726	211,503,265
Interest on Guarantees	11,613,754	12,037,919	11,613,754	12,037,919
Bank Charges on Interest Bearing Loans	4,528,378	8,428,318	4,383,268	8,302,448
Finance cost on ROU Assets	9,727,691	1,776,584	1,320,648	1,776,584
	961,981,691	248,813,631	989,568,416	234,501,429

4.2 Finance Income

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Interest Income	1,190,362,116	247,393,658	1,187,192,220	245,730,841
Guarantee Income	4,612,771	4,139,520	4,612,771	4,139,520
Dividend Income on Financial assets	27,848,447	-	27,848,447	-
Increase in Fair Value - Unit Trust (FVTPL)	426,026	7,078,142	-	-
	1,223,249,360	258,611,320	1,219,653,438	249,870,361

5. PROFIT BEFORE TAX

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

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Included in Cost of Sales				
Depreciation	201,390,347	194,983,449	165,604,331	152,915,788
Staff Expenses including the following:	850,524,756	840,772,533	793,265,208	801,453,759
Defined Contribution Plan Costs - EPF and ETF	72,641,787	63,224,320	67,206,468	59,144,182
Included in Administrative Expenses				
Depreciation	136,793,414	120,666,434	129,020,677	110,803,971
Staff Expenses including the following:	354,876,723	290,706,308	339,358,832	278,737,678
Defined Benefit Plan Costs - Gratuity	36,069,561	24,250,947	34,983,359	22,784,683
Defined Contribution Plan Costs - EPF and ETF	13,604,136	21,950,091	13,090,425	21,609,507
Directors' Fees and Remuneration	5,375,000	9,993,000	5,375,000	9,993,000
Amortisation of Leasehold Property	296,376	296,376	296,376	296,376
Donations	613,345	1,355,000	613,345	1,355,000
Legal Fees	8,107,367	4,123,939	8,096,867	4,123,000
Audit Fees and Reimbursable Expenses	1,487,923	1,273,980	1,210,857	1,045,000
Included in Selling and Distribution Costs				
Advertising Costs	26,353,986	25,136,494	16,977,221	16,326,886
Provision for Bad Debts	(2,006,680)	(2,645,062)	(2,006,680)	(2,645,062)

6. TAX EXPENSE

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Current Income Tax				
Current Income Tax Charge (Note 6.1)	283,393,112	229,591,371	283,393,112	229,591,371
Under Provision and Adjustments	160,000,000	929,107	160,000,000	929,107
	443,393,112	230,520,478	443,393,112	230,520,478
Deferred Income Tax				
Deferred Taxation income/(Expense) (Note 6.2)	177,974,947	(6,923,705)	185,647,782	(7,126,356)
Income Tax Expenses Reported in the Income Statement	621,368,059	223,596,773	629,040,894	223,394,122
Deferred Income Tax				
Deferred Tax Expenses Reported in the Other Comprehensive Income (Note 6.2)	624,326,815	96,786,018	623,582,759	90,241,121
Income Tax Expenses Reported in the Statement of Total Comprehensive Income	1,245,694,875	320,382,791	1,252,623,654	313,635,243

Notes to the Financial Statements

6. TAX EXPENSE (CONTD.)

6.1 Reconciliation between Current Tax Expense and Accounting Profit

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Accounting Profit before Income Tax	1,261,396,786	1,469,913,849	1,087,139,484	1,429,775,029
Other Consolidation Adjustments		38,183,659		
Profit/(Loss) after Adjustments	1,261,396,786	1,508,097,508	1,087,139,484	1,429,775,029
Disallowable Expenses	432,023,950	393,616,849	342,369,326	292,468,038
Allowable Expenses	(439,672,955)	(392,845,725)	(309,113,891)	(274,792,770)
Profit Exempt from Income Tax	(1,354,190,337)	(361,129,649)	(1,297,007,235)	(352,369,490)
Unrelieved business losses		(52,658,175)	-	-
Assessable Income from Business	1,160,954,231	1,095,080,807	910,527,169	1,095,080,807
Assessable Income from Investment	56,757,076	308,912,153	1,282,219,034	308,912,153
Taxable Income	1,217,711,307	1,403,992,960	2,192,746,203	1,403,992,960
Income Tax Expenses - 14%		150,313,715	-	150,313,715
Income Tax Expenses - 24%	125,952,494	79,277,656	125,952,494	79,277,656
Income Tax Expenses - 30%	157,440,618	-	157,440,618	-
	283,393,112	229,591,371	283,393,112	229,591,371

6.2 Deferred Tax (Assets) / Liabilities

Group	Statement of Financial Position		Income Statement		Statement of Other Comprehensive Income	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Deferred Tax Liability						
Investment Property	-	-	-	-	-	-
Revaluation of Building	916,868,139	303,519,957	-	(4,789,180)	613,148,182	95,951,680
Right of Use Assets	5,068,402	1,832,781	3,235,621	414,439	-	-
Accelerated Depreciation for Tax Purposes	371,688,307	137,033,375	234,654,932	(1,836,372)	-	-
	1,293,424,848	442,386,113	237,890,553	(6,211,113)	613,148,182	95,951,680
Deferred Tax Assets						
Tax Losses	(49,487,223)	(16,227,223)	(33,260,000)	-	-	-
Defined Benefit Obligation	(36,118,897)	(20,641,924)	(26,655,605)	(712,592)	11,178,632	834,338
	(85,606,120)	(36,869,147)	(59,915,605)	(712,592)	11,178,632	834,338
Deferred Tax Expense			177,974,947	(6,923,705)	624,326,814	96,786,018
Net Deferred Tax Liability	1,207,818,728	405,516,966				

Company	Statement of Financial Position		Income Statement		Statement of Other Comprehensive Income	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Deferred Tax Liability						
Investment Property	19,136,895	6,207,715	12,929,180	4,316,545	-	-
Revaluation of Building	909,107,435	296,473,002	-	(4,745,724)	612,634,432	89,329,439
Right-of-use Assets	5,068,402	1,832,781	3,235,621	414,439	-	-
Accelerated Depreciation for Tax Purposes	304,981,456	109,539,012	195,442,444	(6,445,874)	-	-
	1,238,294,188	414,052,510	211,607,245	(6,460,615)	612,634,432	89,329,439
Deferred Tax Assets						
Defined Benefit Obligation	(35,311,365)	(20,300,229)	(25,959,463)	(665,741)	10,948,327	911,682
	(35,311,365)	(20,300,229)	(25,959,463)	(665,741)	10,948,327	911,682
Deferred Tax Expense			185,647,782	(7,126,356)	623,582,759	90,241,121
Net Deferred Tax Liability	1,202,982,822	393,752,281				

6.3 Deferred Tax Charge/(Release)

Deferred Tax Charge/(Reversal) recognised through

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Statement of Profit or Loss				
Charge/ (Reversal) Arising on During the Year Movement	72,244,648	(6,923,705)	79,917,483	(7,126,356)
Charge/ (Reversal) Due to Change in Tax Rates	105,730,299	-	105,730,299	-
	177,974,947	(6,923,705)	185,647,782	(7,126,356)
Other Comprehensive Income				
Charge/ (Reversal) Arising on During the Year Movement	289,396,292	96,786,018	288,652,237	90,241,121
Charge/ (Reversal) Due to Change in Tax Rates	334,930,522	-	334,930,522	-
	624,326,814	96,786,018	623,582,759	90,241,121

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/Diluted Earnings Per Share computations.

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Profit for the Year	640,028,727	1,246,317,076	458,098,591	1,206,380,907
Weighted Average Number of Ordinary Shares in Issue	528,457,545	528,457,545	528,457,545	528,457,545
Basic Earnings Per Share - Continuing Operations (Rs.)	1.21	2.36	0.87	2.28

	2023 Rs.	2022 Rs.
Number of Ordinary Shares used as the Denominator		
Weighted Average number of Ordinary Shares in Issue Applicable to Basic/Diluted Earnings Per Share	528,457,545	528,457,545

8. DIVIDENDS PAID AND PROPOSED

8.1 Declared and Paid During the Year

	GROUP			
	2023 Rs.	2023 Rs.'000	2022 Rs.	2022 Rs.'000
Equity Dividends on Ordinary Shares :	-	-	2.10	1,109,760,845
Interim Dividend	-	-	2.10	1,109,760,845

9. PROPERTY, PLANT AND EQUIPMENT

9.1 GROUP

9.1.1 Gross Carrying Amounts

	Balance as at 01.04.2022 Rs.	Additions Rs.	Revaluation Rs.	Disposals Rs.	Transfers Rs.	Balance as at 31.03.2023 Rs.
At Valuation						
Buildings on Leasehold Land	3,286,734,555	42,320,785	930,411,409	-	(75,616,297)	4,183,850,452
	3,286,734,555	42,320,785	930,411,409	-	(75,616,297)	4,183,850,452
At Cost						
Medical Equipment	2,606,184,483	205,252,524	-	(8,995,071)	-	2,802,441,937
Furniture and Fittings	153,943,374	11,306,535	-	(367,950)	-	164,881,959
Motor Vehicles	56,303,180	-	-	-	-	56,303,180
Sundry Equipment	781,487,299	63,390,104	-	(4,990,860)	(86,250)	839,800,292
	3,597,918,336	279,949,163	-	(14,353,881)	(86,250)	3,863,427,369
Total Value of Depreciable Assets	6,884,652,891	322,269,948	930,411,409	(14,353,881)	(75,702,547)	8,047,277,821

9.1.2 Accumulated Depreciation

	Balance as at 01.04.2022 Rs.	Charge for the Year Rs.	Disposals Rs.	Transfers Rs.	Balance as at 31.03.2023 Rs.
At Valuation					
Building on Leasehold Land	-	75,616,297	-	(75,616,297)	-
	-	75,616,297	-	(75,616,297)	-
At Cost					
Medical Equipment	1,591,097,306	204,679,733	(8,618,834)	-	1,787,158,205
Furniture and Fittings	115,342,105	8,546,178	(337,453)	-	123,550,830
Motor Vehicles	31,134,466	4,972,250	-	-	36,106,716
Sundry Equipment	530,248,816	48,930,925	(4,740,044)	(29,237)	574,410,460
	2,267,822,693	267,129,087	(13,696,331)	(29,237)	2,521,226,212
Total Accumulated Depreciation	2,267,822,693	342,745,384	(13,696,331)	(75,645,534)	2,521,226,212

Notes to the Financial Statements

9. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

9.2 COMPANY

9.2.1 Gross Carrying Amounts

	Balance as at 01.04.2022 Rs.	Additions Rs.	Revaluation Rs.	Disposals Rs.	Transfers* Rs.	Balance as at 31.03.2023 Rs.
At Valuation						
Building on Leasehold Land	3,028,000,000	42,320,785	928,698,909	-	(71,054,674)	3,927,965,020
	3,028,000,000	42,320,785	928,698,909	-	(71,054,674)	3,927,965,020
At Cost						
Medical Equipment	2,199,808,793	181,064,171	-	(3,984,071)	-	2,376,888,894
Furniture and Fittings	153,508,105	10,136,658	-	(367,950)	-	163,276,814
Motor Vehicles	56,303,180	-	-	-	-	56,303,180
Sundry Equipment	744,258,223	63,122,924	-	(4,990,860)	(86,250)	802,304,037
	3,153,878,301	254,323,753	-	(9,342,880)	(86,250)	3,398,772,924
Total Value of Depreciable Assets	6,181,878,301	296,644,538	928,698,909	(9,342,880)	(71,140,924)	7,326,737,944

9.2.2 Accumulated Depreciation

	Balance as at 01.04.2022 Rs.	Charge for the year Rs.	Disposals Rs.	Transfers* Rs.	Balance as at 31.03.2023 Rs.
At Valuation					
Building on Leasehold Land	-	71,054,674	-	(71,054,674)	-
	-	71,054,674	-	(71,054,674)	-
At Cost					
Medical Equipment	1,418,650,810	165,604,331	(3,607,834)	-	1,580,647,307
Furniture and Fittings	115,257,175	8,239,776	(337,453)	-	123,159,498
Motor Vehicles	31,134,467	4,972,250	-	-	36,106,717
Sundry Equipment	504,073,874	44,753,977	(4,740,044)	(29,237)	544,058,569
	2,069,116,326	223,570,334	(8,685,331)	(29,237)	2,283,972,091
Total Accumulated Depreciation	2,069,116,326	294,625,008	(8,685,331)	(71,083,911)	2,283,972,091

* Transfers include the accumulated depreciation amounting to Rs. 71 Mn (2022 - Rs. 55.2 Mn) as at revaluation date that was eliminated against the gross carrying amount of the revalued assets.

9.3 Net Book Values

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
At Valuation				
Building on Leasehold Land	4,183,850,452	3,286,734,555	3,927,965,020	3,028,000,000
At Cost				
Medical Equipment	1,015,283,732	1,015,087,177	796,241,588	781,157,983
Furniture and Fittings	41,331,129	38,601,269	40,117,315	38,250,930
Motor Vehicles	20,196,464	25,168,714	20,196,464	25,168,713
Sundry Equipment	265,389,832	251,238,483	258,245,468	240,184,349
	1,342,201,156	1,330,095,642	1,114,800,836	1,084,761,975
Total Carrying Amount of Property, Plant and Equipment	5,526,051,609	4,616,830,197	5,042,765,856	4,112,761,975

9.4 During the year, the Group acquired Property, Plant and Equipment to the aggregate value of Rs. 322,269,948 (2022 - Rs.265,316,568). Cash payments amounting to Rs. 322,269,948 (2022 - Rs.265,316,568) 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. 296,644,538 (2022 -Rs. 264,542,608). Cash payments amounting to Rs 296,644,538 (2022 -Rs. 264,542,608) were made during the year for purchase of Property, Plant and Equipment.

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

Location	Extent	Independent Valuer	Effective Date of Valuation	Method of Valuation	Significant Unobservable Input (Level 3)		Fair Value Rs.
					Building Value Per Square Feet		
					2023	2022	
No 21, Kirimandala Mawatha, Narahenpita	368,125 Sq. ft	G W G Abeygunawardene	31 March 2023	DCC*	Rs. 6,880/- to Rs.14,380/-	Rs. 4,880/- to Rs.11,580/-	3,927,965,020/-
No 21 and 23, Kirimandala Mawatha, Narahenpita	6,710 Sq. ft	G W G Abeygunawardene	31 March 2023	DCC*	Rs. 38,750/-	Rs. 38,500/-	260,012,500/-

*DCC - Direct Capital Comparison Method

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

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

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

Notes to the Financial Statements

9. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

9.6 Depreciation

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

	2022/2023
Buildings on Leasehold Land	Over 60 Years
Medical Equipment	Over 10 Years
Furniture and Fittings	Over 10 Years
Motor Vehicles	Over 5-8 Years
Sundry Equipment	
Computer and Office Equipment	Over 4-5 Years
Short life Assets	Over 2-3 Years
Other	Over 10 Years

9.7 Company's property, plant and equipment with a cost of Rs. 1,384 Mn (2022 - Rs. 1,261 Mn) have been fully depreciated and continue to be in use by the company.

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

Class of Asset	Cost	Cumulative Depreciation If assets were carried at cost	Net Carrying Amount 2023	Net Carrying Amount 2022
	Rs.	Rs.	Rs.	Rs.
Building on Leasehold Land	1,264,729,255	340,615,437	924,113,818	906,738,331
	1,264,729,255	340,615,437	924,113,818	906,738,331

10. RIGHT-OF-USE ASSET

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
At the Beginning of the Year	22,524,524	22,820,900	22,524,524	22,820,900
Amortization for the Year	(296,376)	(296,376)	(296,376)	(296,376)
At the End of the Year	22,228,148	22,524,524	22,228,148	22,524,524

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

10.2 Expenses relating to short term lease and lease of low value asset amounting to Rs.9.4 Mn (2022 Rs. 12.2 Mn) recognized in Profit and Loss.

11. INVESTMENT PROPERTY

	COMPANY	
	2023 Rs.	2022 Rs.
At the Beginning of the Year	258,300,000	214,700,000
Additions	-	-
Change in Fair Value during the Year	1,712,500	43,600,000
At the End of the Year	260,012,500	258,300,000

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

	COMPANY	
	2023 Rs.	2022 Rs.
Rental income derived from Investment Properties	42,550,587	31,680,000
Direct Operating Expenses	-	-
Profit arising from investment properties carried at fair value	42,550,587	31,680,000

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

11.1 Fair Value measurement disclosure for investment property

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

Location	Extent	Independent Valuer	Effective Date of Valuation	Valuation Details	Significant Unobservable Input (Level 3) Building Value Per Square Feet		Fair Value Rs.
					2023	2022	
No 21 and 23, Kirimandala Mawatha, Narahenpita	6,710 Sq. ft	G W G Abeygunawardene	31 March 2023	Cost Approach	Rs. 38,750/-	Rs. 38,500/-	260,012,500/-

Notes to the Financial Statements

12. INVESTMENT IN SUBSIDIARY COMPANIES

	COMPANY	
	2023 Rs.	2022 Rs.
Asiri AOI Cancer Centre (Pvt) Ltd	33,800,104	33,800,104
	33,800,104	33,800,104

12.1 Material Partly-owned Subsidiaries

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

Proportion of equity Interest held by Non-Controlling Interest :

Company Name	2023 %	2022 %
Asiri AOI Cancer Centre (Pvt) Ltd	50%	50%

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

	2023 Rs.	2022 Rs.
Revenue	551,862,057	391,104,122
Cost of Services	(286,806,773)	(185,386,063)
Profit for the Year	183,655,307	75,036,356
Total Comprehensive Income for the Year	184,192,687	74,561,241
Attributable to Non-Controlling Interests	92,096,343	37,280,620

Summarised Statement of Financial position as at 31 March:

	2023 Rs.	2022 Rs.
Current Assets	441,960,350	234,041,768
Non-Current Assets	276,849,129	318,942,662
Current Liabilities	278,169,050	196,775,342
Non-Current Liabilities	32,867,778	143,961,041
Total Equity	407,772,650	212,248,047
Attributable to:		
Equity Holders of parent	203,886,325	106,124,024
Non-Controlling Interest	203,886,325	106,124,024

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

	2023 Rs.	2022 Rs.
Cashflow from/(used) in Operating Activities	(101,579,794)	194,800,425
Cashflow from/(used) in Investing Activities	213,405,528	7,966,999
Cashflow from/(used) in Financing Activities	(103,651,227)	(100,362,355)
Net increase/(decrease) in Cash and Cash Equivalents	8,174,504	102,405,069

13. NON CURRENT FINANCIAL ASSETS

	GROUP		COMPANY		
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.	
Investment in Quoted Equity Securities at Fair Value through OCI	13.1	241,967,941	282,028,818	241,967,941	282,028,818
Loans Granted to Related Parties	13.2	1,808,900,000	1,808,900,000	1,808,900,000	1,808,900,000
		2,050,867,941	2,090,928,818	2,050,867,941	2,090,928,818

13.1 Investment in Quoted Equity Securities at Fair Value through OCI

	Group/Company			
	Number of Shares		Fair Value	
	2023	2022	2023 Rs.	2022 Rs.
National Development Bank PLC	5,389,041	5,063,354	241,967,941	282,028,818
	5,389,041	5,063,354	241,967,941	282,028,818

Investment in Quoted Equity Securities

	Group/Company	
	2023 Rs.	2022 Rs.
Balance at the Beginning of the Year	282,028,818	280,407,431
Investments Made During the year		119,472,375
Fair Value Loss	(62,845,970)	(117,850,988)
Share Allotment as Scrip Dividends	22,785,093	-
Balance at the End of the Year	241,967,941	282,028,818

Notes to the Financial Statements

13. NON CURRENT FINANCIAL ASSETS (CONTD.)

13.2 Long Term Loan

Relationship	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Asiri Hospital Holdings PLC Parent Company	1,808,900,000	1,808,900,000	1,808,900,000	1,808,900,000
	1,808,900,000	1,808,900,000	1,808,900,000	1,808,900,000

13.3 Loans granted to Related Parties

Relationship	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Softlogic Holdings PLC Ultimate Parent Company	623,906,188	1,303,890,262	623,906,188	1,303,890,262
Asiri Hospital Holdings PLC Parent Company	471,377,387	147,653,186	471,377,387	147,653,186
Asiri Central Hospital Limited Companies under Common Control	509,446,650	-	509,446,650	-
Asiri Hospital Matara (Private) Limited Companies under Common Control	310,516,360	251,881,781	310,516,360	251,881,781
Central Hospital Limited Companies under Common Control	627,680,242	407,302,890	627,680,242	407,302,890
Softlogic Retail Pvt Ltd Companies under Common Control	515,269,746	102,418,685	515,269,746	102,418,685
Softlogic Communication (Private) Limited Companies under Common Control	369,262,082	-	369,262,082	-
Softlogic Brands Companies under Common Control	470,776,044	-	470,776,044	-
	3,898,234,700	2,213,146,804	3,898,234,700	2,213,146,804

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

13.5 Loans granted to Related Parties (Contd...)

13.5.1 Loans granted to Related Parties Movement

	2023 Rs.	2022 Rs.
Balance as at 01 April	4,022,046,804	3,191,504,006
Loans Granted	2,963,000,000	1,288,047,230
Loans Settlement	(2,464,050,883)	(693,614,199)
Accured Interest	1,186,138,779	236,109,767
Balance as at 31 March	5,707,134,700	4,022,046,804

13.5.2 The loans receivable balances are expected in the following future time period :

Group	2023			2022		
	Amount Receivable Within 1 Year	Amount Receivable after 1 Year	Total	Amount Receivable Within 1 Year	Amount Receivable after 1 Year	Total
Softlogic Holdings PLC	300,000,000	323,906,188	623,906,188	1,303,890,262	-	1,303,890,262
Asiri Hospital Holdings PLC	450,000,000	1,830,277,387	2,280,277,387	147,653,186	1,808,900,000	1,956,553,185
Asiri Central Hospital Limited	440,000,000	69,446,650	509,446,650	-	-	-
Asiri Hospital Matara (Private) Limited	150,000,000	160,516,360	310,516,360	251,881,781	-	251,881,781
Central Hospital Limited	500,000,000	127,680,242	627,680,242	407,302,890	-	407,302,890
Softlogic Retail Pvt Ltd	-	515,269,746	515,269,746	102,418,685	-	102,418,685
Softlogic Communication (Private)Limited	-	369,262,082	369,262,082	-	-	-
Softlogic Brands	-	470,776,044	470,776,044	-	-	-
	1,840,000,000	3,867,134,700	5,707,134,700	2,213,146,804	1,808,900,000	4,022,046,804

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 to Three 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 & Companies.

14. OTHER NON CURRENT ASSETS

Note	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Security Deposits	25,982,000	25,982,000	25,982,000	25,982,000
	25,982,000	25,982,000	25,982,000	25,982,000

Notes to the Financial Statements

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

15.1 Financial Assets

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Financial Assets at Fair value through OCI				
Non Current Financial Assets	241,967,941	282,028,818	241,967,941	282,028,818
Financial Assets at Amortised Cost				
Loans Granted to Related Parties	5,707,134,700	4,022,046,804	5,707,134,700	4,022,046,804
Trade and Other Receivables	992,473,417	814,435,857	1,000,215,642	809,023,181
Cash in Hand and at Bank	269,004,266	315,653,331	220,745,238	93,490,665
Carrying value of Financial Assets	7,210,580,323	5,434,164,810	7,170,063,520	5,206,589,468
Fair Value of Financial Assets	7,210,580,323	5,434,164,810	7,170,063,520	5,206,589,468

15.2 Financial Liabilities

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Financial Liabilities at Amortised Cost				
Lease Liability	5,333,474	9,433,234	5,333,474	9,433,234
Interest Bearing Loans and Borrowings	3,551,543,323	3,373,615,159	3,474,043,323	3,235,014,520
Trade and Other Payables	1,320,823,966	745,104,081	1,214,045,246	655,501,250
Dividend Payable	12,898,831	481,853,921	12,898,831	481,853,921
Bank Overdraft	582,300,404	55,759,041	582,300,404	55,759,041
Carrying value of Financial Liabilities	5,472,899,998	4,665,765,436	5,288,621,278	4,437,561,966
Fair Value of Financial Liabilities	5,472,899,998	4,665,765,436	5,288,621,278	4,437,561,966

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

16. FAIR VALUE HIERARCHY

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

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

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

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

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

Group	Note	31 March 2022 Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Non Current Financial Assets	13.1	282,028,818	282,028,818	-	-
Building on Leasehold Land	9.3	3,286,734,555	-	-	3,286,734,555

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

Company	Note	31 March 2022	Level 1	Level 2	Level 3
		Rs.	Rs.	Rs.	Rs.
Non Current Financial Assets	13.1	282,028,818	282,028,818	-	-
Building on Leasehold Land	9.3	3,028,000,000	-	-	3,028,000,000
Investment Property	11	258,300,000	-	-	258,300,000

17. INVENTORIES

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Finished Goods				
- Chemical and Test Materials	30,660,600	40,641,322	30,660,600	40,641,322
- Pharmaceuticals and Surgical Inventory	221,371,875	245,563,087	217,727,462	243,882,141
- Consumables	17,093,230	17,312,654	16,977,582	17,197,006
	269,125,705	303,517,063	265,365,645	301,720,469

During 2022/23, Company was recognized Rs.1,234,552,159 (2022: Rs.1,360,293,534) was recognized as an expense for inventories carried at net realizable value and included in 'cost of sales'. In addition, inventories have been reduced by Rs. 4,108,219 (2022: Rs.7,439,695) as a result of the write-down to net realisable value. The write-down was recognised as an expense and included in 'cost of sales'.

18. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Trade Debtors	146,281,927	170,645,999	145,116,926	155,877,513
Less: Impairment	(4,517,130)	(6,523,809)	(4,517,130)	(6,523,809)
	141,764,797	164,122,190	140,599,796	149,353,704
Trade Debtors - Related Parties	850,708,620	650,313,667	859,615,846	659,669,477
	992,473,417	814,435,857	1,000,215,642	809,023,181

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

18.2 Trade Debtors - Related Parties

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Ultimate Parent Company				
Softlogic Holdings PLC	281,600	751,001	281,600	751,001
Parent Company				
Asiri Hospital Holdings PLC	448,590,091	401,156,543	448,409,098	400,758,918
Subsidiary Company				
Asiri AOI Cancer Centre (Private) Limited	-	-	9,274,763	9,753,435
Companies Under Common Control				
Asiri Diagnostic Services (Private) Limited	139,530	30,740	139,530	30,740
Asiri Hospital Galle (private) Limited	55,073,219	39,771,360	55,073,219	39,771,360
Asiri Hospital Matara (Private) Limited	-	26,784,445	-	26,784,445
Central Hospital Limited	327,564,622	172,623,347	327,378,079	172,623,347
Softlogic Automobiles (Pvt) Ltd	117,000	117,000	117,000	117,000
Softlogic BPO Services (Pvt) Ltd	-	34,558	-	34,558
Softlogic Brands (Pvt) Ltd	-	18,899	-	18,899
Softlogic City Hotel (Pvt) Ltd	-	3,329,000	-	3,329,000
Softlogic Communication Services (Pvt) Ltd	32,000	32,000	32,000	32,000
Softlogic Information Technologies (Pvt) Ltd	6,500	47,000	6,500	47,000
Softlogic International (Pvt) Ltd	6,500	201,000	6,500	201,000
Softlogic Life Insurance PLC	18,897,558	5,264,274	18,897,558	5,264,274
Softlogic Mobile Distribution (Pvt) Ltd	-	19,500	-	19,500
Softlogic Pharmaceuticals (Pvt) Ltd	-	52,000	-	52,000
Softlogic Retail (Private) Limited	-	81,000	-	81,000
	850,708,620	650,313,667	859,615,846	659,669,477

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

18.3 Impairment loss on trade receivables

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Balance at the Beginning of the Year	6,523,809	9,204,113	6,523,809	9,204,113
Impairment loss allowance recognized in Profit or Loss During the Year	(2,006,680)	(2,645,062)	(2,006,680)	(2,645,062)
Receivable Written down During the year	-	(35,242)	-	(35,242)
Balance at the End of the Year	4,517,130	6,523,809	4,517,130	6,523,809

Notes to the Financial Statements

19. OTHER CURRENT ASSETS

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Advances and Prepayments	153,360,786	181,397,838	141,108,580	179,280,569
Other Tax Receivables	42,853,327	41,861,793	42,602,281	41,610,749
	196,214,114	223,259,631	183,710,861	220,891,318

20. STATED CAPITAL

As at 31 March	GROUP/COMPANY			
	2023		2022	
	Number	Rs.	Number	Rs.
Fully Paid Ordinary Shares				
At the Beginning of the Year	528,457,545	1,393,327,565	528,457,545	1,393,327,565
At the End of the Year	528,457,545	1,393,327,565	528,457,545	1,393,327,565

21. OTHER COMPONENTS OF EQUITY

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Revaluation Reserve	2,392,209,950	2,074,946,724	2,347,639,075	2,031,574,598
Fair Value Reserve of Financial Assets at FVOCI	(353,539,661)	(290,693,691)	(353,539,661)	(290,693,691)
	2,038,670,289	1,784,253,033	1,994,099,413	1,740,880,907

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

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

22. LEASE LIABILITY

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
At the Beginning of the Year	9,433,234	12,689,886	9,433,234	12,689,886
Interest Charged	1,320,648	1,776,584	1,320,648	1,776,584
Repayments	(5,420,408)	(5,033,236)	(5,420,408)	(5,033,236)
At the End of the Year	5,333,474	9,433,234	5,333,474	9,433,234
Repayable within one year	3,712,584	3,712,584	3,712,584	3,712,584
Repayable after one year	1,620,890	5,720,650	1,620,890	5,720,650
	5,333,474	9,433,234	5,333,474	9,433,234

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

- 22.1.1** The Company obtained leasehold rights to the land situated at No.21, Kirimandala Mawatha, Colombo 05 for 99 years from Board of Investment of Sri Lanka by agreement dated 29th March 2000.
- 22.1.2** An annual sum equivalent to 4% of the total market value of leasehold land (Rs.101,800,000/-) as at the date of the lease agreement is payable, over a period of 25 years commencing from the financial year 2000/2001.
- 22.1.3** BOI reserves the right to revise the annual lease rent every 05 years on the basis of an annual increase not greater than the Average Weighted Deposit Rate prevailing at the end of each year as determined by the Central Bank of Sri Lanka or 10%, per annum whichever is lower.

23. INTEREST BEARING LOANS AND BORROWINGS

23.1	GROUP			COMPANY		
	2023 Amount Repayable within 1 Year Rs.	2023 Amount Repayable after 1 Year Rs.	2023 Total Rs.	2022 Amount Repayable within 1 Year Rs.	2022 Amount Repayable after 1 Year Rs.	2022 Total Rs.
Short Term Loans (Note 23.1.1)	1,526,758,923	-	1,526,758,923	1,307,414,142	-	1,307,414,142
Long Term Loans (Note 23.1.1)	722,381,036	1,302,403,363	2,024,784,400	526,614,654	1,539,586,363	2,066,201,017
	2,249,139,960	1,302,403,363	3,551,543,323	1,834,028,796	1,539,586,363	3,373,615,159

Notes to the Financial Statements

23. INTEREST BEARING LOANS AND BORROWINGS (CONTD.)

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

	As at 01.04.2022 Rs.	Acquisition of Subsidiary Rs.	Loans Obtained Rs.	Repayment of Borrowings Rs.	Other Changes Rs.	As at 31.03.2023 Rs.
Short Term Loans	1,307,414,142		300,000,000	(98,363,536)	17,708,317	1,526,758,923
Long Term Loans	2,066,201,017	-	350,000,000	(418,716,800)	27,300,183	2,024,784,400
- current	526,614,654	-	350,000,000	(418,716,800)	264,483,183	722,381,036
- non-current	1,539,586,363	-	-	-	(237,183,000)	1,302,403,363
	3,373,615,159	-	650,000,000	(517,080,336)	45,008,500	3,551,543,323

23.2 COMPANY	2023 Amount Repayable within 1 Year Rs.	2023 Amount Repayable after 1 Year Rs.	2023 Total Rs.	2022 Amount Repayable within 1 Year Rs.	2022 Amount Repayable after 1 Year Rs.	2022 Total Rs.
Short Term Loans (Note 23.2.1)	1,526,758,923	-	1,526,758,923	1,307,414,142	-	1,307,414,142
Long Term Loans (Note 23.2.1)	662,381,036	1,284,903,363	1,947,284,400	465,514,014	1,462,086,364	1,927,600,378
	2,189,139,960	1,284,903,363	3,474,043,323	1,772,928,156	1,462,086,364	3,235,014,520

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

	As at 01.04.2022 Rs.	Loans Obtained Rs.	Repayment of Borrowings Rs.	Other Changes Rs.	As at 31.03.2023 Rs.
Short Term Loans	1,307,414,142	300,000,000	(98,363,536)	17,708,317	1,526,758,923
Long Term Loans	1,927,600,378	350,000,000	(357,616,160)	27,300,183	1,947,284,400
- current	465,514,014	350,000,000	(357,616,160)	204,483,183	662,381,036
- non-current	1,462,086,363	-	-	(177,183,000)	1,284,903,363
	3,235,014,520	650,000,000	(455,979,696)	45,008,500	3,474,043,323

23.3 Security and Repayment Terms;

Lending Institution	Nature of Facility	Interest rate	Repayment Terms	Security	Security Amount	Outstanding Balance	
						2023	2022
					Rs.	Rs.	Rs.
23.3.1 Asiri Surgical Hospital PLC							
Commercial Bank of Ceylon PLC	Term Loan	AWPLR plus margin	95 equal monthly installments of Rs 5,328,000 each and a final installment of Rs 5,266,000. Loan Commences from 2015.	Concurrent Mortgage Bond No 3329/4687 with Hatton National Bank PLC over hospital property at No181, Kirula Road , Narahenpitiya, owned by Asiri Hospital Holdings PLC.	125 Mn	21,250,000	85,186,000
	Term Loan	AWPLR plus margin	60 equal monthly installments of Rs 5,833,333	-	-	344,166,667	-
Hatton National Bank PLC	Short term Loan	AWPLR	12 equal monthly installments.	-	-	1,272,715,920	1,300,000,000
DFCC Bank PLC	Term Loan	AWPLR plus margin	72 equal monthly installments after a grace period of 12 months from the date of first disbursement. Loan Commences from 2020.	Corporate guarantee of Asiri Hospital Holdings PLC	1,200 Mn	882,075,466	983,333,333
Sampath Bank PLC	Term Loan	AWPLR	59 equal monthly installments of Rs 13,300,000 each and a final installment of Rs 15,300,000 after a grace period of 6 months from the date of first disbursement. Loan Commences from 2021.	-	-	531,933,843	680,300,000
	Term Loan	AWPLR	59 equal monthly installments of Rs 3,300,000 each and a final installment of Rs 5,300,000 after a grace period of 6 months from the date of first disbursement.	-	-	140,557,907	176,900,000
Nation Trust Bank PLC	Short term Loan	AWPLR plus margin	-	-	-	238,200,000	-
					1506 Mn	3,430,899,803	3,225,719,333
23.3.2 Asiri AOI Cancer Centre (Pvt) Ltd							
Hatton National Bank PLC	Term Loan	AWPLR plus margin	48 equal monthly installments of Rs. 5 Mn commencing after an initial grace period of one year. Loan Commences from 2018.	Corporate Guarantee of Asiri Surgical Hospital PLC	240 Mn	77,500,000	137,500,000
					1746 Mn	3,508,399,803	3,363,219,333

Notes to the Financial Statements

24. EMPLOYEE BENEFIT LIABILITY

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
At the Beginning of the Year	147,442,314	148,311,926	145,001,634	146,758,360
Acquisition of Subsidiary	-	-	-	-
Transfers Out	(62,991)	(2,897,281)	(62,991)	(2,767,297)
Interest Cost	20,641,924	9,640,275	20,300,229	9,539,293
Current Service Cost	15,427,637	14,610,672	14,683,131	14,060,299
Past Service Cost		(824,543)		(814,911)
Actuarial Gain	(37,262,108)	(5,959,557)	(36,494,423)	(6,512,018)
Benefit Paid	(25,790,456)	(15,439,178)	(25,723,031)	(15,262,095)
At the End of the Year	120,396,321	147,442,314	117,704,548	145,001,634

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

Principal Actuarial Assumptions

The principal financial assumptions underlying the valuation are as follows:

	GROUP	COMPANY
	2023	2022
Discount Rate	23% p.a	14% p.a
Salary Increase Rate	15% p.a	12%p.a

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

24.2 Sensitivity to Assumptions used

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

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Discount Rate				
Increase by one percentage point	23,003,608	(4,042,385)	23,279,107	(4,017,979)
Decrease by one percentage point	31,427,087	4,381,093	31,578,824	4,281,738

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Salary Increase Rate				
Increase by one percentage point	32,124,574	5,078,581	32,264,620	4,967,535
Decrease by one percentage point	22,272,458	(4,773,535)	22,560,231	(4,736,855)

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

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Within the next 12 months	35,649,398	37,626,761	34,182,835	36,694,120
Between 1 to 2 years	41,920,416	52,269,147	41,100,659	51,537,725
Between 3 to 5 years	29,323,915	33,510,031	29,007,198	32,991,204
Between 6 to 10 years	11,629,109	19,370,413	11,542,175	19,108,241
Beyond 10 years	1,873,483	4,701,468	1,871,682	4,670,344
	120,396,321	147,477,820	117,704,549	145,001,634

The Company average duration of the defined benefit plan obligation at the end of the reporting period is 2.8 years (2022 - 3.25 years).

Notes to the Financial Statements

25. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Trade Payables	645,383,442	263,168,897	534,959,705	237,727,094
Trade Payable - Related Party (Note 25.1)	324,312,230	133,016,604	367,766,105	138,591,705
Other Payable - Related Party (Note 20.2)	-	-	-	-
Sundry Creditors including Accrued Expenses	351,128,294	348,918,579	311,319,436	279,182,451
Contract Liability	9,876,978	10,276,786	-	796,886
	1,330,700,944	755,380,866	1,214,045,246	656,298,136

25.1 Trade Payable - Related Party

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Ultimate Parent Company				
Softlogic Holdings PLC	-	-	-	-
Parent Company				
Asiri Hospital Holdings PLC	226,047,544	118,364,222	225,850,463	117,734,774
Subsidiary Company				
Asiri AOI Cancer Centre (Pvt) Ltd	-	-	44,479,920	7,451,921
Companies Under Common Control				
Central Hospital Limited	42,654,441	4,879,892	42,654,441	4,879,892
Asiri Hospital Matara (Private) Limited	1,576,700	352,448	1,576,700	352,448
Asiri Hospital Galle (Private) Limited	16,128,957	2,732,183	16,128,957	2,732,183
Softlogic BPO Services (Private) Limited	3,052,520	492,863	2,342,453	-
Softlogic Finance PLC	-	429,531	-	429,531
Softlogic Computers (Private) Limited	10,043,562	252,660	10,043,562	252,660
Softlogic Corporate Services (Private) Limited	421,071	367,200	308,371	
Softlogic Information Technologies (Private) Limited	4,292,683	869,853	4,292,683	667,953
Softlogic Retail (Private) Limited	519,189	746,235	515,456	682,072
Softlogic Supermarkets (Private) Limited	136,050	130,200	136,050	130,200
Softlogic Life Insurance PLC	2,944,768	1,464,686	2,944,768	1,464,686

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Softlogic Pharmaceuticals (Private) Limited.	16,207,147	1,813,385	16,207,147	1,813,385
Softlogic Rewards (Pvt) Ltd	2,464	3,909	-	-
Nextage (Pvt) Ltd	-	117,338	-	-
Softlogic Rewards (Pvt) Ltd	285,134	-	285,134	-
	324,312,230	133,016,605	367,766,105	138,591,705

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

26 LOAN DUE TO RELATED PARTY

	2023 Rs.	2022 Rs.
Balance as at 01 April	-	-
Loans Obtained	321,200,000	-
Loans Settlement	(43,871,172)	-
Accured Interest	53,587,180	-
Balance as at 31 March	330,916,008	-

27 INCOME TAX PAYABLE

	2023 Rs.	2022 Rs.
Balance as at 01 April	116,952,138	37,852,336
Previuos year under provision	-	929,107
Current year provision	283,393,112	229,591,368
Self assessment payment	(322,009,419)	(151,420,673)
Adjustments	160,000,000	-
Balance as at 31 March	238,335,831	116,952,138

Notes to the Financial Statements

28. CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOW

Components of Cash and Cash Equivalents

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
28.1 Favourable Cash and Cash Equivalents Balance				
Cash in Hand and at Bank	269,004,266	315,653,331	220,745,238	93,490,665
	269,004,266	315,653,331	220,745,238	93,490,665
28.2 Unfavourable Cash and Cash Equivalents Balance				
Cash in Hand and at Bank	(582,300,404)	(55,759,041)	(582,300,404)	(55,759,041)
Total Cash and Cash Equivalents for the Purposes of the Cash Flow Statement	(313,296,138)	259,894,290	(361,555,166)	37,731,622

29. COMMITMENTS AND CONTINGENCIES

29.1 Capital Expenditure and Other Commitments

The Company does not have significant capital and other commitments as at 31 March 2023 (2022 - Nil)

29.2 Contingent Liabilities

a. Legal Claims

Pending litigations against the Company with a Maximum liability of Rs. 13.2 Mn exist as at the reporting date. (2022 - Rs. 13.2 Mn)

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

b. Guarantees

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

	GROUP		COMPANY	
	2023 Rs. Mn	2022 Rs. Mn	2023 Rs. Mn	2022 Rs. Mn
Sampath Bank PLC	463	463	463	463
Hatton National Bank PLC	258	480	258	480
Commercial Bank of Ceylon PLC	550	550	550	550
National Development Bank	225	-	225	-
	1,496	1,493	1,496	1,493

Loan outstanding balances relating to above corporate guarantees are Sampath 100 Mn, HNB 258 Mn, Commercial 39.04 Mn and NDB 224.89 Mn as at 31 March 2023.

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 matter 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.

Other than above, there are no significant changes in the nature of the contingent liabilities and contingent assets which were disclosed in the Annual Report for the year ended 31 March 2023.

30. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

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

31. RELATED PARTY DISCLOSURES

31.1 Transactions with Related Parties

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

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Ultimate Parent Company - Softlogic Holdings PLC				
Loans Granted	735,000,000	431,047,230	735,000,000	431,047,230
Interest Income	316,757,467	92,577,567	316,757,467	92,577,567
Sale/(Purchase) of Goods/ Services including Staff Related Items	(469,401)	31,806,138	(469,401)	31,806,138
Repayment of Loans Granted and Fund Transfers	(1,731,741,540)	(369,563,372)	(1,731,741,540)	(369,563,372)
Immediate Parent Company - Asiri Hospital Holdings PLC				
Loans Granted	121,000,000	207,000,000	121,000,000	207,000,000
Interest Income	471,377,388	126,422,445	471,377,388	126,422,445
Purchase of Goods/ Services including Staff Related Items	(93,646,213)	127,207,560	(93,222,807)	128,594,077
Repayment of Loans Granted and Fund Transfers	(262,653,186)	(120,535,315)	(262,653,186)	(114,562,258)
Channeling Fee Collected by Related Party/ (Company on behalf of the Related Party)	68,874,811	13,851,884	68,874,811	13,851,884
Expenses Incurred by the Company on behalf of Related Party/ (Related Party on behalf of the Group/Company)	(36,117,513)	(149,297,602)	(36,117,513)	(149,297,602)
Subsidiary - Asiri AOI Cancer Centre (Private) Limited				
Sale of Goods/ Services including Staff Related Items	-	-	12,857,955	54,920,130
Repayment of Temporary Finance Obtained and Fund Transfers	-	-	(43,871,172)	(34,369,568)
Channeling Fee Collected by Related Party/ (Company on behalf of the Related Party)	-	-	(1,657,000)	(289,440)
Expenses Incurred by the Company on behalf of Related Party/ (Related Party on behalf of the Company)	-	-	(48,707,627)	(19,654,246)

Notes to the Financial Statements

31. RELATED PARTY DISCLOSURES (CONTD.)

31.1 Transactions with Related Parties (Contd.)

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Companies under Common Control				
Loans Granted	2,434,700,000	750,000,000	2,113,000,000	750,000,000
Interest Income	451,591,104	11,603,356	398,003,924	11,603,356
Sale of Goods/ Services including Staff Related Items	(257,712,345)	294,898,177	(167,635,220)	285,141,013
Repayment of Loans Granted and Fund Transfers	(464,636,929)	(179,292,301)	(464,636,929)	(170,223,624)
Channeling Fee Collected by Related Party/ (Company on behalf of the Related Party)	4,300,868	2,843,183	2,643,868	2,843,183
Expenses Incurred by the Company on behalf of Related Party/ (Related Party on behalf of the Company)	234,204,904	(12,759,187)	234,204,904	(12,759,187)

31.1.1 Non-Recurrent Related Party Transactions

There were no any non-recurrent related party transactions which aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Company as per 31 March 2023 audited financial statements, which required additional disclosures in the 2020/21 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Security Exchange Commission Directive issued under Section 13 (c) of the Securities and Exchange Commission of Sri Lanka Act.

31.1.2 Recurrent related party transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the revenue of the Company as per 31 March 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 of Sri Lanka Act.

31.2 Off Balance Sheet Items

- Guarantees made on behalf of Asiri Hospital Holdings PLC, has been given in Note 29.2 to these Financial Statements.
- Asiri Hospital Holdings PLC has granted Corporate Guarantees to DFCC Bank, Commercial Bank of Ceylon PLC, Sampath Bank PLC and Hatton National Bank PLC to secure the banking facilities obtained by the Company, for the value of Rs. 1.2 Bn, Rs. 148Mn, Rs. 100Mn and Rs. 1.3 Bn respectively.

31.3 Transactions with Key Management Personnel of the Company

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

31.3.1 Key Management Personnel Compensation

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Short Term Employment Benefits	5,375,000	9,993,000	5,375,000	9,993,000
Total Compensation paid to Key Management Personnel	5,375,000	9,993,000	5,375,000	9,993,000

31.4 Other Transactions

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

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

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

32.1 Credit Risk

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

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

The following table shows the maximum risk positions;

	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Loans Granted to Related Parties	5,707,134,700	4,022,046,804	5,707,134,700	4,022,046,804
Trade and Other Receivables (Note 30.1.1)	992,473,417	814,435,857	1,000,215,642	809,023,181
Other Debtors - Related Parties	-	-	-	-
Cash In Hand and at Bank (Note 30.1.2)	269,004,266	315,653,331	220,745,238	93,490,665
	6,968,612,382	5,152,135,992	6,928,095,580	4,924,560,650

Loans Granted to Related Parties

Loans to related parties is made up of working capital loans which are given to Softlogic Holdings PLC, The Central Hospital Ltd, Asiri Hospital Matara Pvt Ltd, Asiri Central Hospital Ltd, Softlogic Retail Pvt Ltd, Softlogic Brands Pvt Ltd, Softlogic Communication Pvt Ltd and Asiri Hospital Holdings PLC 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.

Notes to the Financial Statements

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

32.1.1 Trade and Other Receivables

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

2023

Gross Trade Receivables	1,001,246,081	177,289,942	294,647,479	92,180,527	30,967,880	222,461,954	179,181,168	4,517,130
Less: Impairment	(4,517,130)	-	-	-	-	-	-	(4,517,130)
	996,728,951	177,289,942	294,647,479	92,180,527	30,967,880	222,461,954	179,181,168	-

2022

Gross Trade Receivables	820,959,664	297,152,446	106,646,138	22,451,596	85,368,369	202,465,045	100,352,262	6,523,808
Less: Impairment	(6,523,808)	-	-	-	-	-	-	(6,523,808)
	814,435,856	297,152,446	106,646,138	22,451,596	85,368,369	202,465,045	100,352,262	-

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

2023

Gross Trade Receivables	999,713,545	177,289,942	294,647,479	92,180,527	30,937,343	222,461,954	177,679,169	4,517,130
Less: Impairment	(4,517,130)	-	-	-	-	-	-	(4,517,130)
	995,196,415	177,289,942	294,647,479	92,180,527	30,937,343	222,461,954	177,679,169	-

2022

Gross Trade Receivables	815,546,989	312,508,051	92,669,611	16,367,597	84,383,354	205,516,370	97,578,198	6,523,808
Less: Impairment	(6,523,808)	-	-	-	-	-	-	(6,523,808)
	809,023,181	312,508,051	92,669,611	16,367,597	84,383,354	205,516,370	97,578,198	-

32.1.2 Cash in Hand and at Bank

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

32.2 Market Risk

32.2.1 Interest Rate Risk

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

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

Interest Rate	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Increase by 380 basis points	9,928,171	38,321,049	8,743,231	48,368,249
Decrease by 380 basis points	(9,928,171)	(38,321,049)	(8,743,231)	(48,368,249)

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

32.2.2 Foreign Exchange Risk

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

32.2.3 Equity Price Risk

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

Other Non Current Financial Assets	Note	COMPANY	
		2023	2022
Financial Assets at Fair value through OCI	13.1	241,967,941	282,028,818
		241,967,941	282,028,818

Sensitivity Analysis

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

Notes to the Financial Statements

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

	Change in Equity Price	COMPANY	
		Effect on Fair Value Reserve of Financial Assets at FVOCI	Effect on Equity
	%	Rs.	Rs.
2023			
Quoted equity investments listed on the Colombo Stock Exchange	+10	24,196,794	24,196,794
	-10	(24,196,794)	(24,196,794)
2022			
Quoted equity investments listed on the Colombo Stock Exchange	+10	28,202,882	28,202,882
	-10	(28,202,882)	(28,202,882)

32.3 Liquidity Risk

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

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

	0-6 Months	6-12 Months	2-5 years	>5 years	Total
	Rs.	Rs.	Rs.	Rs.	
2023					
Interest Bearing loans and borrowings	1,887,949,441	361,190,518	1,302,403,363	-	3,551,543,322
Trade and other payables	1,088,403,381	299,546,088	-	-	1,387,949,469
Lease Liability	-	5,033,236	1,696,668	-	6,729,904
Corporate Guarantees Granted on loans obtained by Parent Company	-	280,000,000	167,456,000	-	447,456,000
2022					
Interest Bearing loans and borrowings	899,914,994	1,202,269,823	1,834,258,329	-	3,936,443,146
Trade and other payables	694,943,070	60,629,065	-	-	755,572,135
Lease Liability	-	5,033,236	6,729,904	-	11,763,140
Corporate Guarantees Granted on loans obtained by Parent Company	-	280,000,000	102,995,534	-	382,995,534

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

	0-6 Months Rs.	6-12 Months Rs.	2-5 years Rs.	>5 years Rs.	Total
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2023

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

	0-6 Months Rs.	6-12 Months Rs.	2-5 years Rs.	>5 years Rs.	Total
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2022

Interest Bearing loans and borrowings	862,908,744	1,166,945,073	1,750,803,017	-	3,780,656,834
Trade and other payables	598,967,981	57,330,155	-	-	656,298,136
Lease Liability	-	5,033,236	6,729,904	-	11,763,140
Corporate Guarantees Granted on loans obtained by Parent Company	-	280,000,000	102,995,534	-	382,995,534

Notes to the Financial Statements

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

32.4 Capital Management

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

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

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2023.

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

As at 31 March	GROUP		COMPANY	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Net Debt	3,870,172,935	3,123,154,103	3,840,931,963	3,206,716,131
Net Equity	5,981,557,477	5,146,206,430	5,825,368,147	5,088,504,953
Capital and Total Net Debt	9,851,730,411	8,269,360,533	9,666,300,109	8,295,221,084
Gearing Ratio (X)	0.39	0.38	0.40	0.39

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Shareholder Information

GENERAL

Stated Capital as at 31 March 2023 was Rs. 1,393,327,565/-

STOCK EXCHANGE LISTING

The ordinary shares of Asiri Surgical Hospital PLC were listed in the Colombo Stock Exchange of Sri Lanka since 2004-11-12.

PUBLIC SHAREHOLDING

- Public Holding Percentage was 20.04% as at 31 March 2023
- The number of public shareholders as at 31 March 2023 was 3,506
- Float adjusted market capitalisation as at 31 March 2023 was Rs 1,323,786,150

the Company is in compliance with option 5 of the Listing Rules 7.14.1 (a) which requires 20% minimum public holding percentage and 500 minimum public shareholders.

DISTRIBUTION OF SHAREHOLDERS

Number of Shares held	31 March 2023			31 March 2022		
	Number of shareholders	Holding	Holding %	Number of shareholders	Holding	Holding %
1 - 1,000	2,115	521,460	0.10	2,021	480,081	0.09
1,001 - 10,000	848	3,421,774	0.65	784	3,228,522	0.61
10,001 - 100,000	446	13,592,770	2.57	435	13,533,477	2.56
100,001 - 1,000,000	91	25,268,272	4.78	92	25,832,959	4.89
Over 1,000,000	10	485,653,269	91.90	10	485,382,506	91.85
Total	3,510	528,457,545	100.00	3,342	528,457,545	100.00

Category	31 March 2023			31 March 2022		
	Number of shareholders	Holding	Holding %	Number of shareholders	Holding	Holding %
Individual	3,428	97,884,636	81.48	3,253	96,561,033	18.27
Institutional	82	430,572,909	18.52	89	431,896,512	81.73
Total	3,510	528,457,545	100.00	3,342	528,457,545	100
Resident	3,491	528,269,325	99.96	3,325	528,292,325	99.97
Non-resident	19	188,220	0.04	17	165,220	0.03
Total	3,510	528,457,545	100.00	3,342	528,457,545	100.00

INVESTOR INFORMATION

No	Name	Shares	%
1	ASIRI HOSPITAL HOLDINGS PLC	422,555,413	79.96
2	MR. D.K. SUBASINGHE / MRS. S.N. SUBASINGHE	39,014,793	7.38
3	MR. P.P. SUBASINGHE	8,162,598	1.54
4	EMPLOYEES TRUST FUND BOARD	4,418,750	0.84
5	MR. D.M. RAJAPAKSA / DR. M.D.B.D. RAJAPAKSA	3,047,330	0.58
6	MR. M.D.N. JAYARATNE / MRS. H.C.D. JAYARATNE	2,328,713	0.44
7	MR. M.R. WEERASINGHE	2,000,000	0.38
8	MR. DIYUNUGE MAHINDA RAJAPAKSA/DR. D.S.D. RAJAPAKSE	1,480,303	0.28
9	MRS. CHANDANI VISHAKA ARIYARATNE	1,333,333	0.25
10	MR.U. H. PALIHAKKARA/MRS. D.S. PALIHAKKARA/MR.K.D.H PALIHAKKARA	1,302,036	0.25
11	DR. DAMMEARACHCHI ANUJA SOMARATNE	862,499	0.16
12	MR. CHAMINDA DILANTHA WEERASINGHE (DECEASED)	833,333	0.16
13	DR. HIMALI RANGIKA JAYASEKERA	802,322	0.15
14	MR. MOHAMED FAIZER HASHIM	762,239	0.14
15	MRS. SITHY JAZEEMA BADURDEEN	749,999	0.14
16	DR. W.M. SWARNAMALI WELAGEDARA/MR. M.P.J. SENEVIRATHNE	749,999	0.14
17	MR. NAGEN DAYARANJAN KURUKULASURIYA	730,361	0.14
18	MR. GODAUDA PATHIRANAGE KAPILASENA	722,499	0.14
19	BANK OF CEYLON-NO2 A/C (BOC PTF)	720,000	0.14
20	MR. DEVAPRIYA SENEVIRATHNA EPITAWATTA (DECEASED)	666,666	0.13
	OTHER	35,214,359	6.66
	TOTAL	528,457,545	100.00

SHARE TRADING INFORMATION

	2022/23	2021/22
Highest (01/02/2023)	13.60	15.90
Lowest (01/05/2023)	12.20	11.80
As at year end (31/03/2023)	12.5	13.00
Number of Trades	699	2,872
Number of shares traded	416,807	2,997,610
Value of the Shares Trades (LKR)	5,268,930	40,740,406
Market Capitalization (LKR)	660,5719,313	7,926,863,175
Earnings per share (LKR)	1.21	2.36
Dividend per share (LKR)	0	2.1
Net assets per share (LKR)	11.3	9.74
P/E Ratio	N/A	6.36

Five Year Summary

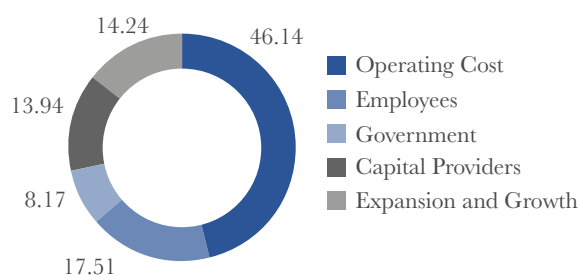
Year ended 31 March	GROUP			COMPANY	
	2023 Rs. '000	2022 Rs. '000	2021 Rs. '000	2020 Rs. '000	2019 Rs. '000
Income Statements					
Revenue	5,634,695	5,837,833	4,229,712	3,654,663	3,475,047
Cost of Services	(3,440,254)	(3,378,050)	(2,661,454)	(2,265,592)	(2,122,762)
Gross Profit	2,194,441	2,459,783	1,568,258	1,389,071	1,352,285
Other Income and Gains	45,171	42,302	34,612	83,093	45,585
Administration and Distribution Expenses	(1,296,732)	(1,041,969)	(893,142)	(929,858)	(862,858)
Finance Cost	(961,982)	(248,814)	(253,513)	(151,700)	(54,952)
Finance Income	1,223,249	258,611	252,549	216,398	130,069
Share of Profit/(Loss) of Associate	-	-	-	897	93
Net Exchange Gain/ (Loss)	-	-	-	-	-
Net Gain on Deemed Disposal of Investment	-	-	-	-	-
Profit before Tax	1,204,148	1,469,914	708,765	607,901	610,222
Income Tax (Expense)/ Reversal	(564,120)	(223,597)	150,902	(174,790)	(243,707)
Net Profit for the year	640,029	1,246,317	859,667	433,111	366,515
Balance Sheet					
Property Plant & Equipment	5,526,052	4,639,355	4,052,347	3,565,875	3,564,554
Investment Property	-	-	-	215,000	193,724
Non current Financial Assets	241,968	282,029	280,407	347,039	311,681
Investment In Joint Venture	-	-	-	33,800	32,987
Inventories	269,126	303,517	203,651	135,370	116,332
Receivables	6,944,040	5,085,724	3,832,260	3,410,179	1,584,920
Cash and Bank balance	269,004	315,653	275,026	160,713	60,383
Total Assets	13,250,190	10,626,278	8,643,691	7,867,976	5,864,581
Stated Capital	1,393,328	1,393,328	1,393,328	1,393,328	1,393,328
Reserve	2,038,670	1,784,253	1,312,687	1,138,964	1,060,941
Accumulated Profits	2,549,568	1,968,626	1,888,327	1,524,313	1,142,168
Shareholders' Funds	5,981,565	5,146,206	4,594,341	4,056,605	3,596,437
Non-Controlling Interests	219,297	134,118	72,736	-	-
Total Equity	6,200,862	5,280,325	4,667,077	-	-
Non Interest Bearing Long Term Liabilities	3,713	5,721	9,433	12,690	17,985
Interest Bearing Long Term Liabilities	1,302,403	1,539,586	2,063,327	1,311,143	191,746
Deferred Tax Liability	1,143,790	405,517	315,655	618,569	578,287
Deferred Retirements Obligations	120,396	147,442	148,312	131,931	126,827
Trade Creditors	1,387,949	755,381	704,503	450,772	496,166
Other Payables	258,015	598,806	55,885	200,629	444,163
Non Interest Bearing Loans and Borrowings	1,621	3,713	3,257	2,857	4,072
Interest Bearing Short Term Borrowings	2,831,440	1,889,788	676,243	1,082,781	408,898
Total Equity & Liabilities	13,250,190	10,626,278	8,643,691	7,867,976	5,864,581
Cash Flow					
Net Cash Flow from operating activities	573,948	1,123,870	638,062	294,298	648,272
Net Cash Flow used in Investing activities	(805,683)	(1,126,515)	(160,553)	(1,702,059)	(1,248,139)
PBIT/Turnover	38%	29%	23%	21%	19%
GP Margin	39%	42%	37%	38%	39%
Debts to Equity	0.69	0.67	0.60	0.59	0.17
Quick Asset ratio	1.20	1.11	1.74	1.24	0.57

Economic Value Added Statement

As at 31 March	2022/23 Rs.'000	2021/22 Rs.'000
Direct economic value generated		
Revenue	5,634,695	5,837,833
Other Income	45,171	42,302
Finance Income	1,223,249	258,611
	6,903,116	6,138,747

As at 31 March	GROUP			
	2022/23		2021/22	
	Rs.'000	%	Rs.'000	%
Economic Value Distributed				
Operating Cost	3,185,258	46.14	2,970,108	48.38
Employees				
Employee Wages & Benefits	1,208,983	17.51	1,131,479	18.43
Government				
All Taxes	564,120	8.17	223,597	3.64
Capital Providers				
Finance Cost	961,982	13.94	248,814	4.05
Shareholders	-	-	1,109,761	18.08
Expansion and Growth				
Depreciation	342,745	4.97	318,432	5.19
Retained Profit	640,029	9.27	136,556	2.22
	6,903,116	100.00	6,138,747	100.00

ECONOMIC VALUE ADDED (LKR '000)

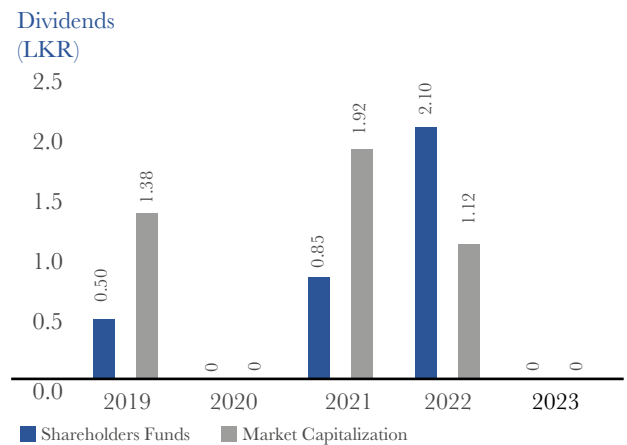
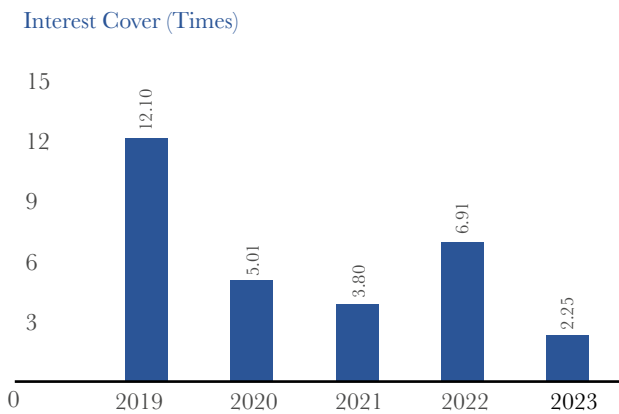
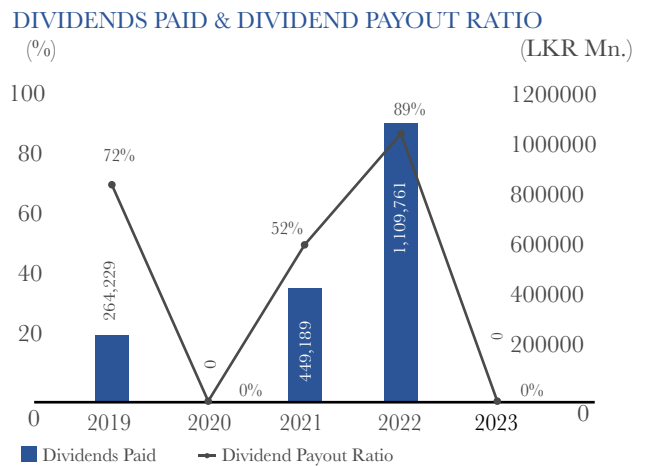
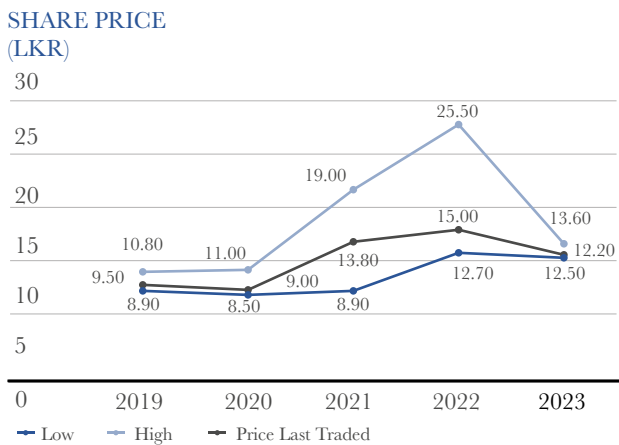
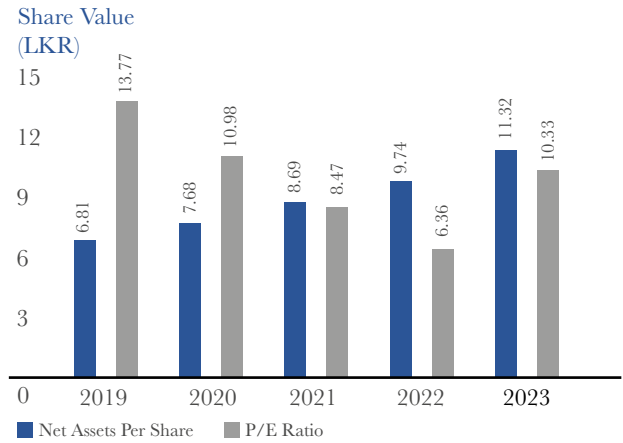
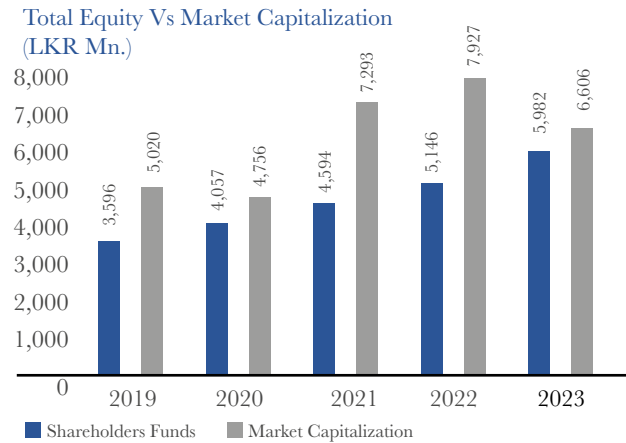


The creation of wealth is the main purpose of existence of any commercial organisation.

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

Through its operations during the financial year 2022/23, the company created a total wealth of Rs.6.90 billions, which was a 12% growth compared to previous year.

Graphical Review



Notice of Meeting

NOTICE IS HEREBY GIVEN that the 23rd ANNUAL GENERAL MEETING of the ASIRI SURGICAL HOSPITAL PLC will be held on Monday, the 25th September 2023 at 10.30 a.m. at e 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. K.M.P. Karunaratne who retires by rotation in terms of Article 24(6) of the Articles of Association, as a Director of the Company.
- (3) To pass the ordinary resolution set out below to re appoint Mr. G.L.H Premaratne who is 75 years of age, as a Director of the Company

“ 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”

- (4) To re-appoint Messrs. Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.
- (5) To authorise the Directors to determine and make donations for the year ending 31st March 2024 and up to the date of the next Annual General Meeting.

By Order of the Board,
ASIRI SURGICAL HOSPITAL PLC

Sgd.
 SOFTLOGIC CORPORATE SERVICES (PVT) LTD.
 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 by electronic means.
2. A Proxy need not be a Shareholder of the Company.
3. The Form of Proxy is enclosed for this purpose.
4. Shareholders are advised to follow the Guidelines and Attendance Registration Process for the Annual General Meeting available on the Corporate Website of the Company and the Website of the Colombo Stock Exchange.

Form of Proxy

*I/Weof

 being * member/members of Asiri Surgical Hospital PLC, do hereby appoint

 (holder of N.I.C No.) of
 or (whom falling)

Mr. A.K.Pathirage whom failing
 Dr. S. Selliah whom failing
 Dr.K.M.P Karunaratne whom failing
 Mr. G.L.H Premaratne

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 by Monday, the 25th September 2023 at 10.30 a.m. at the Auditorium of Central Hospital Limited (4th Floor), No.114,Norris Canal Road, Colombo 10 and at any adjournment thereof, and at every poll which may be taken in consequence thereof.

	For	Against
(1) To receive and consider the Annual Report of the Board of Directors and 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. K.M.P.Karunaratne who retires by rotation in terms of Article 24(6) of the Articles of Association, as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(3) To pass the ordinary resolution set out below to re appoint Mr. G.L.H Premaratne who is 75 years of age, as a Director of the Company “ 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"/>
(4) To re-appoint Messrs. Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
(5) 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"/>

Signed this day of Two Thousand and Twenty Three.

.....
 *Signature/s

Note:

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

Form of Proxy

INSTRUCTIONS AS TO COMPLETION

1. The full name, National Identity Card number and the registered address of the shareholder appointing the Proxy and the relevant details of the Proxy should be legibly entered in the Form of Proxy which should be duly signed and dated.
2. The completed Proxy should be forwarded to the Company for deposit at the Registered Office through the Company Secretaries, Sofilogic Corporate Services (Pvt) Ltd, No.14, De Fonseka Place, Colombo 05, marked **“Asiri Surgical Hospital PLC – 23rd Annual General Meeting”** or email corporateservices@softlogic.lk not later than 48 hours before the time appointed for the Meeting.

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

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

Corporate Information

NAME OF THE COMPANY

Asiri Surgical Hospital PLC

REGISTERED OFFICE

No. 21, Kirimandala Mawatha, Colombo 05, Sri Lanka

OFFICE AND ADMINISTRATIVE COMPLEX

Asiri Surgical Hospital PLC
No. 21, Kirimandala Mawatha,
Colombo 05, Sri Lanka.
Telephone: 011 452 4400
Email: info@asiri.lk
Web: www.asirihealth.com

COMPANY REGISTRATION NUMBER

PQ 208

LEGAL FORM

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

STOCK EXCHANGE LISTING

The ordinary shares of the Company have been listed with the Colombo Stock Exchange since 2004-11-12.

BOARD OF 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

AUDIT COMMITTEE

Mr. S. Ahangama
– Chairman
Independent Non-Executive Director
(Asiri Hospital Holdings PLC)

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 – Non Independent Non Executive Director
(Asiri Hospital Holdings PLC)

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
Independent Non-Executive Director

COMMITTEE MEMBERS

Mr. S. Ahangama
Independent Non-Executive Director
(Asiri Hospital Holdings PLC)
Mr. H.K. Kaimal – Non Independent Non Executive Director
(Asiri Hospital Holdings PLC)
Mr S A B Rajapaksa (Resigned w.e.f. 13th March 2023)
Independent Non-Executive Director

FREQUENCY OF MEETINGS

Committee meets at least once a quarter

SUBSIDIARY COMPANIES

Asiri AOI Cancer Centre (Pvt) Ltd.
No. 181, Kirula Road, Colombo 05.

AUDITORS

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

SECRETARIES

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

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
DFCC Bank PLC

Designed & produced by



Softwave Printing & Packaging



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Web: www.asirihealth.com