

80

Years of

Unparalleled Legacy

ANNUAL REPORT 2024/25



DURDANS
HOSPITAL



<https://www.durdans.com/annual-reports/FY24-25.pdf>

The 2024/25 Annual Report can be accessed online via
<https://www.durdans.com/annual-reports/FY24-25.pdf>

80 Years of Unparalleled Legacy

ANNUAL REPORT 2024/25

As Sri Lanka's leading provider of exceptional healthcare, Durdans Hospital celebrates 80 years of transforming lives, safeguarding generations, and redefining the industry.

Our journey began in 1945, when a group of visionary general practitioners came together to fulfil the growing need for private healthcare in Sri Lanka. From that day forward, our unwavering commitment to providing the highest quality medical services has driven us to grow, innovate, and serve with even greater strength and purpose.

Today, we stand as pioneers of healthcare innovation, setting the highest standards in the industry-with empathy and care at the heart of everything we do. Our legacy of excellence remains unshaken, and as we look ahead, we embrace the future with the same dedication that has defined us for eight decades.



DURDANS
HOSPITAL

Content

Vision, Mission & Values

7

Financial Highlights

12

Chief Executive Officer's Message

20

Board of Directors

24

Our Business

33-89

Financial Information

120-178



ABOUT DURDANS

- 7 Vision, Mission, Purpose and Core Values
- 8 Historical Timeline
- 12 Key Financial Highlights

OUR LEADERSHIP

- 16 Chairman's Review
- 20 CEO's Message
- 24 Board of Directors
- 29 Senior Management Team

“ Chairman's Message Page 16

It is with great pride that I present the Annual Report for the financial year 2024/25—a year of transformation, resilience, and steady growth for Ceylon Hospitals PLC. As we approach our 80th anniversary, we remain grounded in the values of care, compassion, and clinical excellence that have shaped our legacy. A key highlight of the year was the successful merger of Durdans Heart Centre with Ceylon Hospitals PLC, strengthening our service portfolio and operational capabilities. We also welcomed Dr. Lasantha Karunasekara as Chief Executive Officer and Director of Medical Services, aligning clinical leadership with strategic direction. Our continued investments in infrastructure, digital systems, and patient care helped drive a 7% growth in revenue, despite a challenging macroeconomic environment. We advanced our sustainability efforts and community outreach, reinforcing our role as a trusted healthcare provider. Looking ahead, we remain focused on innovation, integration, and delivering value to all our stakeholders as we shape the future of healthcare in Sri Lanka.

”



OUR BUSINESS

- 34** Financial Capital
- 38** Manufactured Capital
- 47** Intellectual Capital
- 63** Human Capital
- 71** Social and Relationship Capital
- 82** Natural Capital
- 90** Enterprise Risk Management
- 96** Corporate Governance

FINANCIAL ANALYSIS

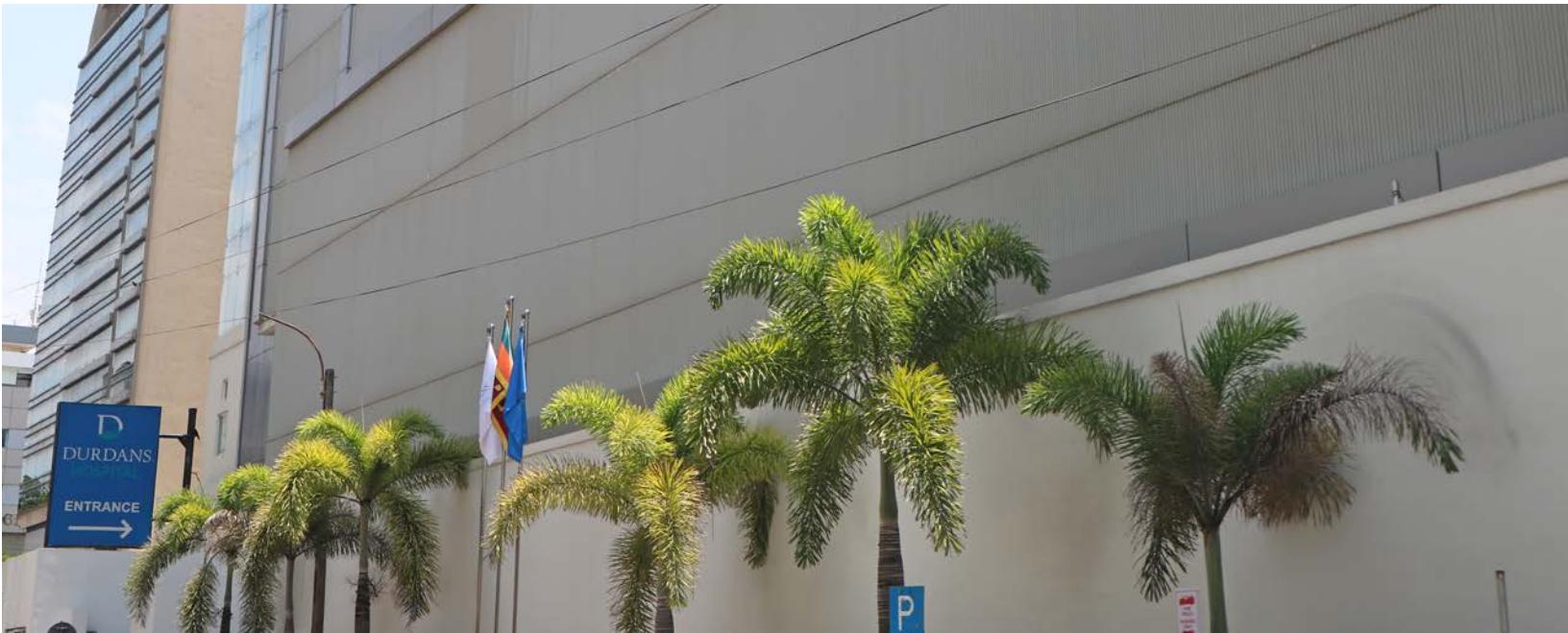
- 106** Annual Report of the Board of Directors on the Affairs of the Company
- 111** Statement of Directors' Responsibility
- 112** Report of the Related Party Transactions Review Committee (RPTRC)
- 113** Report of the Remuneration Committee
- 114** Report of the Nomination and Governance Committee
- 115** Report of the Audit Committee
- 117** Independent Auditor's Report
- 120** Statement of Profit or Loss and Other Comprehensive Income
- 121** Statement of Financial Position
- 123** Statement of Changes in Equity - Company
- 124** Statement of Changes in Equity - Group
- 125** Statement of Cash Flows
- 127** Notes to the Financial Statements

SUPPLEMENTARY INFORMATION

- 180** Value Added Statement
- 181** Ten Year Summary
- 182** Share Information
- 186** Notes
- 188** Notice of Meeting
- 189** Form of Proxy - Voting Shareholders
- 191** Form of Proxy - Non-Voting Shareholders

IBC Corporate Information





“
ABOUT DURDANS

OUR UNWAVERING COMMITMENT TO EMPOWERING WELL-BEING HAS BEEN THE CORNERSTONE OF THE DURDANS LEGACY. ROOTED IN A PHILOSOPHY THAT PRIORITISES THE HEALTH OF OUR COMMUNITY, WE HAVE CONSISTENTLY EVOLVED TO MEET THE EVER CHANGING LANDSCAPE OF HEALTHCARE.

”



Vision

Our Vision is to be acclaimed as the most trusted healthcare provider.

Mission

Our Mission is to integrate advanced technology with empowered healthcare teams to deliver exceptional patient-centric care.

Purpose

We strive, with passion, to meet the healthcare needs of people and build healthier communities.

Core Values

Innovation

We search for new and better ways to deliver safe and convenient care.

Compassion

We strive to build a caring environment that's conducive to health and healing.

Good Governance

We enforce transparent and ethical decision making at all levels.

Integrity

We strive to build an environment that fosters accountability and honesty.

Quality

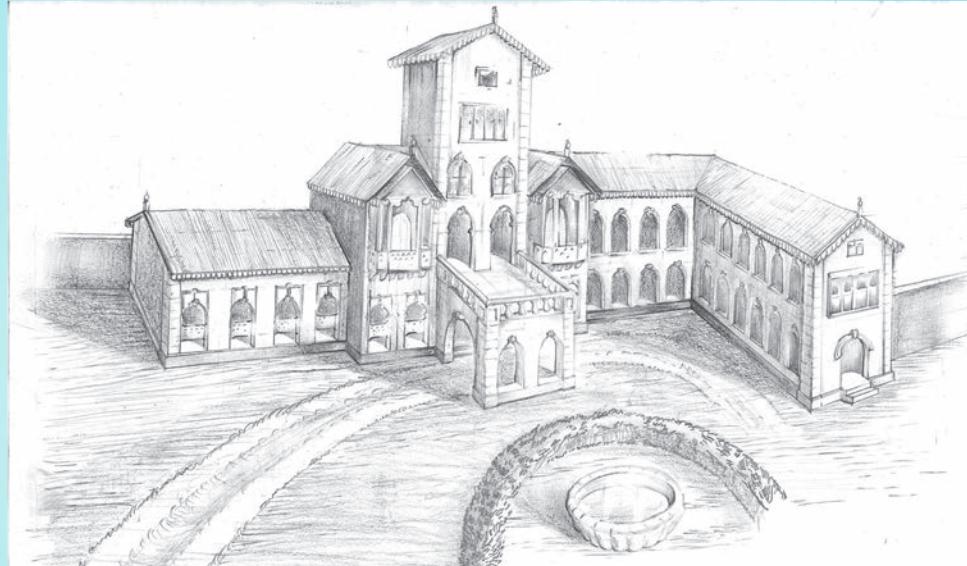
We are committed to maintaining excellent quality standards.

Learning

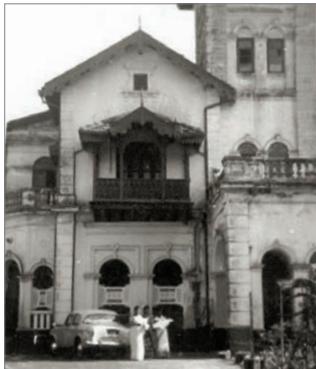
We believe that continual learning and development is the recipe for long-term success.

Historical Timeline

“
The journey
of Durdans
Hospital began
during World
War II between
the years 1939
and 1945.
”



The original house owned by Charles Henry de Soysa, that was converted into Durdans Hospital



1939

With the outbreak of hostilities during the Second World War, the British Government commandeered the premises now known as 'Durdans Hospital' at its current location to provide medical and surgical care for the sick and injured military personnel in the then British colony of Ceylon.

1945

With the cessation of hostilities, a group of general practitioners in medicine and surgery, realised the need for private healthcare for the people of Ceylon. They took over the former military hospital and incorporated a legal entity known as 'Ceylon Hospitals Limited' on 17th May 1945. The commercial operations of Ceylon Hospitals Limited as a healthcare provider and operator began in January 1946.

1968

Special focus was provided for maternity care when Durdans opened its new maternity ward as well as an outpatient facility.

1982

The new Paediatric Ward, Surgical Ward, and Operating Theatre complex were set up.

1984

Radiology services were introduced to the public for the first time.

1993

The Intensive Care Unit (ICU) was formally established.

1995

Strategic management was introduced together with the establishment of Durdans' 1st Strategic Road Map.

The Endoscopy unit was established.

1996

A strategic alliance was established with the largest free-standing Heart Institute in Asia.

The Pathological Laboratory and Blood Bank commenced operations.

1997

The infrastructural development of the Heart Station and Heart Command Centre commenced.

**1999**

Durdans Heart Surgical Centre (Pvt) Ltd (known as Durdans Heart Centre) was established and the Heart Station became operational.

Durdans island wide laboratory network commenced operations during the year.

2000

Durdans Heart Centre commenced cardiac surgeries.

The Catheterisation Laboratory was set up to commence invasive and interventional cardiac procedures for the first time at Durdans Heart Centre.

2001

A formal Emergency Unit was set up.

The restructuring of Durdans Hospital commenced.

Formulation of 2nd Strategic Road Map.

2003

Ceylon Hospitals Limited was listed on the Colombo Stock Exchange as Ceylon Hospitals PLC.

2004

The Neonatal and Dialysis units were established.

2005

Commencement of Ocular surgery and Cochlear implant surgery for the first time in Sri Lanka.

2007

Durdans 3rd Strategic Road Map was introduced.

2009

Construction of the Sixth Lane Hospital Wing commenced.

2010

An Orthopaedic Clinic was established with an Orthopaedic OT commencing complex surgeries.

2011

The Sixth Lane Wing was unveiled to the public and became fully operational. Operations commenced under Durdans Medical and Surgical Hospital (Pvt) Ltd.

A brand-new Eye Clinic was set up.

A Genitourinary unit was set up.

2012

Operations relating to the Diabetes and Endocrinology Centre and Durdans Oral Health Centre commenced.

2013

The Neurology Unit was established.

2014

Durdans became the 1st hospital in Sri Lanka to be accredited with the Gold Seal of approval by Joint Commission International (JCI) USA, which is the highest accreditation in healthcare delivery.



Historical Timeline



2015

The 4th Strategic Road Map was introduced.

'Enhance' Cosmetic Centre was set up.

2016

The Dietetic and Nutritional Care Centre and Sports Medicine under the Physiotherapy Unit were established.

2017

Re-launch of the Durdans brand under the slogan 'Dedicated to You', enhancing the customer experience with the introduction of sophisticated technology, processes and operations.

A new 180-slot multi-storey split-level car park building was opened.

Durdans Hospital received re-accreditation from Joint Commission International (JCI).

2018

Commenced major infrastructural development project on the re-development and remodelling of Durdans.

The Biplane Catheterisation Laboratory was set up to commence minimally invasive and interventional head to toe procedures.

2019

A formal ENT (Ear, Nose, Throat) Clinic was set up and an advanced ENT Workstation was installed, ensuring comfort and precision in ENT.

2020

The 'Amrak Institute of Medical Sciences' was incorporated as a subsidiary of Ceylon Hospitals PLC.



2021

Durdans Hospital embarked on the next phase of its 5th Strategic Road Map in alignment with Durdans Vision 2022.

Durdans commenced the upgrade of its Enterprise Resource Planning platform for better efficiency and to streamline its business processes.

Refurbishment of Durdans Heart Centre and the Sixth Lane Wing (Durdans Medical and Surgical Hospital (Pvt) Ltd) commenced and scheduled to be completed in 2022.

2022

Despite the economic disruptions during the year, Durdans persisted against all odds to progressively continue the construction work of vision 2022 project.

2023

The landmark Vision 2022 project which was delayed due to COVID 19 pandemic and economic downturn was substantially completed during the latter part of the financial year and as the first phase, opened its doors to our clients in January 2023 with the relocation of the OPD pharmacy and laboratory facilities, the Dental Clinic, Sleep Lab and Sixth Lane Café

The hospital successfully recommenced its kidney transplant programme under the guidance and expertise of renowned specialists in December 2022.

The hospital's key functions were restructured into key Strategic Business Units in line with 5th Strategic Road Map.

2024

The refurbishment programme of the Sixth Lane Wing was substantially completed during financial year 2023/24.

The landmark Vision 2022 redevelopment project was successfully completed during the financial year 2023/24 apart from the Wellness Centre and the expansion of the Eye Clinic.

Two brand new modular operation theatres for Neuro Surgery was opened in the facility with a Neuro Surgery ICU and ward strengthening neurosurgery in Sri Lanka with advanced image guided and navigation surgeries.

2025

As part of ongoing infrastructure improvements, a patient-centric, comprehensive Urology Clinic-offering both consultations and procedures in situ-was launched. The refurbishment of the Audiology Clinic also reached its final stages during the year.

In line with our efforts to enhance patient experience and deliver cost-effective medical solutions, a fully refurbished six-bedded Day Care Centre was commissioned in December.

'Revive by Durdans' is scheduled for completion in the first quarter of the 2025/26 financial year, marking a significant step in our commitment to supporting patient recovery and rehabilitation.

Durdans Heart Centre (DHC) with Ceylon Hospitals PLC (CHPLC), was successfully merged and was executed on 01st January 2025.

Key Financial Highlights

DELIVERING FINANCIAL VALUE

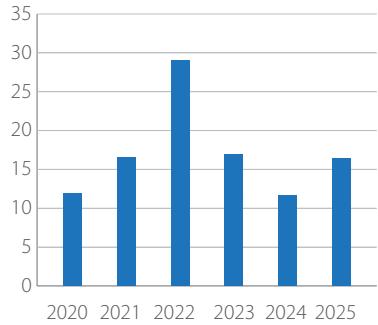
Our focus on maintaining shareholder value remains steadfast and unwavering through every eventuality.

FINANCIAL RESULTS		24/25 (Current Year)	23/24 (last Year)	Growth
Revenue		9.75 Bn	9.15 Bn	6.5%
Operating Profit		1.16 Bn	0.70 Bn	64.6%
Profit Before Tax		0.96 Bn	0.66 Bn	45.4%
Ratios				
Earnings Per Share		16.38	11.59	41.3%
Net Assets Per Share		285.3	245.5	16.2%
Return On Asset		4.4%	3.0%	40.8%
Return On Capital Employed		7.7%	6.3%	22.0%
Return On Equity		6.1%	5.1%	18.3%

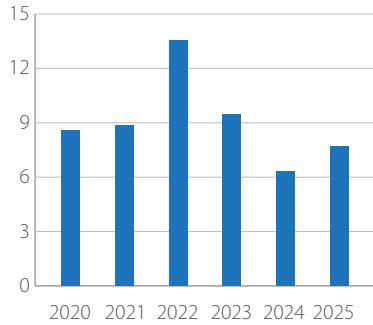
FINANCIAL HIGHLIGHTS

Group	2021	2022	2023	2024	2025
Financial Results					
Turnover (Rs. Mn)	5,546	7,840	7,905	9,153	9,751
Operating Profit (Rs. Mn)	640	1,361	940	704	1,158
Profit Before Tax (Rs. Mn)	696	1,389	1,060	659	958
Profit After Tax (Rs. Mn)	600	1,110	652	454	726
Statement of Financial Position					
Fixed Assets - NBV (Rs. Mn)	7,083	7,295	7,706	11,582	14,146
Total Assets (Rs. Mn)	10,896	12,802	14,110	15,043	18,083
Capital Employed (Rs. Mn)	8,929	10,869	12,145	12,721	15,690
Net Assets (Rs. Mn)	7,220	8,282	8,501	8,836	11,952
Ratio					
Earnings Per Share (Rs.)	16.54	29.00	16.88	11.59	16.38
Interest Cover (Times)	7.14	18.24	13.06	5.55	4.81
Net Assets Per Share (Rs.)	213.17	244.51	236.22	245.55	285.27
Return On Asset (%)	5.52	8.67	4.62	3.02	4.38
Return On Capital Employed (%)	8.88	13.52	9.45	6.32	7.71
Return On Equity (%)	8.31	13.40	7.67	5.14	6.07

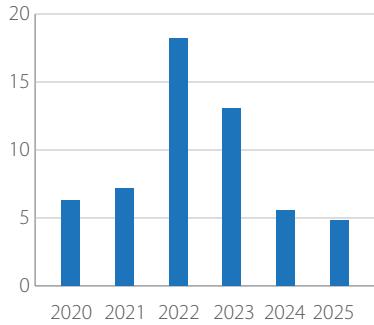
Earnings Per Share
(Rs.)



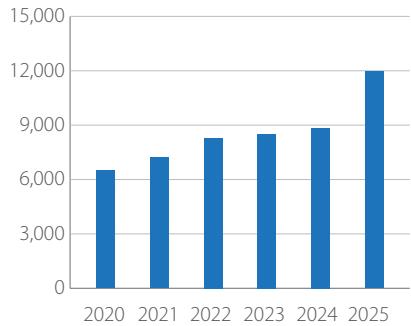
Return On Capital Employed
(%)



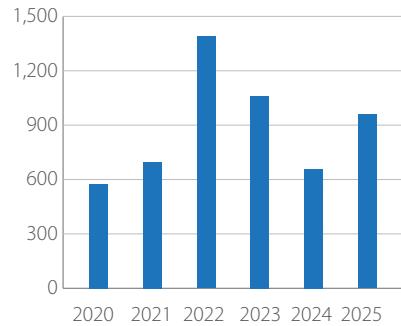
Interest Cover
(Times)



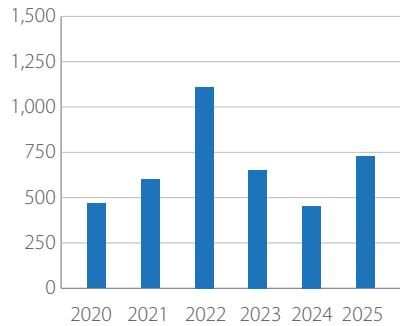
Net Assets
(Rs. Mn)



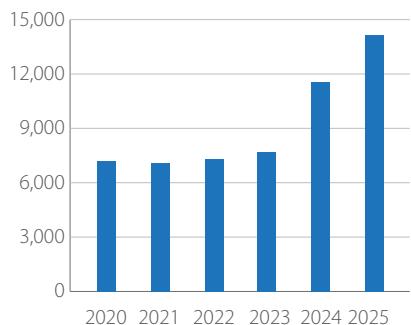
Profit Before Tax
(Rs. Mn)



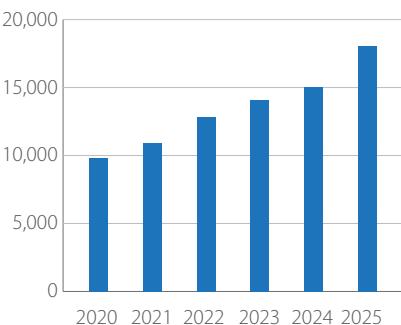
Profit After Tax
(Rs. Mn)



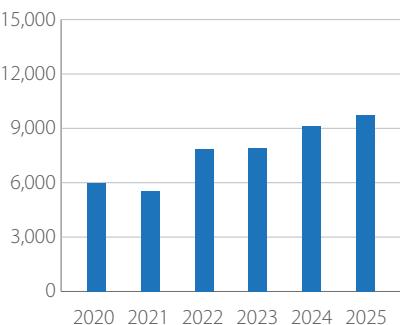
Fixed Assets - NBV
(Rs. Mn)



Total Assets
(Rs. Mn)



Turnover
(Rs. Mn)







Chairman's Message

“
For 80 years, our journey has been defined by care, compassion, and commitment to excellence. As we honour this legacy, we remain focused on shaping a healthier future for generations to come.
”

Dear Stakeholders,

It is my privilege to present to you the Annual Report for the financial year 2024/25-a year of significant transformation, continued resilience, and meaningful progress for Ceylon Hospitals PLC. The upcoming year is particularly significant, as we prepare to celebrate 80 years of serving in Sri Lanka's dynamic healthcare sector. Since inception, we have been founded on a legacy of dedication, compassion, and care-the core values that continue to define our every action even today.

A CHANGING HEALTHCARE LANDSCAPE

The international healthcare landscape continues to evolve rapidly, shaped by rising health awareness, shifting patient expectations, and technological innovation. Sri Lanka too continues to be influenced by these dynamics, with these global trends reflected by an increased emphasis on preventive healthcare, telemedicine, and integrated care models. There is growing demand from patients, providers, and policymakers alike for healthcare solutions that are not merely effective, but also accessible and sustainable.

Recent regulations have placed greater emphasis on compliance, ethical standards, and pricing transparency-steps that, while operationally demanding, are aligned with our values and long-term strategy. They also serve to reinforce public trust and elevate industry-wide benchmarks for quality and service delivery.

The regulatory landscape is also becoming increasingly robust, with a heightened focus on data privacy, patient safety, healthcare quality, and environmental sustainability. These evolving frameworks reflect a broader drive for accountability and alignment with international standards. While adapting to new regulations can incur short-term costs, they help build trust and strengthen institutional credibility, thereby fostering improved stakeholder relationships in the long-term.



PROFIT BEFORE TAX

Rs. 958 Mn

2024 - Rs 659 Mn

MARKET CAPITALISATION

Rs. 5.12 Bn

2024 - Rs 4.06 Bn



STRENGTHENING OUR LEADERSHIP

With the objective of improving the alignment of our clinical and operational goals, we appointed Dr. Lasantha Karunasekara as the Chief Executive Officer and Director of Medical Services of Durdans Healthcare Institution at the beginning of the final quarter of the financial year.

Dr. Karunasekara assumed his role with effect from January 1, 2025. This strategic appointment is intended to bring greater cohesion to our organisational direction and sharpen our focus on service delivery. Dr. Karunasekara's dual role ensures unified oversight of medical operations and strategic initiatives, enabling us to deliver high-quality care with efficiency and purpose.

Under Dr. Karunasekara's leadership, we have reaffirmed our commitment to delivering superior patient outcomes. His focus will be on advancing patient care by

closely overseeing medical operations to ensure we uphold the highest standards of patient care and operational excellence.

STRATEGIC GROWTH THROUGH CONSOLIDATION

A major milestone in our corporate journey was the successful merger of Durdans Heart Centre (DHC) with Ceylon Hospitals PLC (CHPLC), which was executed on December 31, 2024. Approved by shareholders at an Extraordinary General Meeting held on December 19, 2024, this merger brings together the strengths of both institutions, creating opportunities for resource sharing, enhanced service offerings, and improved financial stability.

The integration of DHC into CHPLC is expected to create synergies that will enhance our operational efficiency and financial stability. By consolidating resources, we aim to expand our service offerings and strengthen our market position, ultimately driving revenue growth

and enhancing brand visibility. This merger both capitalises on DHC's expertise in cardiac care and reinforces CHPLC's established reputation for excellence in healthcare. We are confident that this collaboration will elevate our overall service delivery and healthcare infrastructure, thus positioning us for sustained success in the sector while delivering increased value to our shareholders and improved returns for our investors. As we move forward, we remain committed to leveraging this merger to enhance accessibility and provide efficient healthcare delivery to our clients.

INVESTING IN INNOVATION AND OPERATIONAL EXCELLENCE

In response to an ever-evolving industry landscape, our strategic focus for the year centred on enhancing the patient experience, driving operational efficiency, and strengthening digital infrastructure. Our initiatives align with our corporate vision of becoming the leading healthcare provider in Sri Lanka, with a wholehearted dedication towards delivering innovative and patient-centric care.

In line with this commitment, we made significant investments in cutting-edge medical technologies, expanded our patient care facilities, and reinforced staff development through ongoing training – all with the aim of ensuring we remained at the forefront of healthcare delivery. The Vision 2022 project, aimed at expanding our facilities and services, has also achieved substantial progress, leading to the establishment of new patient care units and the introduction of advanced medical equipment.

We have also reassessed our vendor selection for the proposed ERP platform, with the goal of modernising our enterprise resource planning systems. Currently, we are evaluating the feasibility of a new platform and expect to complete this assessment by the first quarter of the upcoming financial year. In parallel, we are planning to enhance our Health Information System (HIS) to ensure seamless integration

Chairman's Message

“
This year marked a period of strategic transformation—strengthening leadership, integrating services, and embracing innovation. We continue to evolve with purpose, resilience, and a clear vision for sustainable growth.”

”



with the new ERP platform in the 2025/26 financial year. This will enable us to create a more cohesive, data-driven healthcare environment that optimises both clinical outcomes and operational efficiency.

In response to the macroeconomic challenges impacting the sector, we implemented several cost-optimisation initiatives during the year. These included streamlining our supply chain and refining service delivery models to ensure we continue to serve our community with high-quality, affordable care without compromising on standards.

FINANCIAL PERFORMANCE

In the 2024/25 financial year, Ceylon Hospitals PLC delivered steady growth, achieving a 7% increase in revenue compared to the previous year. Our net profit margin improved as a result of effective cost management and a rise in patient volumes, particularly in our outpatient day case services. Key contributors to this performance included the successful launch of our Neuroscience Services, which attracted a new demographic of patients, as well as the continued loyalty of our existing patient base.

This performance is in alignment with our long-term objectives of achieving sustainable growth and enhancing shareholder value. Additionally, our investments in infrastructure and technology have positioned us to seize future opportunities while maintaining a robust financial foundation that will offer resilience and stability in the years ahead.

COMMITMENT TO SUSTAINABILITY AND COMMUNITY HEALTH

As a responsible healthcare provider with a commitment towards corporate social responsibility, we introduced several initiatives focused on environmental sustainability and community health during the year. In an effort towards mitigating our impact, we launched a comprehensive waste management initiative to reduce our carbon footprint and improve recycling efforts. Furthermore, our outreach programmes helped us expand access to healthcare through free screenings and health education, enabling us to strengthen our connection with the communities we serve.

To mitigate potential risks, we will continue to focus on quality assurance, regulatory compliance, and sustainable practices, while leveraging our established brand

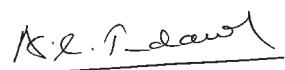
to pursue new opportunities for growth and diversification within the healthcare space. Our strategic focus will remain on innovation, patient engagement, and sustainability, ensuring our resilience and responsiveness to the healthcare needs of our community.

HONOURING THE PAST, EMBRACING THE FUTURE

As we look forward to celebrating eight decades of service, we do so with humility and gratitude. Our journey since 1945 has been one of transformation, dedication, and perseverance. This legacy, built on care, is the foundation upon which we continue to grow and innovate. It inspires us as we look to the future-with a vision to serve generations to come, with the same commitment that has shaped our past.

I would like to extend my heartfelt gratitude to our dedicated staff, whose unwavering commitment and professionalism have been instrumental to our success. I also wish to recognise our health care recipients for their trust and loyalty, as well as our partners, clinicians, suppliers, and stakeholders for their invaluable support. Finally, I express my appreciation to the Board of Directors for their continuous support and guidance.

We are paving the way for a healthier future for all-just as we have for the past 80 years, and for many more to come.



Ajith Tudawe
Chairman

24th July 2025

CEO's Message

“
Shifting market dynamics and consumer behaviour was evident and in response to these shifts, we introduced more flexible and transparent pricing models, absorbed select cost increases to shield our patients, and reinforced our emphasis on delivering personalised care.

Dear Stakeholders,

It gives me great pleasure to present to you an overview of the financial year 2024/25, having assumed responsibilities as Chief Executive Officer / Director Medical Services on the 1st of January 2025.

This year marks an exceptional chapter in the history of Durdans PLC. Amidst a recovering macroeconomic environment and completion of majority of expansions and internal refurbishments, Durdans Hospital has continued to demonstrate its hallmark resilience, adaptability, and steadfast commitment to delivering high-quality, patient-centered healthcare to the nation.

OPERATING CONTEXT AND CONSUMER SENTIMENT

The financial year commenced with encouraging signs of national recovery and renewed stability. Prudent fiscal and monetary policies, coupled with the securing of the IMF loan facility, were complemented by currency stabilisation, single-digit inflation, declining interest rates, and positive GDP growth. Together, these factors contributed to a more optimistic consumer outlook and a renewed sense of economic confidence. There remains cautious hope for improved governance and long-term prosperity in the years ahead.

However, the introduction of VAT on medical equipment, elevated electricity costs during the first two quarters, and the continued migration of skilled professionals posed significant challenges to our operations.

While the resurgence of tourism and growth in worker remittances provided macroeconomic relief - supporting foreign exchange earnings and boosting prospects for medical tourism. The growing calls for increased state regulation of private sector health



care have raised many concerns. Though prudent controls are welcome, the introduction of such measures without comprehensive evaluation and inclusive stakeholder engagement could destabilise the already fragile financial footing of many companies with the sector already under pressure from intense price competition. This, in turn, would limit their ability to invest in upgraded equipment and advanced technologies, continued stringent quality controls with mid to long-term implications for the entire industry.

Compounding these challenges are reputational risks stemming from unregulated social media narratives and the intermittent constraints on the supply chain, unavailability of critical medications - further straining trust and operational resilience across the sector.

The overall consumer sentiment remained positive, with patients showing greater price sensitivity and value-



seeking behavior, particularly among middle-income households.

SHIFTING MARKET DYNAMICS AND TARGET SEGMENTS

At present, healthcare consumption dynamics are undergoing considerable transformation. Heightened competition among private hospitals, establishment of secondary care facilities across the provinces- decentralising many services coupled with reduced disposable incomes, has resulted in health care recipients/clients becoming more discerning, prioritising competitive pricing, transparency, and superior patient experiences. While the private sector continues to deliver over 60% of outpatient care, a significant proportion of inpatient care remains within the public system. This disparity highlights the urgent need for innovative public-private partnerships (PPPs) to bridge service gaps and enhance system-wide healthcare outcomes.

Although overall market penetration remains limited, we observed a growing uptake in health insurance among lower middle-income families during the year- denoting a promising trend. This presents both a significant growth opportunity and a responsibility for Durdans to actively advocate for and contribute to the development of more accessible and inclusive healthcare financing models.

In response to these shifts, we introduced more flexible and transparent pricing models, absorbed select cost increases to shield our patients, and reinforced our emphasis on delivering personalised care. Our core medical and surgical specialisations'- general medicine, Paediatrics, cardiac-sciences, neurosciences, mother and baby care and other surgical specialties - continue to be key drivers of patient demand, reinforcing our position in high-impact therapeutic areas.

TURNOVER

Rs. 9.75 Bn

2024 - Rs. 9.15 Bn

PBT MARGIN

10%

2024 - 7%

STRATEGIC PROGRESS AND VISION

As one of Sri Lanka's oldest tertiary care institutions celebrating 80 years and as the first hospital in the country to be accredited by the Joint Commission International (JCI) with Gold Seal standards, Durdans Hospital has earned the trust of generations. In line with this commitment, we have now been reaccredited for the fourth consecutive cycle with many other laboratory accreditations and accolades. Renowned for our resilience, adaptability, and steadfast commitment to quality and patient safety, we continue to honour the Durdans legacy, while looking firmly to the future.

We marked the successful completion of the Vision 2022 initiative, a major infrastructure development project involving investments exceeding LKR 2.5 billion. Complementing this, an additional LKR 0.5 billion was invested in advanced medical technologies, including the introduction of Sri Lanka's most sophisticated electrophysiological system, the Abbott Work Mate Claris 2D, reinforcing our leadership in cardiac care.

At Durdans, we view digital transformation as a key enabler of future-ready healthcare. During the year, we initiated several strategic upgrades: evaluation of a new ERP system, the

CEO's Message

“
Prudent financial planning, efficient resource allocation, and cost containment measures contributed to improved gross profit (GP) and enhanced financial ratios year-on-year.
”

launch of a healthcare recipients-centric mobile application, and the integration of a robust customer relationship management (CRM) platform. These advancements have driven greater operational efficiency, enhanced patient engagement, and empowered data-informed decision-making across the organisation.

In alignment with evolving patient needs, we also initiated several forward-looking projects. Chief among them is the soon-to-be-commissioned Holistic Wellness and Rehabilitation Center, which will offer integrated services in mental health, rehabilitation, and preventive care. Additionally, we continue to expand our specialisations in Urology and Neurology, in response to rising clinical complexities and growing demand.

OPERATIONAL AND FINANCIAL PERFORMANCE

Durdans Hospital delivered a commendable performance during this financial year, under many constraints underscoring the organisation's resilience and adaptability. Revenue grew by over 6% year-on-year (YoY), a strong result when measured against the broader private healthcare industry's average growth rate of approximately 8%. This performance is particularly notable given the disruptions caused by infrastructure development projects at the hospital, which affected patient access and overall operational flow.

A key contributor to this year's performance was the strong growth in the laboratory network, which recorded a 15% YoY increase. This segment continued to consolidate its position in the market, reflecting rising demand and improved service reach.

As indicated by the aforementioned results, the year saw us exhibit moderate but stable growth across key business segments. Prudent financial planning,

efficient resource allocation, and cost containment measures contributed to improved gross profit (GP) and enhanced financial ratios year-on-year. Importantly, a reduction in loan portfolios further strengthened the Company's balance sheet and long-term financial health.

Operationally, several strategic milestones were achieved. These include the commissioning of the Urology Center, enhancement of neurosciences and technological enhancement of cardiac sciences.

However, the year was not without its challenges. The migration of skilled healthcare professionals, both overseas and to local competitors, emerged as a critical concern. Durdans responded through a strategic reallocation of critical staff and the use of experience locum professionals to maintain service continuity and measures to increase own nursing pass outs.

On the customer front, Durdans maintained a strong reputation for quality care, achieving over 95% in overall patient satisfaction and an impressive Net Promoter Score (NPS) exceeding 80%, reflecting consistent patient trust and loyalty.

Continuing our tradition of employee well-being and development as a key priority area, many employee engagement events, multiple internal and external trainings were conducted in identified areas to add value to our own and to all our stakeholders.

Building on this momentum, Durdans remain focused on driving value through strategic investment, technological advancement, innovative product roll outs and continued excellence in patient care.

SUSTAINABILITY AND SOCIAL RESPONSIBILITY

At Durdans, sustainability is not merely a strategic initiative, it is a fundamental necessity embedded in our operating philosophy. This year, as mentioned in the Chairman's statement many initiatives were implemented throughout the organisation for sustainability and Social responsibility. These efforts not only reflect our environmental responsibility but also enhance operational efficiency. Our teams have demonstrated genuine passion and ownership of these changes, and we intend to build on this momentum with the formal launch of a dedicated CSR vertical in 2025. This new platform will further consolidate our community outreach and environmental stewardship initiatives, positioning Durdans as a healthcare institution that leads with purpose and accountability.

OUTLOOK AND FUTURE PRIORITIES

We enter FY 2025 with clarity, focus, and a renewed commitment to excellence. Guided by the theme "Refining and Realigning Our Priorities," we will concentrate our efforts on four core pillars: enhancing patient care and safety, embedding lean operational methodologies, strengthening our human capital, and accelerating digital transformation. Our strategic roadmap includes several high-impact initiatives such as the commissioning of the Holistic Wellness Center-designed to address rising needs in mental health, rehabilitation, and preventive care-alongside the revamp of our Nursing Training School to nurture the next generation of clinical professionals. We also plan to continue our digital evolution through the rollout of enhanced ERP and mobile platforms, and by evaluating the adoption of a modern Hospital Information System (HIS) to better integrate clinical and administrative workflows.

Looking ahead, we remain committed to aligning with evolving market expectations and healthcare demands by investing in the right people, technologies, and systems-ensuring sustained excellence, resilience, and long-term stakeholder value.

ACKNOWLEDGEMENTS

As we reflect on the progress we've made and step into the next phase of our journey, I extend my heartfelt gratitude to our Chairman and the Board of Directors for their steadfast leadership and clear direction-particularly during my transition into the role of CEO/Director Medical Services. Your unwavering support has been pivotal in guiding us to remain true to our purpose and deepen our impact within Sri Lanka's healthcare landscape.

To our management team, thank you for your relentless dedication and strategic insight, which continue to guide us through challenges and open pathways to new opportunities. To every member of our staff, I am sincerely grateful for your commitment and for embracing our mission of delivering compassionate care to every Sri Lankan who entrusts us with their health.

To our patients, customers, and shareholders-thank you for your continued trust and confidence. As we celebrate 80 years of exceptional service, we move forward-stronger, wiser, and more compassionate-ready to lead the next chapter of healthcare excellence in Sri Lanka.



Dr. Lasantha Karunasekara
Chief Executive Officer and Director
Medical Services

24th July 2025



“

BOARD OF DIRECTORS

AS WE HONOUR 80 YEARS OF EXCELLENCE
IN HEALTHCARE, WE REMAIN COMMITTED TO
DELIVERING TRUSTED CARE WHILE SHAPING
THE FUTURE OF MEDICAL INNOVATION IN
SRI LANKA

”

CEYLON HOSPITALS PLC

AJITH TUDawe

Executive Chairman

Mr. Ajith Tudawe has over three decades of board-level experience with a proven track record in corporate leadership. As Chairman of Ceylon Hospitals PLC, he has contributed to shaping the strategic direction and development of Durdans Healthcare Group, guiding it to a position of respect and innovation within Sri Lanka's healthcare landscape. His approach combines sound strategic insight with financial discipline and a commitment to governance excellence and sustainable growth. He is also a Senior Director of Tudawe Holdings (Pvt) Ltd.

He holds a Bachelor's degree in Accounting from the United Kingdom and is a Fellow of the Institute of Chartered Accountants in England and Wales, the Institute of Chartered Accountants in Australia, and the Institute of Chartered Accountants of Sri Lanka. He is also a Lifetime Fellow of the Association of Chartered Certified Accountants (UK).

He has attended executive education programmes at leading business schools in Australia, Singapore, and the United Kingdom, enhancing his expertise in corporate strategy, financial leadership, and organisational transformation.

UPUL TUDawe

Director/ Executive Vice President

Upul Tudawe, the Director/Executive Vice President of Ceylon Hospitals PLC also serves as Group Director of Tudawe Holdings (Pvt) Ltd, its subsidiary companies and is the Chairman of Commercial Marketing Distributors (Pvt) Ltd. Upul Tudawe holds a Bachelor of Science degree in Microbiology from Texas Tech University and a degree in Medical Technology from

the University of Texas Health Science Centre in Houston, USA. Among his many affiliations, he is a Member of the American Society of Clinical Pathology (ASCP) and the Australian Institute of Medical Scientists (AIMS). He also functions as the Director Laboratory Services for over 25 years.

RAVINDRA JAYATILLEKE

Deputy Chairman/Senior-Independent, Non-Executive Director

Ravindra Jayatilleke is an Associate Member of the Institute of Chartered Accountants of Sri Lanka and a Fellow of the Chartered Institute of Management Accountants, UK and possesses over 40 years of experience in the fields of Accounting, Auditing and Finance. At present, Mr Jayatilleke functions as a Group Director of Lalan Rubber Group and is a Director of Lalan Rubber Holdings (Pvt) Ltd, Lalan Rubbers (Pvt) Ltd and some of the subsidiary companies.

DR. PREETHRaj WIJEGOONEWARDENE

Director/ Senior Vice President - Medical

Dr. Preethiraj Wijegoonewardene holds an MBBS from India along with a Postgraduate Diploma in Family Medicine from the Postgraduate Institute of Medicine (PGIM) in Colombo. He is a Fellow of the College of General Practitioners of Sri Lanka and was awarded an Honorary Fellowship from the Royal College of General Practitioners, UK in November 2008. He was elected as Chairman of the South Asia Board of the Royal College of General Practitioners International. Dr. Wijegoonewardene was the first Sri Lankan to receive a WONCA Fellowship in recognition of his contribution to family medicine in South Asia and World WONCA and was awarded an Honorary Fellowship from the Bangladesh Academy of Family Physicians.

NIMAL PIYASENA

Non-Executive Director

As the Managing Partner of Y. R. Piayesena & Company and Vice-Chairman of Hotel Star Dust in Pottuvil, Nimal Piayesena brings over 40 years of diversified experience to the Board in the fields of Finance, Healthcare and Trade Operations.

ASITE TALWATTE

Independent, Non-Executive Director

Asite Talwatte is the Chairman of Management Systems (Pvt) Ltd, the Chairperson of the Integrated Reporting Council of Sri Lanka and serves as a Non-Executive Director on the boards of several listed and private companies. With over 37 years of experience in the fields of Assurance, Business Risk and Advisory Services, he served as the Country Managing Partner of Ernst & Young for over 10 years prior to his retirement in March 2016. Asite Talwatte holds a Post-Graduate Diploma in Business and Financial Administration from the Chartered Accountants of Sri Lanka and the University of Wageningen, Holland as well as an MBA from the University of Sri Jayewardenepura, Sri Lanka. He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and the Chartered Institute of Management Accountants, UK.

AMINDA TUDawe

Executive Director

Aminda Tudawe directs the supply chain of the group and the coordination of the corporate strategy of Durdans Hospital. He is also a Director of Durdans Medical and Surgical Hospital (Pvt) Ltd.

He was also involved in the implementation of JCI accreditation at Durdans Hospital and played a role in completing several key development projects over the years including Durdans

Board of Directors

Vision 2022 Project. He holds a Bachelor of Science (Hons) degree in Business Management from the University of Wales, UK as well as a Master of Business Administration degree from the School of Business, University of Leicester, UK.

SIVAKRISHNARAJAH RENGANATHAN

Independent, Non-Executive Director

Mr. Renganathan was the former Managing Director/ Chief Executive Officer of Commercial Bank of Ceylon PLC and had held several key positions in the Bank. He is a senior banker counting over 41 years and has led Commercial Bank's acquisition of the banking operations of Credit Agricole Indosuez in Bangladesh as the first Country Manager.

In addition, Mr. Renganathan served as the Managing Director and a Board Member of the Commercial Development Company PLC, and Commercial Bank of Maldives Private Limited as the Deputy Chairman. He was also a Director of the Lanka Financial Services Bureau Limited and the Sri Lanka Banks' Association (Guarantee) Limited. Further, he also served as a Council Member of the Employers Federation of Ceylon and Executive member of the Council for Business with Britain. He was also appointed by the President of the country to a 16-member Advisory Committee to National Economic Council.

Mr. Renganathan has served among others, as a Member of the General Council of the Institute of Bankers of Bangladesh, Founder President of the Sri Lanka Bangladesh Chamber of Commerce and Industry, Executive Member of the Foreign Investors Chamber of Commerce and Industry in Bangladesh.

He is currently a Vice Chairman of the International Chamber of Commerce Sri Lanka, Executive Member of the Ceylon

Chamber of Commerce, Member of the Sri Lanka Institute of Directors and the Vice President of the Sri Lanka India Society.

Mr. Renganathan holds several key positions in the corporate sector, serving as an Independent Non-Executive Director on the boards of Sunshine Holdings PLC, Sunshine Healthcare Lanka Ltd., Health guard Pharmacy Ltd., Lina Spiro (Pvt) Ltd., Lina Manufacturing (Pvt) Ltd., Agility Innovations (Pvt) Ltd., Janashakthi Insurance PLC, Hatton National Bank PLC, Damro Holdings (Pvt) Ltd., SRF Holdings (Pvt) Ltd., and Lanka IOC PLC. In addition to his board responsibilities, he also contributes his expertise as a Consultant to the Asian Development Bank.

He is a Fellow of the Chartered Institute of Management Accountants, UK (FCMA), Chartered Global Management Accountant (CGMA), Fellow of the London Institute of Banking & Finance, UK (FLIBF) and a Fellow of the Institute of Bankers Sri Lanka (FIB), had received extensive Leadership, Management and Banking training locally and in overseas countries.

MANIL JAYESINGHE

Independent, Non-Executive Director

Mr. Manil Jayesinghe is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, a Fellow Member of the Chartered Institute of Management Accountants (UK), Fellow Member of CMA Sri Lanka and a Member of the Chartered Institute of Public Finance & Accountancy.

He served as the Country Managing Partner of Ernst & Young Sri Lanka & Maldives, Head of Assurance and was in charge of Banking and Financial Services practice and counts over 41 years of extensive experience.

He was the past President of the Institute of Chartered Accountants of Sri Lanka, Board of Sri Lanka Accounting & Auditing Standards Monitoring Board and a Council Member of CMA Sri Lanka.

He currently holds several prominent positions within the financial and corporate sectors. He serves as a member of the Statutory Accounting Standards Committee and is also a Member of the Statutory Auditing Standards Committee of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), contributing to the development and oversight of accounting and auditing practices. Additionally, he is an active Member of the Financial Reporting Standards Implementation and Interpretation Committee (FRSIICS) and plays a regional role as the Chair of the Accounting Standards Committee of the South Asian Federation of Accountants (SAFA).

His governance experience extends further, as he is a Member of the Audit Committee of the Sri Lanka Institute of Marketing (SLIM) and sits on the Governing Board of the Central Bank of Sri Lanka. Mr. Jayesinghe currently serves as an Independent Non-Executive Director at Diesel & Motor Engineering PLC, John Keels Holdings PLC, C W Mackie PLC, Lanka Milk Foods (CWE) PLC, Lanka IOC PLC, Vallibel One PLC, Royal Ceramics PLC and Lanka Dairies Ltd.

DURDANS MEDICAL AND SURGICAL HOSPITAL (PRIVATE) LIMITED

AJITH TUDawe

Executive Chairman

Refer page 25 for the profile.

UPUL TUDawe

Director/ Executive Vice President

Refer page 25 for the profile.

DR. PREETHIRAJ WIJEGOONEWARDENE

Director/ Senior Vice President - Medical

Refer page 25 for the profile.

NIMAL PIYASENA

Non-Executive Director

Refer page 25 for the profile.

Retired on 31st December 2024

PROF. JANAKA DE SILVA

Non-Executive Director

Professor Janaka de Silva is a Consultant Physician and Professor Emeritus of Medicine, University of Kelaniya. He was educated at Royal College, Colombo, and obtained his M.B.B.S. and M.D. degrees from the University of Colombo and a D.Phil. from the University of Oxford. During an academic career spanning more than 30-years, he was Dean of Medicine at the University of Kelaniya, Director of the Postgraduate Institute of Medicine, University of Colombo, a Member of the University Grants Commission, Chairman of the National Research Council and President of the Ceylon College of Physicians. In addition to several awards and fellowships from academic and professional bodies, Professor de Silva was conferred an honorary D.Sc. by the University of Kelaniya, and the national titular honour Vidya Jyothi - Sri Lanka's highest honor for science. He is currently an elected member of the Sri Lanka Medical Council.

DILHAN FERNANDO

Non-Executive Director

Dilhan Fernando is the CEO of Dilmah Tea. His efforts have focused on bringing tea to a new generation with innovations such as tea gastronomy, tea lounges (branded as t-Lounges) and by enhancing peoples' knowledge in tea through the Dilmah School of Tea. Dilhan also nurtures his father's pledge to make business a matter of human service through the work of the MJF Charitable Foundation and Dilmah Conservation. Dilhan currently chairs the Biodiversity Sri Lanka Platform which was pioneered by Dilmah Conservation together with the Ceylon Chamber of Commerce and IUCN (International Union for Conservation of Nature). Dilhan is the Chairman of the United Nations Global Compact in Sri Lanka, a corporate sustainability initiative by the UN.

ARJUN FERNANDO

Independent, Non-Executive Director

Arjun Fernando is currently a Director of Central Finance PLC and Nations Trust Bank PLC. He also serves on the Boards of NDB Capital Holdings, NDB Securities (Pvt) Ltd and NDB Zephyr Partners Ltd for and on behalf of the NDB Capital Group of Companies. He has functioned as the CEO/ Director of DFCC Bank and as Director of several of DFCC Bank's subsidiaries, joint ventures and associates. Prior to joining DFCC Bank, Mr. Fernando had a long and illustrious career overseas and at HSBC Sri Lanka. He holds an M.Sc. (Management) from Clemson University, USA and a B.Sc. (Engineering) from Southern Illinois University, USA. He is also an Associate of the Chartered Institute of Bankers (ACIB), UK.

AMINDA TUDawe

Executive Director

Refer page 25 for the profile.

RAKSHITHA TUDawe

Executive Director

Rakshitha Tudawe oversees the development and execution of strategic initiatives for the Group. He is also the co-founder of the Amrak Institute of Medical Sciences (Pvt) Ltd. which was incorporated in February 2019. He spearheaded the repositioning of the Durdans Hospital Brand in August 2017, revitalising the long-standing brand and is currently overseeing the hospital's digital evolution. He is also involved in the establishment of two key strategic business units for the Durdans Vision 2022 Project. He holds a Bachelor of Science (Hons) degree in Business Economics from the University of East Anglia, UK and a Master of Science degree in Management from Loughborough University, UK. He has also participated in executive programmes at the INSEAD Business School in Fontainebleau, France and the Ernst and Young head office in La Défense, Paris.

NAVEEN SOORIYARACHCHI

Independent, Non-Executive Director

Naveen Sooriyachchi is an Independent Non-Executive Director of Durdans Medical and Surgical Hospital (Pvt) Ltd. A renowned banking professional, he holds a Humphrey Fellowship in Investment Banking from the Boston University, USA, a Master's degree in Business Administration from the University of Colombo and is an Associate of the Institute of Bankers, Sri Lanka. His extensive experience of 40 years includes key corporate management positions at Commercial Bank of Ceylon PLC. He was also a consultant to the International Finance Corporation (World Bank Group), Washington. His business acumen and expertise has been reflected in Commercial Bank being awarded 'Best Trade Finance Bank in Sri Lanka' for 2019 and 2020 by the 'Asian Banker' as well as the Best Corporate Bank in Sri Lanka in 2019 by International Finance of the UK under his leadership.

Board of Directors

ARJUNA HERATH

Independent, Non-Executive Director

Arjuna recently retired from Ernst & Young (EY) where he was a Senior Partner and Head of Consulting for Sri Lanka and Maldives. In his career preceding Ernst & Young, he was Director Corporate Finance at Merchant Bank of Sri Lanka.

Arjuna served as a Board Member of the Sri Lanka Accounting and Auditing Standards Monitoring Board and as a Commissioner of the Securities and Exchange Commission of Sri Lanka. He also Served as a Member of the Company Law Advisory Commission. At present he is the Chairman of the Data Protection Authority of Sri Lanka, Chairman of Synapsys Limited, Director of Colombo Stock Exchange, Senkadagala Finance PLC, Cargills Bank, and Watawala Plantations PLC.

Arjuna is a distinguished Senior Chartered Accountant and is a past President of the Institute of Chartered Accountants of Sri Lanka.

He is the first Sri Lankan to Chair a Committee of the International Federation of Accountants (IFAC), the apex body of the accounting profession, and was the Chair of the Professional Accountancy Organisation Development Committee of the IFAC.

He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and is a Chartered Global Management Accountant with a Bachelor of Science degree from the University of Colombo, MBA from the University of Strathclyde in the United Kingdom and a Master of Arts in Financial Economics from the University of Colombo.

MALIK J. FERNANDO

Non-Executive Director

Malik is the Founder of Resplendent Ceylon and is a graduate from Babson College, Boston, in 1989.

Reflecting his goal to make Sri Lanka a luxury destination, Ceylon Tea Trails is also the first Relais & Chateaux resort in Sri Lanka and the first Sri Lankan resort on the covert Conde Nast Gold List.

An advocate of incorporating sustainability, Malik spearheaded an initiative to conserve Peak Ridge Forest Corridor in 2021, where Resplendent Ceylon, the Wilderness and Wildlife Conservation Trust (WWCT), Dilmah Tea and other tea estates, sought to protect leopards in the Sri Lankan tea highlands.

ANJALI PIYASENA

Non-Executive Director

Appointed on 1st January 2025

Dr. Anjali Piyasena holds an MBBS from Tianjin Medical Institute, China, and is currently attached to the Cardiothoracic ICU at Sri Jayawardanapura General Hospital with 08 years of experience.

Senior Management Team

DR. LASANTHA KARUNASEKARA

CEO & Director Medical Services

Dr. Karunasekara, with a professional career spanning over 22 years joined Ceylon Hospitals PLC as Group CEO/ Director Medical Services from 1st January 2025, after having served two major hospitals groups with over a decade of C-suite experience. His last appointment was as Deputy CEO/ Director Medical Services of Lanka Hospitals PLC, encompassed a dual role of leading medical operations as well as driving strategic initiatives. He has also served as the Director General Manager of Hemas Hospitals.

Dr. Karunasekara is recognised as an exceptionally passionate strategic business leader with a track record of leading organisations to the next level of growth, turning around businesses, presenting and managing innovative new business solutions, strategic service and implementing change.

An alumnus of St. Thomas' College, Mount Lavinia he holds a Doctor of Medicine (MD) from Russian state medical university and advanced diversified qualifications across many areas to include an MBA (UK), CMA (Aus.), Lean Practitioner (ILM), and Certified Professional Coach (ICF).

MAHANIL PERERA

Chief Operating Officer

Drawing upon nearly three decades of experience in business development and Marketing, with over two decades dedicated to the senior management roles, he has consistently demonstrated his ability to translate strategic vision into operational excellence. As the most tenured member of the Senior Management Team, his leadership has been pivotal in orchestrating the expansion of the laboratory network, which now encompasses over 120 branches across Sri Lanka, establishing Durdans as a dominant force in laboratory services.

The commitment to professional excellence is reflected in academic credentials. He holds a Post Graduate Diploma in Marketing from the Sri Lanka Institute of Marketing and has earned a Master of Business Administration degree from Cardiff Metropolitan University in the United Kingdom. He holds a life membership in the Sri Lanka Institute of Marketing.

Beyond his operational responsibilities, he serves as Durdans Hospital's representative on several prestigious industry bodies, as a council member of the Private Health Services Regulatory Council (PHSRC). He also serves as the Vice President of the Association of Private Hospitals & Nursing Homes (APHNH) and representing as a member in the healthcare sector of the Tertiary and Vocational Education Commission (TVEC) and Ceylon Chamber of Commerce (CCC). His role as a founder member of the Private Medical Laboratory Association (PMLA) underscores his contributions to the development of the healthcare sector.

THUSITHA RUBASINGHE

Resigned effective from 31st March 2025

Chief Financial Officer

Thusitha Rubasinghe holds membership of both CA Sri Lanka and Institute of Certified Management Accountants of Sri Lanka. He counts well over 25 years of experience in the areas of Treasury Management, Management Accounting, Financial Accounting and Reporting, Auditing and Taxation. He has worked for Hayleys PLC, Tudawe Brothers, Sara Lee, Gateway International School and Ernst and Young. His industry exposure relates to such areas as Plantation, Construction, Shipping and Education.

VISHAKA TENNAKOON

Head of Internal Audit and Compliance

Vishaka Tennakoon brings over 30 years of experience in audit and assurance, risk and compliance, financial reporting, and management accounting within the retail and FMCG sectors. Prior to joining Durdans, she held positions at Unilever Sri Lanka and Softlogic PLC.

With a background in CIMA, her current role involves the implementation of internal controls, processes, corporate governance, and compliance measures.

Her expertise encompasses strategic audit management, operational audits, leadership and collaboration, inventory and risk management, as well as investigations and forensics related to governance and compliance.

CLIFFORD MARTIN

Head of Laboratory Operations

Clifford Martin is the Head of Laboratory Operations and has been with Durdans for over 7 years. He holds a Diploma in Business Management as well as a certification in Leadership Management from the Post Graduate Institute of Management, University of Sri Jayewardenepura. His experience entails more than 25 years spent in a senior managerial capacity at renowned Richard Pieris Distributors Ltd, Jay Kay Marketing Services constituent of conglomerate John Keells Holdings PLC and at Jacks of Fiji Ltd in the Fiji Islands. Clifford brings to the table experience in Customer Service, Care and Quality Management practices among many other areas.

SANDUN PERERA

Senior Manager – Business Development

Sandun Perera brings over 18 years of experience in the healthcare industry and holds a B.Com in Marketing Management from the University of Sri Jayewardenepura. At Durdans Hospital, he is responsible for driving the

Senior Management Team

company's sales revenue and developing new revenue streams, both locally and internationally, while also overseeing primary care services and general practitioner engagement.

He plays a key role in consultant relationship management, particularly in the surgical and cardiac sectors. Sandun also contributes to strengthening the hospital's Centers of Excellence by introducing the right mix of consultants across Strategic Business Units. His leadership in strategic sales planning, marketing campaign execution, and tailored client solutions continues to support the hospital's growth and enhance its market presence.

DR. SANKHA WILBAGEDARA

Senior Manager – Business Development

Dr. Sankha Wilbagedara serves as Senior Manager – Business Development at Durdans Hospital, leading Corporate Business Development, International Business, and Marketing Communications. He holds a Doctorate in Business Administration (DBA – USA) and is a distinguished postgraduate of the Sri Lanka Institute of Marketing (PG. Dip.Mkt(SL)), where he was awarded Best Student and Gold Medallist for his exceptional academic achievement.

Dr. Wilbagedara is a Professional Marketer of the Chartered Institute of Marketing UK (MCIM – UK), a Certified Professional Marketer (Asia Pacific), a Professional Marketer of the American Marketing Association (AMA – USA), and an Associate Chartered Professional Manager (ACPM). He is also a professional member of the Sri Lanka Institute of Marketing (SLIM).

With over 17 years' experience across healthcare, FMCG, finance, and printing sectors, he brings extensive strategic expertise in sales, marketing,

branding, and business development. His leadership continues to enhance Durdans Hospital's growth and profile, establishing it as a trusted partner among corporate and international healthcare clients. Dr. Wilbagedara is an award-winning marketer committed to driving excellence and innovation in healthcare business strategy.

SAMANTHA MAITHRIWARDANA

Senior Manager Operations

Samantha joined the Durdans Group in February 2024 as Senior Manager – Operations. He oversees several key operational areas, with a primary focus on Security, Fire Safety, Food and Beverage, Housekeeping, and Transport.

With extensive experience across the Apparel, Plastic, Aluminum, Non-stick, and Coir product industries, Samantha has held senior positions at renowned companies such as Brandix Apparel Solutions, Phoenix Industries, and Hayleys PLC. He brings 18 years of progressive experience in administration and 16 years in production to his current role.

Samantha holds a master's degree in business administration, specialising in Human Resource Management, and certifications in Quality Assurance, Standardisation Management, and GMP Standards from the Sri Lanka Standards Institution. He also possesses advanced skills in Machine Automation and Pneumatic Operations, developed through hands-on experience and specialised training in these areas.

ANJI RATWATTE

Head of Human Resources

Anji Ratwatte holds an LLB (Hons) from the University of London and an MBA (UK) from the University of Bedfordshire specialised in Human Resources Management. She counts well over 15 years in Industrial Relations, Training and Development, Grievance handling

and HR strategies for groups such as Hayleys PLC, John Keells PLC, Brandix Apparel and Hirdramani. She has over 10 years of experience holding managerial positions in Human Resources in Apparel and Hospitality Industry prior to joining Durdans Healthcare Group.

NISHADI UDESHIKA VITHANAGE

Senior Manager – Quality Assurance

Nishadi Udeshika Vithanage served as Senior Manager – Quality Assurance at Durdans Hospital until May 2025, bringing over a decade of experience in healthcare quality, patient safety, and accreditation. A qualified healthcare leader with an MBA in Health Management and a Fellowship from the International Society for Quality in Healthcare (ISQua), Ms. Vithanage played a pivotal role in driving strategic improvements in clinical governance and organisational performance.

She successfully led the hospital through its Joint Commission International (JCI) accreditation audit in 2024, ensuring full compliance with global standards and aligning hospital-wide systems with international benchmarks for patient safety and quality of care.

Ms. Vithanage's leadership extended beyond compliance, with a strong focus on organisational learning and capacity building. She designed and delivered comprehensive training programs on incident management, root cause analysis, clinical risk, and continuous quality improvement methodologies such as FMEA and PDSA. Her efforts in staff education, coaching, and mentoring cultivated a hospital-wide culture of safety and accountability.

She also facilitated key quality initiatives, including voice of customer assessments, internal clinical audits, and performance reviews, while promoting integration of best practices from leading global institutions such as AHRQ, IHI, WHO, and

NQF. Her work consistently elevated care standards and embedded a proactive approach to quality improvement across all departments.

DR. RAVI NANAYAKKARA

Deputy Director Medical Services

Dr.Ravi Nanayakkara joined Durdans in 2024 and plays a pivotal role in providing the best healthcare service to patients whilst coordinating all medical departments in his capacity as DDMS. He possesses nearly 25 yrs of extensive experience in Medical & Healthcare Administration and Clinical Medicine in both local and foreign reputed healthcare institutions.

Having commenced his medical career in the Government Sector S/L, he has served as a Medical Director in UAE and Saudi Arabia

Director Health for Plantation Sector and Project Director of World Bank ECD Project in the past.

Dr.Nanayakkara obtained his Doctor of Medicine degree from Pavlov State Medical University of St.Petersburg and holds an International MBA from Birmingham City University, UK.

ARUN HARIDHARSHAN

Head of Strategy

Arun Haridharshan possesses more than 10 years of experience in developing and implementing effective business strategies to optimise organisational productivity and performance. He has a proven track record of cultivating a culture that emphasises a shared vision and fosters collaboration towards achieving common goals. He holds a 1st Class Honours degree in Electronic Engineering from Sheffield Hallam University and a specialised MBA in Project Management from Cardiff Metropolitan University.

AVRIL KURUKULASURIYA

Senior Manager Supply Chain

With over 17 years of multifaceted experience across the FMCG, IT, Consumer Research, Advertising, and Insurance sectors, Avril Kurukulasuriya brings a wealth of cross-industry insight and operational excellence to the supply chain function. Her expertise lies in areas of strategic procurement, inventory management, supplier-relationship management and value-driven supply chain innovation. She has been awarded BSc.(Hons) Economics and Management by the University of London, London School of Economics.

DR DHARANI JAYASINGHE

Senior Manager – Medical Services

Dr Dharani Jayasinghe (MBBS, MBA) is a registered medical professional at the Sri Lanka Medical Council (SLMC) and possesses over 10 years of extensive experience in Surgery under the guidance of specialists in both government hospitals and reputed private healthcare institutions across the island. Dr Jayasinghe reports to the CEO & Director Medical Services and is a part of the clinical leadership heading all multispecialty surgical units at Durdans Hospital and plays an active role in enhancing cooperation between clinical departments, ensuring patient safety and satisfaction with desired clinical outcomes. Dr Jayasinghe joined Durdans Hospital in January 2024 as a Manager Medical Services (MMS) and played the leading role in opening the new Day Cases Centre in September 2024 and the dedicated outpatient Urology Clinic in December 2024. Dr Jayasinghe was promoted to Senior Manager Medical Services (SMMS) in January 2025 to further strengthen the medical services leadership and meet expectations on the patients and the clinicians.

RANGAJEEWA ABEYWICKRAMA

Head of Information Communication Technology

Rangajeewa Abeywickrama has over 21 years of experience in the field of IT in the Finance and Logistics Industry. Rangajeewa, who currently serves as the Head of IT and Communications Technology, joined Durdans in 2024. He is responsible for the Digital Transformation, IT Infrastructure and IT Security, Software Development, and 24-hour IT Operations in the hospital, reporting directly to the Executive Director.

He has previously worked as Head of IT at First Capital Holdings PLC and also worked AT MICRONET Information Systems (Pvt) Ltd, HS Cargo and Hayleys Advantis.

He holds a Bachelor of Science (BSc) in Information Technology from the IIC University of Technology, a Master of Business Administration from the University of Bedfordshire, UK, and a Master of Science (MSc) in Cyber Security from the University of Gloucestershire, UK.





“
OUR BUSINESS

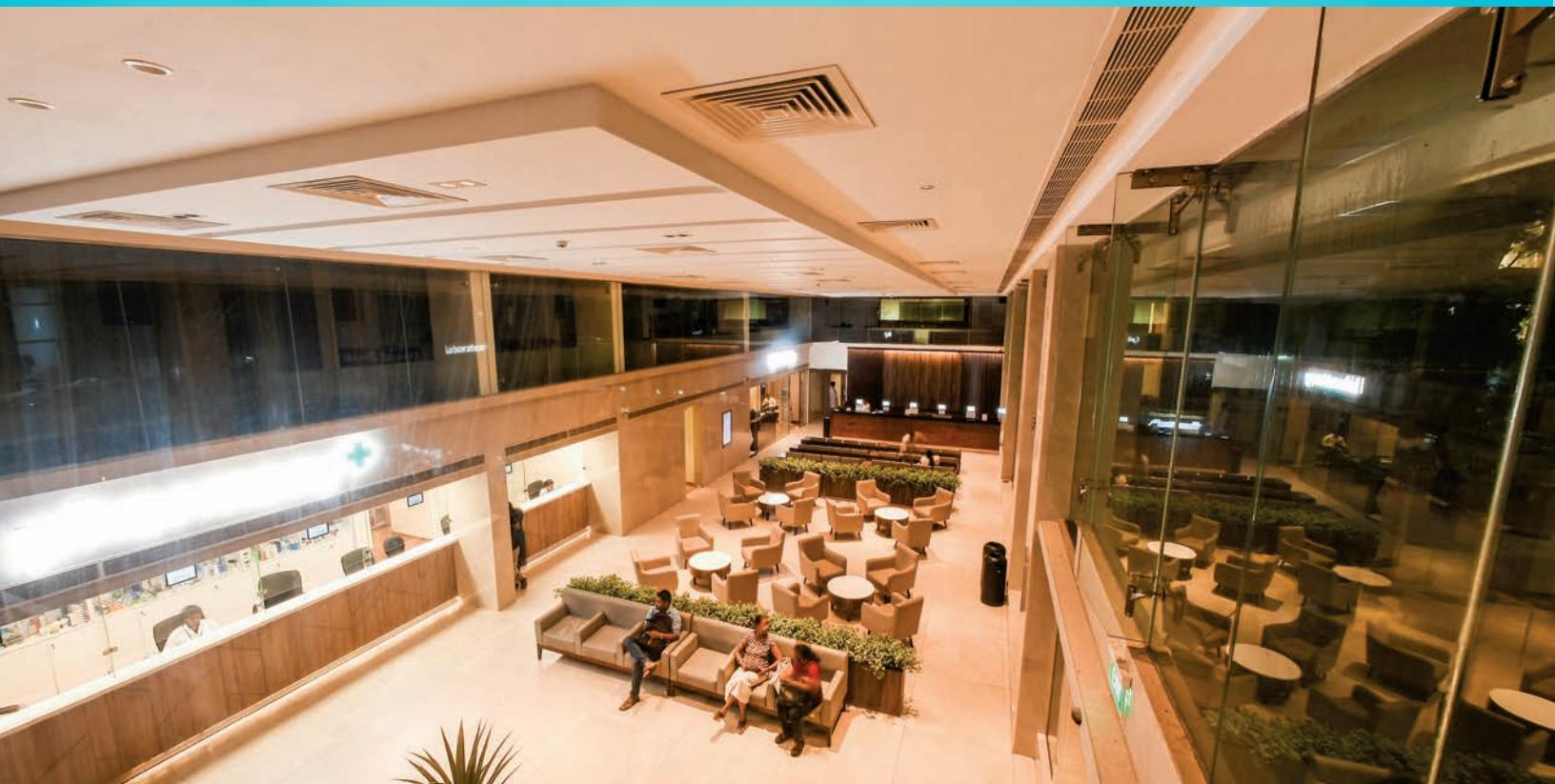
WITH DEEPLY INGRAINED VALUES OF CUSTOMER CARE, EMPATHY, COMPASSION, COMMITMENT, WE DELIVER A COMPREHENSIVE, UNRIVALLED APPROACH TOWARDS QUALITY AND HOLISTIC PATIENT CARE.

”

Our Business

Financial Capital

Financial Capital Comprises The Funds Essential Towards The Continuous Provision of Health Care Services, While Driving Value Across All Key Stakeholder Groups. The Prudent Management of The Hospital's Financial Capital Enables Long-Term Business Continuity And Stability.



FOCUS AREAS FOR 2024/25:

Revenue Growth and Operational Performance



We strengthened core hospital operations and broadened our service mix to meet evolving patient needs. The expansion of our diagnostics network and decentralised revenue channels further contributed to top-line growth. Concurrently, cost rationalisation programmes were implemented across departments to drive operational efficiency. Improvements in collection cycles and cash recovery mechanisms enhanced liquidity, while the introduction of transparent pricing strategies supported revenue integrity.

Capital Efficiency and Investment Discipline



During the year, we invested strategically in medical technology, digital platforms, and facility upgrades to enhance service quality and operational capability. Capital projects were prioritised based on alignment with strategic goals and expected returns, ensuring optimal deployment of resources. Procurement and vendor management processes were streamlined to reduce capital costs, while infrastructure development was phased to maintain financial balance across investment cycles.

Strengthening the Balance Sheet and Shareholder Value



We strengthened our capital structure by completing a rights issue to enhance the equity base and reinvesting retained earnings to support strategic expansion. Interest-bearing liabilities were restructured to reduce financing costs, while lease liabilities and off-balance-sheet exposures were proactively managed to maintain financial flexibility. Dividend decisions were guided by a disciplined approach, balancing profitability with reinvestment priorities.

Impacted Stakeholders:

Customers



Employees



Community



Regulators

Impacted SDGs:**Associated Capitals:**

Value Driver	Strategic Outcomes
Strengthened revenue performance through expanded services and decentralised channels	<ul style="list-style-type: none"> Sustainable earnings growth Improved service accessibility and patient volumes Enhanced resilience across service lines
Disciplined cost management and operational efficiencies	<ul style="list-style-type: none"> Improved profitability and operating margins Better resource utilisation across departments Increased capacity to reinvest in growth initiatives
Strategic capital investment in hospital infrastructure, medical technology, and diagnostics	<ul style="list-style-type: none"> Strengthened asset base supporting future scalability Improved diagnostic and clinical capabilities Reinforced position as a specialised care provider
Optimised capital expenditure through phased project execution and vendor efficiency	<ul style="list-style-type: none"> Balanced investment cycles and improved liquidity Cost-effective procurement and implementation Higher returns on capital deployed
Restructured financing and proactive liability management	<ul style="list-style-type: none"> Lower finance costs and improved interest coverage Strengthened balance sheet and credit position Enhanced investor confidence and financial stability
Strong operating cash flows and prudent reinvestment strategy	<ul style="list-style-type: none"> Self-funded growth capacity Reduced reliance on external financing Long-term financial sustainability
Adherence to dividend discipline and transparent financial reporting	<ul style="list-style-type: none"> Balanced shareholder returns and reinvestment needs Increased stakeholder trust and governance assurance Enhanced market perception and compliance culture

REVENUE AND COST OPTIMISATION

The financial year 2024/25 marked a gradual recovery for Sri Lanka's healthcare sector amidst a still-challenging economic backdrop. Although elevated utility costs and foreign exchange constraints continued to affect the industry, improving consumer sentiment and slightly better access to foreign currency contributed to a more stable operating environment compared to previous years.

Within this context, Durdans Hospital delivered a resilient financial performance, supported by targeted revenue initiatives and disciplined cost management. The Group recorded a 7% year-on-year increase in revenue, reaching Rs. 9.75 billion, sustaining the positive momentum built in the prior year.

Operational efficiencies and procurement optimisation contributed to a recovery in gross profit margin, which improved from

56% to 60%, with gross profit rising to Rs. 5.82 billion. This recovery was achieved despite ongoing inflationary pressures affecting input costs.

At the bottom line, net profit rose by 60% year-on-year to Rs. 726 million, with the net profit margin improving from 5% to 7%. This growth reflects continued financial stewardship and a focus on cost control, all while preserving the Group's commitment to uncompromised, high-quality patient care.

Our Business

Financial Capital

The Group's balance sheet continued to strengthen during the year, supported by improved liquidity and reduced financial leverage. The current asset ratio increased to 1.32 times, while the quick asset ratio improved to 1.00 times, reflecting enhanced short-term financial resilience. The debt-to-equity ratio decreased from 28% to 20%, underscoring the Group's commitment to deleveraging and maintaining a robust capital structure. However, the interest cover ratio declined slightly to 4.81 times, primarily due to higher borrowing costs and the conclusion of interest capitalisation related to the project in 2023/24 an area that remains under close management.

Financial Highlights - Group

Indicator	2020/21	2021/22	2022/23	2023/24	2024/25
Revenue (Rs. Mn)	5,546	7,840	7,905	9,153	9,751
Revenue Growth	-7%	41%	1%	16%	7%
Gross Profit (Rs. Mn)	3,494	4,961	4,811	5,139	5,822
Gross Profit Margin	63%	63%	61%	56%	60%
Net Profit (Rs. Mn)	600	1,110	652	454	726
Net Profit Margin	11%	14%	8%	5%	7%
Current Asset Ratio (Times)	1.37	1.93	1.65	1.18	1.32
Quick Asset Ratio (Times)	1.1	1.5	1.14	0.83	1.00
Debt to Equity Ratio	23%	24%	28%	28%	20%
Interest Cover (Times)	7.14	18.24	13.06	5.55	4.81

Other Operating Income

Indicator	2020/21	2021/22	2022/23	2023/24	2024/25
Other Operating Income (Rs. Mn)	63	26	111	205	285
Other Operating Income Growth	19%	-59%	327%	85%	39%

Finance Cost and Finance Income

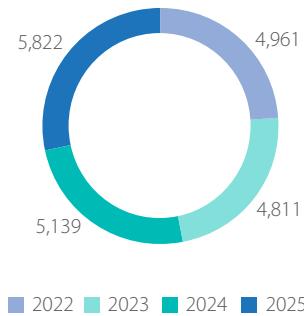
Indicator	2020/21	2021/22	2022/23	2023/24	2024/25
Finance Cost (Rs. Mn)	97	80	88	145	252
Finance Cost Growth	-31%	-18%	10%	64%	74%
Finance Income (Rs. Mn)	50	82	207	100	51
Finance Income Growth	-29%	64%	152%	-52%	-49%

Indicator	2020/21	2021/22	2022/23	2023/24	2024/25
Loan and Lease Interest (Rs. Mn)	73	76	74	100	216
Overdraft Interest (Rs. Mn)	20	0	9	38	31
Total	93	76	83	138	247

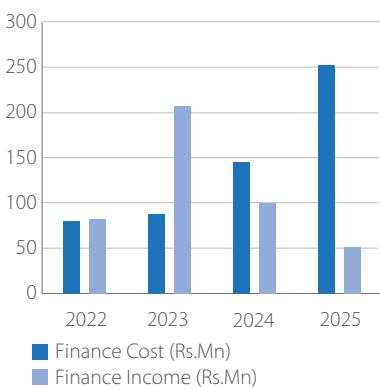
Net Profitability

Indicator	2020/21	2021/22	2022/23	2023/24	2024/25
PAT (Rs. Mn)	600	1,110	652	454	726
PAT Growth/Decline	29%	85%	-41%	-30%	60%

Gross Profit (Rs.Mn)
(Years)



Finance Income Vs Finance Cost
(Rs.Mn)



22%



Growth in Property Plant and Equipment

20%



Total Assets Growth

18 Bn



Total Assets

OUTLOOK

Looking ahead to 2025/26, the Group maintains a cautiously optimistic outlook. While macroeconomic challenges are expected to persist-particularly in relation to energy prices, currency fluctuations, and imported input costs the operating environment is projected to stabilise gradually.

In response, Durdans will continue to focus on revenue diversification and operational efficiency. Planned investments in specialised medical services, digital health platforms, and automation are expected to enhance service capacity while improving cost controls. Patient volume growth will remain a key priority, supported by ongoing service excellence and patient-centric care delivery.

Additionally, efforts to strengthen the financial position will continue, with a focus on working capital optimisation, prudent investment, and capital structure discipline to enhance liquidity and ensure long-term sustainability.

Overall, Durdans is well-prepared to adapt to evolving market conditions while advancing its mission to deliver world-class healthcare and sustainable value for all stakeholders.

Our Business

Manufactured Capital

As a key pillar of Durdans Hospital's ability to create long-term value, Manufactured Capital encompasses the hospital's physical infrastructure, including our cutting-edge equipment, state-of-the-art clinical and diagnostic facilities, and support services. Through consistent investments, upgrades, and strategic expansions, we continue to strengthen our capacity to deliver safe, efficient, and high-quality care. The enhancements outlined in this section are primarily focused on reinforcing our reputation for clinical excellence and operational resilience, while also directly improving patient satisfaction and staff well-being.



FOCUS AREAS FOR 2024/25:

Infrastructure Management and Expansion



We continuously expand and modernise our core hospital and support facilities to accommodate increasing patient demand, align with evolving models of care, and uphold international accreditation benchmarks. The ongoing expansion of our island-wide diagnostics network enhances accessibility and ensures continuity of care across the island.

Cutting-edge Medical Technology and Equipment



We strategically invest in next-generation medical technologies to enhance diagnostic precision, clinical outcomes, and patient safety. This includes continual upgrades to core hospital equipment and the introduction of pioneering innovations that strengthen Durdans' position as a leader in specialised care.

Integrated Facilities and Operations Management



We maintain hospital-wide functionality through a highly responsive, 24/7 engineering and operational support ecosystem. From building maintenance to utility management, our focus is on optimising performance, minimising downtime, and ensuring regulatory compliance and quality across all physical assets.

Impacted Stakeholders:

Customers



Employees



Community

Impacted SDGs:**Associated Capitals:**

Value Driver	Strategic Outcomes
269-bed capacity across critical and support facilities	<ul style="list-style-type: none"> Delivery of high-quality, comprehensive care Enhanced patient comfort and recovery Reinforced positioning as a centre of excellence in key specialisations such as cardiac and neurological care Alignment with evolving patient expectations and care models
Infrastructure expansion and introduction of new clinical disciplines	<ul style="list-style-type: none"> Diversified care offerings to address complex and emerging health needs Future-ready infrastructure aligned with international healthcare standards
Islandwide presence via 1,500+ lab locations (including urban, regional, and partner centres)	<ul style="list-style-type: none"> Improved geographic accessibility for diagnostics Strengthened national footprint and brand presence Enhanced patient convenience and faster turnaround times
Investment in advanced medical technologies (e.g., cardiac electrophysiology systems)	<ul style="list-style-type: none"> Elevated diagnostic accuracy and clinical precision Enhanced outcomes in high-acuity areas such as cardiology and neurology Sustained leadership in the private healthcare sector
Energy-efficient infrastructure and optimised maintenance systems	<ul style="list-style-type: none"> Improved operational efficiency and reliability Reduced downtime and resource consumption Long-term cost savings and environmental sustainability

INFRASTRUCTURE MANAGEMENT AND EXPANSION

Durdans Hospital operates with a total bed capacity of 269, distributed across a comprehensive range of patient care environments and clinical services. Our physical infrastructure constitutes our hospital complex in Colombo and the island-wide network of laboratories under our purview.

Critical Care Units –

Including the ICU, High Dependency Units, and a fully equipped Emergency Department with ambulatory services

Surgical Theatres –

State-of-the-art operating rooms designed to support a wide range of complex and minimally invasive surgical procedures.

General Wards and Rooms –

Offering inpatient services across surgical, medical, maternity, and other specialties

Day Case Surgery Unit –

Offering inpatient services across surgical, medical, maternity, and other specialties

Outpatient Department (OPD) –

Supporting consultations with medical officers and specialist channelling

Laboratory and Diagnostics Network –

An integrated islandwide infrastructure comprising medical centres, satellite and mini labs, and collection centres, ensuring timely and accessible diagnostic services that complement core clinical operations.

Support Facilities –

Including medical record rooms, nursing quarters, staff accommodation, food and beverage services, and public-facing areas such as the main lobby, all maintained to enhance safety, convenience, and service delivery.

Our Business

Manufactured Capital



42,512

sq. meters of building



269

beds



215

car park capacity

LABORATORY AND DIAGNOSTIC SERVICES

Durdans Hospital operates an extensive and integrated laboratory and diagnostic network designed to deliver fast, accurate, and accessible testing services across Sri Lanka. This network comprises a tiered system of facilities tailored to meet diverse patient needs and support clinical decision-making efficiently.

At the core are our Medical Centres, which provide a comprehensive suite of diagnostic services including laboratory tests, ECGs, X-rays, ultrasounds, echocardiograms, and specialist consultations. These centres act as regional hubs, serving both urban and semi-urban populations with high standards of care.

Supporting these are the Satellite Laboratories and Mini Labs, strategically distributed to ensure patients have convenient access to essential tests and health screening packages while circumventing the need to visit larger hospitals. Satellite labs offer a wider range of diagnostics, while mini labs focus on basic lab services and sample collection, enabling faster turnaround times.

In addition, Durdans operates a network of Collection Centres dedicated to sample collection for lab tests and ECGs, often with mobile and home visit options to increase accessibility, especially for patients with mobility challenges or those living in remote areas.

Our partnership with over 1,500 referral and third-party diagnostic locations further extends our capabilities, allowing access to specialised testing and ensuring comprehensive coverage nationwide. Continuous investments in automation and strategic relocations within the network optimise efficiency, accuracy, and cost-effectiveness-ensuring patients receive reliable diagnostic information promptly, empowering timely clinical interventions.

OUR NETWORK AT A GLANCE

6 Medical Centres

Comprehensive sites offering ECG, lab testing, X-ray, ultrasound, echocardiography, medical consultations, and mobile/home visits.

25 Mini Laboratories

Providing core diagnostic services, supporting outreach and smaller communities.

8 Satellite Laboratories

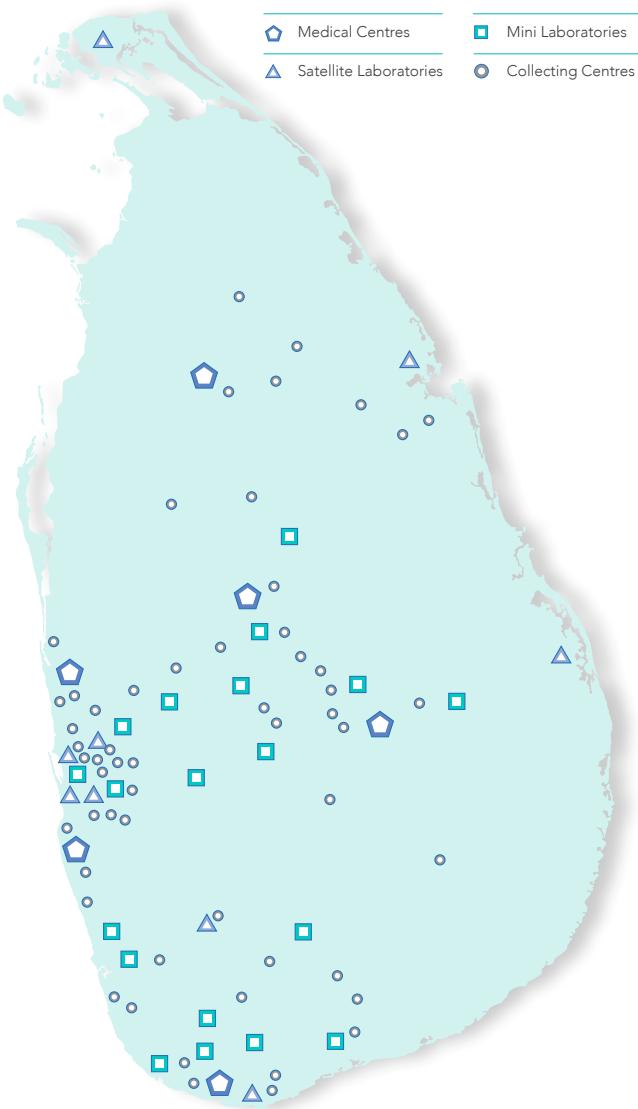
Serving OPD functions and laboratory services including basic investigations, ECG, and health packages.

84 Collection Centres

Dedicated to sample collection for laboratory investigations and home visit services.

1,500+ third-party referral partnerships

Enabling access to a wide range of diagnostic tests across the island.



Recent expansions include the upgrade of three collection centres to mini labs, and the conversion of one satellite lab into a full-fledged medical centre, reflecting our focus on bringing high-quality diagnostics closer to patients. Additionally, two new locations were included in Matara and Hambantota, thereby demonstrating our commitment towards enhancing accessibility to under-served locations.

123
total locations

05
upgrades

03
new branches

Please refer Intellectual Capital for more information on enhancements in our diagnostic capabilities during the year.

#	Type	Main lab	Location	Province
01	Medical Center	Anuradhapura	Anuradhapura	North Central
02	Mini Lab	Anuradhapura	Polonnaruwa	North Central
03	Mini Lab	Anuradhapura	Thambuttegama	North Central
04	Collection Centre	Anuradhapura	Anuradhapura - Bank Town	North Central
05	Collection Centre	Anuradhapura	Galgamuwa	North Central
06	Collection Centre	Anuradhapura	Horawpathana	North Central
07	Collection Centre	Anuradhapura	Kahatagasdigiliya	North Central
08	Collection Centre	Anuradhapura	Kebatigollawa	North Central
09	Collection Centre	Anuradhapura	Kekirawa	North Central
10	Collection Centre	Anuradhapura	Madawachchiya	North Central
11	Collection Centre	Anuradhapura	Vavuniya	North Central
12	Collection Centre	Bambalapitiya	Bambalapitiya	Western
13	Satellite Laboratory	Batticaloa	Batticaloa	Eastern
14	Mini Lab	Batticaloa	Kalmunai	Eastern
15	Medical Center	Galle	Galle	Southern
16	Mini Lab	Galle	Ambalangoda	Southern
17	Mini Lab	Galle	Karapitiya	Southern
18	Mini Lab	Galle	Udugama	Southern
19	Collection Centre	Galle	Ahangama	Southern
20	Collection Centre	Galle	Akurassa	Southern
21	Collection Centre	Galle	Baddegama	Southern
22	Collection Centre	Galle	Imaduwa	Southern
23	Collection Centre	Galle	Karapitiya Collecting	Southern
24	Collection Centre	Galle	Neluwa	Southern
25	Satellite Laboratory	Jaffna	Jaffna	Nothern
26	Collection Centre	Jaffna	Kilinochchiya	Nothern

Our Business

Manufactured Capital

#	Type	Main lab	Location	Province
27	Medical Center	Kalubowila	Morotuwa	Western
28	Satellite Laboratory	Kalubowila	Kalubowila	Western
29	Mini Lab	Kalubowila	Homagama	Western
30	Mini Lab	Kalubowila	Nagoda	Western
31	Mini Lab	Kalubowila	Wadduwa	Western
32	Collection Centre	Kalubowila	Aluthgama	Western
33	Collection Centre	Kalubowila	Bandaragama	Western
34	Collection Centre	Kalubowila	Beruwala	Western
35	Collection Centre	Kalubowila	Dharga Town	Western
36	Collection Centre	Kalubowila	Kottawa	Western
37	Collection Centre	Kalubowila	Maharagama	Western
38	Collection Centre	Kalubowila	Mathugama	Western
39	Collection Centre	Kalubowila	Mount Lavinia	Western
40	Collection Centre	Kalubowila	Padukka	Western
41	Collection Centre	Kalubowila	Panadura 2	Western
42	Collection Centre	Kalubowila	Panadura 3	Western
43	Collection Centre	Kalubowila	Piliyandala	Western
44	Collection Centre	Kalubowila	Ratmalana	Western
45	Collection Centre	Kalubowila	Wellawatta	Western
46	Medical Center	Kandy	Peradeniya Road	Central
47	Mini Lab	Kandy	Badulla Mini lab	Central
48	Mini Lab	Kandy	Hatton	Central
49	Mini Lab	Kandy	Katugastota	Central
50	Mini Lab	Kandy	Matale	Central
51	Mini Lab	Kandy	Monaragala	Central
52	Mini Lab	Kandy	Nawalapitiya	Central
53	Collection Centre	Kandy	Badulla CC	Central

#	Type	Main lab	Location	Province
54	Collection Centre	Kandy	Gampola	Central
55	Collection Centre	Kandy	Kandy - Keppetipola Mw	Central
56	Collection Centre	Kandy	Kandy - Wadugodapitiya Mw	Central
57	Collection Centre	Kandy	Kandy Nursing Home	Central
58	Collection Centre	Kandy	Kegalle	Central
59	Collection Centre	Kandy	Mahiyanganaya 2	Central
60	Collection Centre	Kandy	Mahiyawa	Central
61	Collection Centre	Kandy	Mawanalla	Central
62	Medical Center	Kurunegala	Kurunegala	Nothern Western
63	Mini Lab	Kurunegala	Kuliyapitiya	North Western
64	Mini Lab	Kurunegala	Dambulla	Nothern Western
65	Mini Lab	Kurunegala	Nawinna Hospital Branch	Nothern Western
66	Mini Lab	Kurunegala	Polgahawela	Nothern Western
67	Collection Centre	Kurunegala	Wariyapola	North Western
68	Collection Centre	Kurunegala	Galagedara	Nothern Western
69	Collection Centre	Kurunegala	Malsiripura	Nothern Western
70	Collection Centre	Kurunegala	Mawathagama	Nothern Western
71	Collection Centre	Kurunegala	Narammala	Nothern Western
72	Collection Centre	Kurunegala	Nawinna Medical Center	Nothern Western
73	Collection Centre	Kurunegala	Paragahadeniya	Nothern Western
74	Satellite Laboratory	Matara	Matara	Southern
75	Mini Lab	Matara	Debarawewa	Southern
76	Mini Lab	Matara	Thangalla	Southern
77	Collection Centre	Matara	Ambalantota	Southern

#	Type	Main lab	Location	Province
78	Collection Centre	Matara	Deiyandara	Southern
79	Collection Centre	Matara	Embilipitiya	Southern
80	Collection Centre	Matara	Kamburupitiya	Southern
81	Collection Centre	Matara	Kekunadara	Southern
82	Collection Centre	Matara	Uyanwatta	Southern
83	Collection Centre	Matara	Walasmulla	Southern
84	Collection Centre	Negombo	Katana	Western
85	Collection Centre	Negombo	Marawila	Western
86	Medical Center	Negombo	Negombo	Western
87	Collection Centre	Negombo	Chilaw	Western
88	Collection Centre	Negombo	Divulapitiya	Western
89	Collection Centre	Negombo	Kochchikade	Western
90	Collection Centre	Negombo	Wennappuwa	Western
91	Satellite Laboratory	Norris Canal	Norris Canal	Western
92	Mini Lab	Norris Canal	Castle Street	Western
93	Collection Centre	Norris Canal	Battaramulla	Western
94	Collection Centre	Norris Canal	Boralla	Western
95	Collection Centre	Norris Canal	Golden key Hospital Boralla	Western
96	Collection Centre	Norris Canal	Grandpass	Western
97	Collection Centre	Norris Canal	Kaduwela	Western
98	Collection Centre	Norris Canal	Kolonnawa	Western
99	Collection Centre	Norris Canal	Malabe	Western
100	Collection Centre	Norris Canal	Maligawatta	Western

#	Type	Main lab	Location	Province
101	Collection Centre	Norris Canal	Maradana	Western
102	Collection Centre	Norris Canal	Narahenpita	Western
103	Collection Centre	Norris Canal	Sri Jayawardanapura	Western
104	Satellite Laboratory	Ragama	Ragama	Western
105	Mini Lab	Ragama	Wathupitiwala	Western
106	Collection Centre	Ragama	Gampaha	Western
107	Collection Centre	Ragama	Ganemulla	Western
108	Collection Centre	Ragama	Hendala	Western
109	Collection Centre	Ragama	Kadawatha	Western
110	Collection Centre	Ragama	Kandana	Western
111	Collection Centre	Ragama	Kandana2	Western
112	Collection Centre	Ragama	Kiribathgoda	Western
113	Collection Centre	Ragama	Mahabage	Western
114	Collection Centre	Ragama	Mawaramandiya	Western
115	Collection Centre	Ragama	Rilaulla	Western
116	Collection Centre	Ragama	Veyangoda	Western
117	Collection Centre	Ragama	Wattala	Western
118	Satellite Laboratory	Rathnapura	Rathnapura	Sabaragamuwa
119	Mini Lab	Ratnapura	Awissawella	Sabaragamuwa
120	Mini Lab	Ratnapura	Balangoda	Sabaragamuwa
121	Satellite Laboratory	Trincomalee	Trincomalee	Eastern
122	Collection Centre	Trincomalee	Kantale	Eastern
123	Collection Centre	Trincomalee	Trincomalee - Dyke Street	Eastern

Our Business

Manufactured Capital

Progress in 2025:

We continued to strengthen our physical infrastructure with a dual focus on scaling core capacities and enhancing its patient care environment. The year marked the successful conclusion of our landmark Vision 2022 infrastructure development initiative, encompassing LKR 2.0 billion in investments dedicated towards modernising both clinical and non-clinical spaces.

Wellness Centre	A pioneering private-sector facility in Sri Lanka, the Wellness Centre provides specialised rehabilitation services for patients recovering from cardiac, orthopaedic, and various medical conditions. Designed to offer a comprehensive, multidisciplinary approach to rehabilitation, the centre integrates advanced therapies and personalised care plans, supporting patients' recovery and long-term wellness in a comfortable and supportive environment. 
Dedicated Urological Clinic	This specialised outpatient unit is equipped to handle a wide range of urological consultations and minor procedural interventions that do not require full theatre facilities. The clinic enhances patient convenience by providing timely diagnostics and treatments in a focused setting, improving clinical outcomes and reducing hospital stay durations. 
Medical Record Room	To align with Joint Commission International (JCI) standards, the Medical Record Room has been expanded and relocated to a secure facility featuring strict access control. Updated standard operating procedures (SOPs) and daily Visual Health Data (VHD) audits ensure accurate, confidential, and timely management of patient records, with strict adherence to data transfer timelines (within 48 hours). 
Lobby and Ward Refurbishments	As part of an ongoing modernisation effort, phased refurbishments are underway across multiple floors of the Durdans Medical and Surgical Hospital (DMSH). These upgrades focus on enhancing patient comfort and improving the aesthetic appeal of the hospital environment. Currently, renovations are in progress on four to five additional floors, aiming to create a more welcoming and healing atmosphere. 
Staff Facilities	Recognising the importance of staff welfare and operational efficiency, significant improvements have been made to staff amenities. This includes upgraded changing rooms designed for enhanced comfort and hygiene. Additionally, on-site accommodation has been provided for nursing staff and Nursing Training School (NTS) students, who have also been relocated within hospital premises to facilitate better integration of theoretical and clinical training. 
Food & Beverage (F&B) Department	The F&B department has undergone a comprehensive renovation to meet stringent JCI hygiene and workflow standards. Operational redesigns have streamlined food preparation and delivery processes, enabling round-the-clock service that aligns with patient safety protocols and dietary requirements. 
Laundry Operations	Laundry services have been expanded and upgraded to meet the growing demand while maintaining strict infection control standards. Enhancements focus on improving operational efficiency, sustainability through energy-saving measures, and ensuring continuous, reliable service that supports patient safety and hygiene across the hospital. 

CUTTING-EDGE MEDICAL TECHNOLOGY AND EQUIPMENT

We have continued to modernise our clinical capabilities through focused investment in high-performance medical technology. In the current reporting year alone, LKR 0.5 billion was allocated toward medical equipment upgrades, including:

Equipment/Technology	Outcome
Abbott WorkMate Claris 2D electrophysiological system	The most advanced of its kind in Sri Lanka, bolstering our position in cardiac rhythm diagnostics and interventions
Diagnostic and Investigations	
1 Ultrasonic Dental Scaler Machine	1 Exercise ECG System
2 Infrared Therapy Lamp	2 Hemodynamic System
3 Shock Wave Therapy	3 EP Study System
4 Ultrasound Therapy	
5 Ultrasound Machines	
Cardiac	
	1 Anesthetic Vaporisers
	2 Battery Operated Drill System
	3 OT Tables
	4 Surgical Generators
	5 Syringe Pumps
Surgical Equipments	

INTEGRATED FACILITIES AND OPERATIONS MANAGEMENT

Operational excellence at Durdans Hospital is underpinned by a comprehensive, integrated approach to facilities and infrastructure management. With patient safety, comfort, and service continuity at its core, our model ensures all physical assets and operational systems function seamlessly around the clock.

Maintenance and Engineering

A dedicated, 24/7 engineering and maintenance team oversees both preventive and reactive maintenance across all hospital sites, ensuring minimal disruption and sustained functionality. We strive to uphold the highest standards of efficiency through standardised processes and ongoing renovations and upgrades to ensure all facilities remain up-to-date.

Tracking and Visibility:	Timely Resolution:	Scheduled Servicing:	Continuous Upgrades:
<ul style="list-style-type: none"> All maintenance and service requests are logged through a centralised job card system. The team is currently transitioning to a fully automated platform to improve visibility, response time, and long-term performance tracking. 	<ul style="list-style-type: none"> Minor issues are resolved within two hours, while more complex or recurring concerns are escalated as standalone engineering projects, and managed internally from planning to execution to ensure improved oversight. 	<ul style="list-style-type: none"> Regular servicing schedules are maintained for medical infrastructure, building systems, utilities, and safety-critical installations to prevent downtime. 	<ul style="list-style-type: none"> Recent improvements include the installation of high-efficiency air conditioning chillers, modernisation of elevators (including machine-room-less technology), and fire safety enhancements to align with evolving regulatory and safety standards.

Supporting Operational Continuity and Safety

Ensuring uninterrupted, safe, and efficient hospital operations requires strong foundational infrastructure beyond clinical facilities. At Durdans, key systems such as fire safety, security, transport, and utilities are designed and maintained with a focus on resilience, regulatory compliance, and patient and staff well-being. The following areas outline how these support functions contribute to the hospital's overall performance and sustainability.

Our Business

Manufactured Capital

Fire Safety Infrastructure	Security and Communications Infrastructure	Fleet Management	Utility Infrastructure
<ul style="list-style-type: none"> Fire safety is embedded into the hospital's infrastructure through a well-maintained network of systems and equipment. Upgrades and inspections are carried out regularly, with a dedicated team overseeing fire detection, suppression systems, and emergency exits. These systems are aligned with national fire regulations and are supported by inspections from the Sri Lanka Fire Department and guidance from independent safety consultants. 	<ul style="list-style-type: none"> Security and communications are tightly integrated to support safe, coordinated hospital operations. Comprehensive CCTV surveillance-managed by independent providers covers all critical zones of the hospital, thereby ensuring robust monitoring and traceability. 	<ul style="list-style-type: none"> Durdans' medical transport services are supported by a dedicated fleet of ambulances, including two newly acquired vehicles and one repurposed van. This ensures consistent coverage for both emergency transfers and routine patient transport. Strategic partnerships with third-party providers offer additional flexibility and responsiveness during peak demand or special cases. Regular servicing and oversight ensure all vehicles meet safety, hygiene, and operational standards. 	<ul style="list-style-type: none"> To safeguard continuity of care, utility infrastructure is built for resilience and redundancy. Power systems include multiple generators with external connection points, while water supply is supported by underground storage tanks and third-party agreements. Dual air chiller systems provide stable environmental control across the hospital, with recent upgrades focused on energy savings and reliability. These measures not only improve operational resilience but also support broader sustainability goals, with resource efficiency and environmental impact.



Please refer Natural Capital for more information on our management of utilities and resource responsibility



Please refer Human Capital for more information on our approach towards occupational health and safety

FUTURE OUTLOOK:

• Continued Facility Upgrades and Developments

Continued phased renovations of inpatient wards, outpatient areas, and public spaces to enhance patient experience, safety, and comfort in line with global care standards.

• Expansion of Laboratory Network

Strategic expansion of satellite labs and medical centres, particularly in high-demand and underserved regions, to increase diagnostics accessibility and operational reach.

• Sustainable Infrastructure Initiatives

Focused efforts to improve resource efficiency through energy-saving infrastructure upgrades, water conservation systems, and environmentally responsible building practices.

• Operational Excellence

Over 12 cross-functional projects are currently underway to enhance operational efficiency and patient experience. These initiatives are largely focused on improving SOPs, reducing utility costs, encouraging sustainable staff behaviour, and strengthening customer care delivery.

Our Business

Intellectual Capital

At Durdans Hospital, intellectual capital is driven by our advanced systems, optimised processes, and deep clinical and operational expertise. This enables us to deliver consistent value through efficient, high-quality care. Our stringent quality assurance mechanisms and adherence to internationally recognised standards, including JCI accreditation, further reinforce our commitment to excellence. Together, these elements ensure we maintain a competitive edge while continuously enhancing patient outcomes and service delivery.



FOCUS AREAS FOR 2024/25:

Quality Assurance and Safety Standards



We are committed to delivering safe, secure, and high-quality care that aligns with global benchmarks through rigorous quality assurance protocols and continuous monitoring. Our adherence to international standards, including JCI accreditation, reflects strong clinical governance and institutional oversight, reinforcing trust and accountability across all levels of care.

Digital Transformation



We are leveraging digital transformation to streamline workflows, reduce lead times, and enhance the patient experience. By integrating intelligent systems and automating manual processes, Durdans continues to drive operational efficiency while improving accuracy and responsiveness in service delivery.

Knowledge Management



Our investment in knowledge development is rooted in building a skilled, future-ready healthcare workforce. Through continuous professional training, structured knowledge-sharing, and capacity-building initiatives, reinforced by the Amrak Institute of Medical Sciences, we are empowering countless Sri Lankans to be at the forefront of clinical excellence and healthcare innovation.

Our Business

Intellectual Capital

Impacted Stakeholders:



Impacted SDGs:



Associated Capitals:



Value Driver	Strategic Outcomes
Comprehensive Quality & Patient Safety Framework	<ul style="list-style-type: none"> Delivers safe, ethical, and patient-centered care aligned with JCI standards Strengthens governance and compliance across clinical and operational areas Reinforces institutional trust and patient satisfaction
Evidence-Based Risk Management & Monitoring	<ul style="list-style-type: none"> Proactively reduces clinical and operational risks Drives continuous improvement across departments Enhances overall safety, accountability, and efficiency
Workforce Training & Capability Development	<ul style="list-style-type: none"> Builds a resilient, agile, and highly skilled healthcare workforce Embeds continuous learning into culture and performance Supports innovation and patient-centered service delivery
Digital Transformation & IT Modernisation	<ul style="list-style-type: none"> Streamlines hospital operations and improves care delivery Enhances cybersecurity and real-time data access Reduces environmental impact and supports long-term scalability
Knowledge Management Systems	<ul style="list-style-type: none"> Preserves institutional knowledge and protocols Encourages interdisciplinary collaboration and learning Fuels innovation and decision-making through evidence-based practices
Allied Health Education & Talent Pipeline	<ul style="list-style-type: none"> Trains future-ready Allied Health professionals through academic and clinical integration Supports national healthcare needs and Durdans' workforce development Enhances institutional impact through international partnerships and degree pathways

QUALITY ASSURANCE AND SAFETY STANDARDS

At Durdans Hospital, our unwavering commitment to excellence is reflected in a comprehensive quality and patient safety framework grounded in Joint Commission International (JCI) standards and aligned with national regulatory requirements. Through strong governance, systematic monitoring, staff engagement, and continuous improvement initiatives, we ensure the delivery of safe, patient-centered, and ethically sound healthcare services.

Governance and Oversight

Quality and safety at Durdans are driven by a structured, multidisciplinary governance model, outlined below:

Strategic Direction and Oversight:



Quality and Patient Safety Board Sub-Committee

The Quality and Patient Safety Board Sub-Committee at Durdans Hospital is a multidisciplinary leadership body comprising independent Board Directors, the Chief Executive Officer (CEO), experienced clinicians, senior management personnel, and the Head of Audit and Compliance. This group ensures strategic oversight of quality and safety across all aspects of hospital operations, based on a balanced perspective by integrating strategic, operational, and clinical expertise.



Core Responsibilities:

- Align quality management initiatives with the hospital's strategic direction.
- Drive continuous quality improvement through evidence-based interventions and performance reviews.
- Monitor and evaluate key quality and patient safety indicators across departments.
- Lead patient safety and risk management activities, including the review of incident reports and mitigation planning.
- Ensure full compliance with national healthcare regulations and Joint Commission International (JCI) accreditation standards.
- Maintain a state of continuous readiness for accreditation audits and external evaluations.
- Approve and update hospital policies, SOPs, clinical protocols, and ethical guidelines in line with national standards.
- Oversee staff training, professional development, and hospital-wide emergency preparedness initiatives.
- Ensure accountability and coordination across key subcommittees by monitoring their performance

Sub-Committees:

• Pharmacotherapeutic Committee	• Ethics Committee	• Facility Management and Safety Committee
• Infection Prevention and Control Committee	• Code Blue and Resuscitation Committee	
• Antibiotic Stewardship Committee	• Anesthesia and Critical Care Committee	

Execution and Implementation:



Quality Assurance Team

Operationalises quality initiatives, conducts audits, and monitors department-level performance through Quality Representatives embedded in each unit.

CORE AREAS OF QUALITY ASSURANCE AND SAFETY

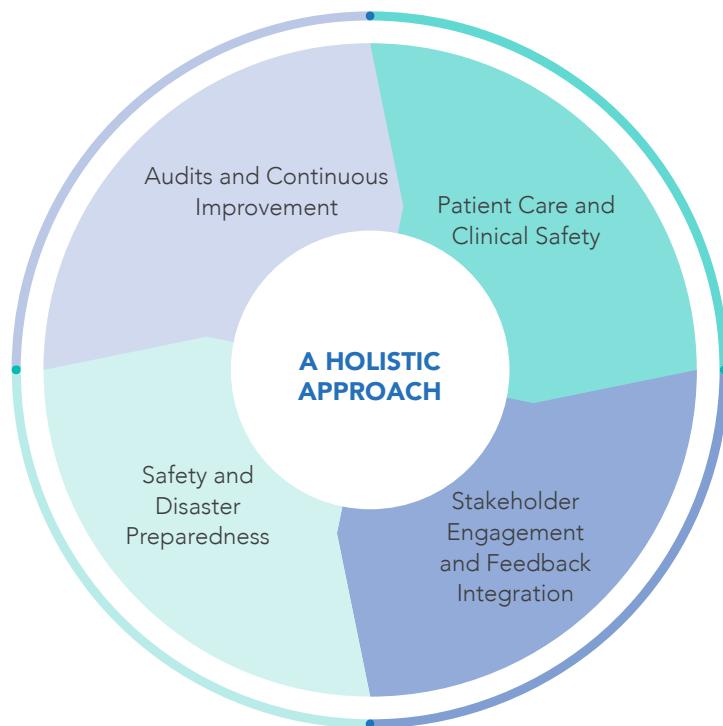
We are committed to delivering healthcare that is safe, effective, and patient-centered. Our approach to quality assurance and safety is holistic, not simply focusing on clinical outcomes, but expanding into operational efficiency, staff well-being, and patient satisfaction.

By integrating evidence-based practices, continuous monitoring, and proactive risk management, we ensure that every aspect of care meets the highest standards. We believe that quality is a continuous journey, driven by a culture of learning, accountability, and collaboration. Through a comprehensive framework of policies, performance

monitoring, staff engagement, and safety preparedness, Durdans Hospital remains dedicated to providing exceptional care and ensuring the safety and satisfaction of every patient we serve.

Our Business

Intellectual Capital



100+
quality indicators
monitored

JCI
accreditation for the
10th consecutive year

99%
prescription chart
compliance rate (6% ↑
year-on-year)

Clinical Risk Management:	We continuously monitor and assess potential risks to patient safety, including medication errors, surgical complications, and hospital-acquired infections (HAs). Robust risk management protocols are in place to mitigate these risks and improve patient outcomes.
Standardised Clinical Protocols:	Our healthcare delivery is governed by evidence-based clinical protocols and Standard Operating Procedures (SOPs), which ensure consistency and quality across all medical interventions.
Infection Control:	Strict infection prevention protocols are followed throughout the hospital to minimise the risk of HAs. This includes regular hand hygiene audits, sterilisation practices, and mandatory training on infection control for all clinical and non-clinical staff.
Medication and Antimicrobial Safety:	To reduce the risks of medication errors, we have integrated clinical pharmacists into patient care teams, digitised prescription systems, and standardised medication storage and management protocols. Additionally, our Antimicrobial Stewardship Program adheres to WHO AWaRe guidelines, and includes daily antimicrobial use monitoring, prescribing audits, and regular Point Prevalence Surveys (PPS).

Patient Care and Safety

Our care delivery is guided by regularly updated Standard Operating Procedures (SOPs), clinical protocols, and ethical guidelines, developed in line with international best practices and national standards. These mechanisms ensure consistency, compliance, and alignment with evolving healthcare requirements.

We monitor performance through over 100 quality indicators across all hospital functions-ranging from patient safety and clinical outcomes to operational efficiency and patient satisfaction. Data is analysed through structured committee meetings to facilitate informed, timely interventions.

Clinical and Critical Care Enhancements:	To further enhance clinical care, we have established advanced systems for critical patient monitoring. The clinical alarm alert systems in our ICUs are designed to promptly identify and respond to any changes in patient conditions. We have also established standard SOPs for managing adverse drug events and patient-owned medications, and through biweekly audits, we have increased prescription chart compliance from 93% to 99%, ensuring higher accuracy in medication administration.
Clinical Competency and Process Efficiency :	Ongoing education and training are key to maintaining high clinical competency. We conduct regular assessments of staff performance to ensure that clinical staff meet the required standards for quality care and safety. Additionally, we have streamlined medical record management by digitising admission and discharge logs and ensuring timely receipt of records within 48 hours post-discharge, improving both operational efficiency and continuity of care.
Equipment Safety Protocols:	A comprehensive Laser Safety Program was rolled out during the year, including strict protocols for securing laser equipment. A dedicated Laser Safety Officer (LSO) oversees the safety of laser equipment use, ensuring compliance with safety standards and regular staff training to mitigate risks.

STAKEHOLDER ENGAGEMENT AND FEEDBACK INTEGRATION

We uphold a commitment to delivering high-quality healthcare through an integrated approach to staff engagement and patient feedback. We recognise that the active involvement of our staff, coupled with systematic collection and application of patient feedback, forms the cornerstone of continuous improvement and ensures the highest standards of care.

Employee Engagement

We place a significant emphasis on clear communication, accountability, and professional development to engage our staff and ensure consistent delivery of high-quality patient care.

Patient Feedback Integration

Patient feedback is an essential component of our quality assurance processes. At Durdans Hospital, we actively obtain patient insights via diverse channels to guide improvements in care delivery and enhance their experience.

 **4,222**
patients provided feedback

Effective Communication and Collaborative Problem-Solving

Regular meetings between hospital administration and departmental quality representatives are held to ensure alignment between organisational objectives and operational performance. These meetings facilitate transparent communication, encourage collaborative problem-solving, and foster accountability at all levels of the organisation. Through these engagements, we ensure that both clinical and support staff contribute meaningfully to the hospital's quality and safety initiatives.

Performance Monitoring and Continuous Professional Development

The performance of staff is regularly assessed through key performance indicators (KPIs), which include metrics related to clinical competency, documentation accuracy, and patient satisfaction. These indicators provide a comprehensive framework for monitoring individual and departmental performance, highlighting areas for professional development. A structured feedback mechanism ensures staff receive timely support and guidance, fostering an environment of continuous improvement and skill enhancement.

 **100%**
complaints resolution

 **84**
customer satisfaction rate (NPS Score)

Our Business

Intellectual Capital

Systematic Collection of Patient Feedback

- We employ multiple structured methods for gathering patient feedback, including satisfaction surveys, Net Promoter Scores (NPS), and an organised complaint tracking system. These tools capture a comprehensive view of the patient experience, covering key areas such as nursing care, clinical services, facility cleanliness, and communication. This data serves as a valuable resource for identifying trends and areas requiring attention.

Analysis and Review of Feedback

- Collected feedback is analysed and reviewed in weekly customer complaint review meetings, where relevant departmental heads and quality representatives assess the issues raised by patients. These meetings enable the identification of recurring concerns and the implementation of corrective actions. Additionally, monthly Quality and Patient Safety Committee meetings provide an opportunity to review aggregated feedback and patient outcomes, guiding broader quality improvement initiatives.

Incorporation of Feedback into Clinical and Operational Practices

- Insights gained from patient feedback are directly integrated into clinical practice, operational procedures, and service standards. When recurring issues or concerns are identified, corrective measures may include revisions to clinical protocols, staff training programs, or service delivery standards. This ensures that patient feedback is not only acknowledged but also results in tangible improvements that enhance patient care.

Monitoring and Continuous Improvement

- The effectiveness of changes made in response to patient feedback is regularly monitored through ongoing evaluations. This ensures that adjustments to practices and processes lead to measurable improvements in patient care and experience. By integrating patient feedback with performance monitoring and quality metrics, we maintain a dynamic and responsive approach to care delivery.

Safety and Disaster Preparedness

Occupational Health and Safety

The safety of our hospital environment is fundamental to ensuring the well-being of both our staff and patients. A safe and secure workplace not only protects our employees but also directly contributes to the quality of care we provide to our patients. Our comprehensive Occupational Health and Safety practices include:

Routine Safety Audits:



Regular safety audits are conducted to identify any environmental or clinical hazards, with corrective measures implemented immediately.

PPE Compliance:



Strict compliance with Personal Protective Equipment (PPE) guidelines is enforced, particularly in high-risk areas such as intensive care and isolation units.

Hazardous Materials Management:



All hazardous materials, including chemicals and biological agents, are managed in accordance with Globally Harmonised System (GHS) standards. A digitised hazardous material register ensures proper handling and safety procedures.

Training Programs:



Staff are regularly trained on safety protocols, including infection prevention, chemical safety, and emergency response procedures.

Chemical and Mercury Spill Drills:



Regular drills are held to train staff on the appropriate procedures for handling chemical or mercury spills, enhancing preparedness for such incidents.

Emergency Response and Disaster Preparedness

To enhance our emergency response capabilities, we have implemented several key measures that ensure rapid, coordinated action in the face of unforeseen situations:

Disaster Management SOPs:

Comprehensive SOPs designed to ensure a structured, efficient response to any emergency.

Our Standard Operating Procedures (SOPs) for disaster management have been regularly reviewed and updated to incorporate the latest national and international guidelines.

Mock Drills and Training:

A comprehensive calendar of hospital-wide mock drills has been established to simulate various emergency scenarios.

These include fire evacuations, internal and external disasters, and specific code situations such as Code Violet (critical situations involving violence/aggression) and Code Pink (child abduction). These drills help familiarise staff with emergency protocols, ensuring swift and coordinated actions in real-world situations.

Preconstruction Risk Assessment (PCRA):

Our PCRA process identifies potential safety hazards before the commencement of any construction or renovation work.

The procedure was strengthened with a newly developed SOP that ensures multidisciplinary involvement at every stage. Compliance with this assessment is monitored through audits and timely corrective actions for contractors.

Rapid Response and Code Blue Teams:

To address critical medical emergencies, we have established specialised response teams:

Rapid Response Team: This team is equipped to handle acute clinical emergencies, ensuring rapid intervention for deteriorating patients.

Code Blue Team: Activated in cases of cardiac or respiratory arrest, this team provides immediate, life-saving interventions to stabilise patients.

Fire and External/ Internal Disaster Drills:

Regular drills for fire emergencies and external/internal disaster scenarios are conducted.

Drills such as earthquakes or large-scale accidents) ensure that staff are well-prepared to handle any catastrophic event, maintaining patient and staff safety.

COMMITMENT TO CONTINUOUS IMPROVEMENT

Our commitment to continuous improvement ensures that we regularly assess and improve safety and patient care standards:

Incident Reporting:

- An efficient incident reporting system allows for the identification of any safety issues, enabling timely investigation, corrective actions, and preventive measures to prevent recurrence.

Audits and Monitoring:

- Routine audits of patient care practices, including clinical documentation, infection control procedures, and environmental safety, help identify areas for improvement. Findings are reviewed regularly through relevant committees to ensure corrective actions are implemented.

Staff Engagement and Training:

- We engage staff at all levels to ensure full participation in safety protocols. Regular training, alongside feedback mechanisms, ensures that all employees are aware of and compliant with hospital safety and clinical standards.

Our Business

Intellectual Capital

Audits Conducted in 2024/25:

By leveraging audit findings, Durdans Hospital continuously enhances its processes and remains committed to aligning its practices with international best practices and accreditation standards.

A wide range of audits across diverse functions were conducted during the year. They included but were not limited to:

Category	Audit Type	Frequency
Clinical Safety & Quality	International Patient Safety Goals (IPSG) Audit	Quarterly
	Medication Storage Audits	Quarterly
	Prescription Audits	Monthly
	Medication Administration Audit	Twice a year
	Clinical Pathway Compliance Audit	Quarterly
	Pre- and Post-operative Diagnosis Matching Audit	Monthly
	Point Prevalence Surveys on Antimicrobial Use	Monthly
Medical Records & Documentation	Open and Closed Medical Record Reviews	Every other month
	OPD Medical Records Audit	Quarterly
Operational Efficiency	Food Services and Food & Beverage Audits	Monthly
	Facility and Environmental Safety Audits	Weekly (Facility), Quarterly (Environmental)
Infection Control & Safety	Hand Hygiene, Care Bundle, Central Sterile Services Department, Bio-Medical Waste, Mortuary, and Laundry Audits	Monthly/Quarterly
	Hazardous Material Management Audit	Twice a year
	Regulatory Compliance Review	Quarterly
Staff Engagement & Safety Culture	Culture of Safety Survey	Twice a year

The results of these audits and surveys were discussed during committee meetings, such as those held by the Quality and Patient Safety Committee, Infection Control Committee, Pharmacotherapeutic Committee (PTC), and others. This collaborative approach ensures that the findings drive meaningful improvements.

Following each audit, various interventions are implemented, including:

- Revisions to existing policies and procedures
- Development of new Standard Operating Procedures (SOPs)
- Targeted training and re-training programs to address identified gaps
- Department-specific quality improvement initiatives

These measures have led to measurable improvements in compliance, patient safety practices, medication safety, infection control, environmental safety, and overall patient care quality.

Throughout the year, significant improvements have been observed in areas such as nursing communication, timeliness of discharge, and food services, contributing to higher satisfaction scores. Enhanced digital billing systems and cleanliness initiatives have further elevated the patient experience. These ongoing efforts reflect Durdans Hospital's unwavering commitment to delivering safe, high-quality, and patient-focused care.

Digital Transformation

The Durdans Healthcare Group's ICT Department plays a vital role in supporting the hospital's mission of

delivering exceptional healthcare services. Our team comprises a range of IT professionals with the capacity to provide essential IT solutions encompassing systems management, data processing, storage, IT security, network administration, and PC support. These services support both the hospital's operations and third-party systems integral to healthcare delivery.

We manage a robust infrastructure, including approximately 1,000 computers (in-house and external labs) and 103 laptops within our network. Over the past year, we have transformed our IT environment to meet modern standards, ensuring a secure and efficient network alongside a state-of-the-art data center, reinforced by in-house capabilities and a wide range of experts in IT infrastructure.

By continually advancing technology and services, Durdans aims to enhance patient care, streamline hospital operations, and support our staff with reliable and innovative IT solutions.

VISION STATEMENT:

To be a pioneering leader in healthcare technology, delivering innovative, secure, and efficient IT solutions that enhance patient care, streamline hospital operations, and support the overall mission of Durdans Healthcare Group in order to be considered as the most trusted healthcare provider.

MISSION STATEMENT:

Provide state-of-the-art information technology services that drive excellence in patient care, operational efficiency, and business performance.

OBJECTIVES:

Support the strategic vision of Durdans Healthcare Group through technological innovation.

Enhance patient care and hospital operations by leveraging advanced IT solutions.

Ensure data security and privacy.

Streamline hospital operations.

OUR ROLE IN STAKEHOLDER VALUE CREATION

The synergy between our IT infrastructure and business capabilities is the cornerstone of scalable operational success. A well-integrated IT environment ensures optimisation across all hospital functions, from patient care to administration, by facilitating:

Efficiency:

- Automated processes and streamlined workflows reduce manual effort and increase productivity.

Innovation:

- Adoption of cutting-edge technologies fosters innovation, keeping the hospital at the forefront of healthcare advancements.

Security:

- Robust IT security measures protect sensitive patient data and ensure compliance with healthcare regulations.

Scalability:

- IT solutions are designed to support the hospital's growth and meet increasing demands without compromising service quality.

Patient-Centric Care:

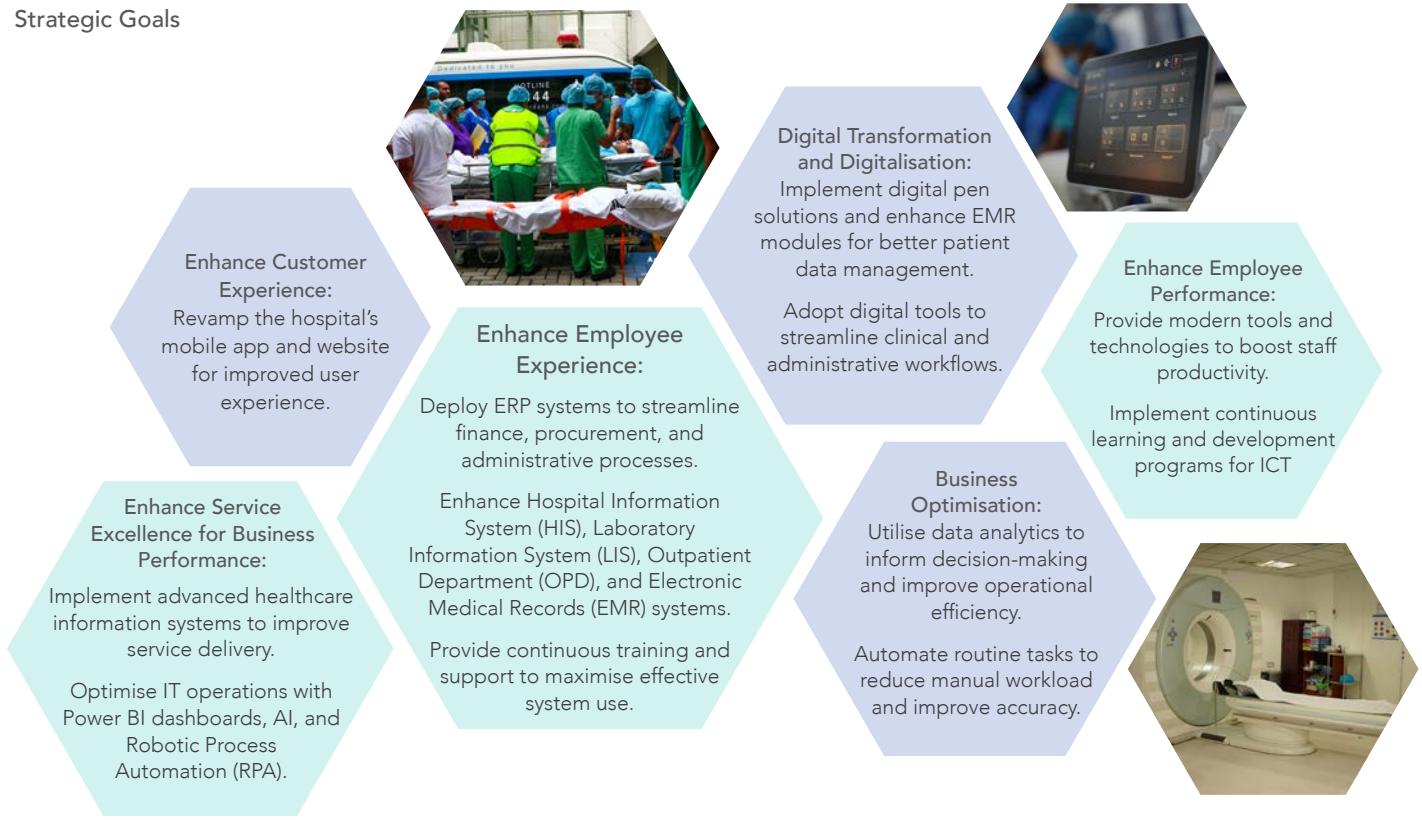
- Enhanced digital services improve patient engagement and satisfaction, leading to better health outcomes.

By continuously aligning IT initiatives with business goals, Durdans Healthcare Group ensures its IT infrastructure not only supports but actively enhances its ability to deliver high-quality healthcare services, achieving excellence in healthcare delivery.

Our Business

Intellectual Capital

Strategic Goals



PROGRESS IN 2024/25:

In order to ensure alignment with a rapidly evolving digital landscape, during the year under review, the ICT Department laid the groundwork for a significant shift towards automation and digitalisation, outlined below:

Focus Area	Initiative	Scope	Future Focus
Digitalisation and Process Automation	Enhancing System Infrastructure and ERP Modernisation	While utilising in-house capabilities to strengthen the current system infrastructure and ERP system, the hospital focused on the procurement of an externally developed integrated ERP solution for the Group. The selection of a best-fit ERP solution was guided by a comprehensive analysis aimed at ensuring the hospital's future growth.	<p>Ensuring scalability to support next-gen solutions and emerging technologies.</p> <ul style="list-style-type: none"> Finalising ERP and HIS integration, which will unify clinical, administrative, and financial workflows across the hospital. This will be a significant milestone in improving operational efficiency and reducing manual interventions. Expanding the use of Robotic Process Automation (RPA) to automate additional administrative tasks such as claims processing and appointment scheduling.

Focus Area	Initiative	Scope	Future Focus
Enhancing Communication Channels	Digitisation of Records	Seamless digitisation of handwritten prescriptions through the use of digital pen technology.	Focus on achieving near-complete paperless workflows by fully digitising patient documentation and streamlining administrative approvals hospital-wide.
	Enhancing Lab Workflows and Optimising Resource Management	Lab digitalisation mechanisms were initiated, focusing on automating key laboratory processes to improve data management, reduce human error, and speed up reporting. Automated workflows for lab results processing were integrated, enhancing operational efficiency and reducing paper consumption. (Refer page 86 for more details)	A pilot project was conducted in the main laboratory at the hospital, with plans to expand across the network in the coming year. Focus on optimising lab resource management.
Cybersecurity Enhancements	Integration of Platforms	Launched a pilot project for a chatbot integrated with the WhatsApp Business API, aiming to facilitate real-time patient communication, appointment scheduling, and service reminders.	These initiatives are part of the wider plan to enhance patient engagement through digital communication channels. Focus on developing a multi-channel, integrated solution to drive greater efficiency and interaction in the coming years.
	Improved Functions and Efficiency	Expanded the use of the patient mobile app, adding new functionalities aimed at improving user experience and engagement. The app now facilitates seamless communication between patients and healthcare providers, offering features such as appointment bookings and lab result notifications.	Continued enhancements to the mobile app to support additional services, including telemedicine, lab result tracking, and direct communication with care teams.
Operational Support	Strengthening Data Security	Initiated key cybersecurity measures such as Multi-Factor Authentication (MFA) for over 350 user accounts, ensuring secure access to critical systems. Conducted ongoing staff training on secure email practices, password management, and phishing prevention.	Extend MFA to all hospital users, implement regular cybersecurity training updates, and enhance security protocols for endpoint devices, ensuring compliance with national and international data protection standards.
	Managed IT Services	Piloted managed IT services to optimise operational flexibility, reduce the burden on internal teams, and provide ongoing support. Focused on ensuring IT systems remained operational 24/7 with the assistance of external service partners, particularly in terms of firewalls and VMWare, among others.	Expand managed services partnerships to ensure consistent and high-quality IT support. Future focus will include performance monitoring, scalability, and enhanced support coverage for new systems and digital platforms.
	24/7 IT Helpdesk Solution	Introduced a 24/7 IT Helpdesk solution to ensure continuous support for hospital staff. The IT Helpdesk service is designed to reduce downtime, provide quick resolutions to issues, and support all critical IT operations.	Continuation of 24/7 support to ensure smooth IT operations. Future focus will be on integrating new technologies and systems with Helpdesk services and improving response time with AI-driven ticket management solutions.

Our Business

Intellectual Capital

Focus Area	Initiative	Scope	Future Focus
	Disaster Recovery and Business Continuity	We have strengthened our disaster recovery capabilities by establishing a real-time replication environment for critical servers at an offsite data center. This guarantees continuous availability of essential systems and zero data loss in the event of outages or failures.	<p>A focus on widening the scope to ensure complete coverage and safeguard vital data.</p> <ul style="list-style-type: none"> Conduct regular disaster recovery drills to test and validate systems' resilience in case of unplanned outages. Expand partnerships with managed IT service providers to ensure uninterrupted IT support and infrastructure maintenance, especially as new systems are integrated into hospital operations.
Staff Training and Development	Comprehensive Staff Training Programs	Launched targeted IT training for hospital staff, focusing on maximising the use of the new ERP system, cybersecurity best practices, and data protection protocols. Training was recorded and made available on the Learning Management System (LMS).	Develop continuous learning programs with role-specific training modules to support the adoption of advanced technologies, ERP integration, and evolving security standards. Ensure ongoing professional development for IT and non-IT staff to adapt to new technologies.

IT ROADMAP

2024-25

Clinical Systems	Patient Experience	Enterprise Systems
Initiatives: EMR Enhancements, Digital Pen	Initiatives: Mobile App & WhatsApp Integration	Initiatives: ERP Implementation
Expected Outcome: Improved clinical documentation, digitised prescriptions	Expected Outcome: Enhanced patient interface and digital engagement	Expected Outcome: Unified platform for finance, supply chain, HR

2025-26

Data Intelligence	Customer Interaction
Initiatives: BI Solutions, Predictive Analytics	Initiatives: Website Revamping
Expected Outcome: Data-driven decision making and risk forecasting	Initiatives: Improved customer experience and branding

2026-27

Operational Efficiency	CRM & Document Management	Infrastructure	Cybersecurity	Disaster Recovery
Initiatives: HIS & LIS System Upgrades	Initiatives: CRM & DMS Implementation	Initiatives: Network Upgrades, SDWAN	Initiatives: MFA, Cybersecurity Audits, Data Protection Act, GDPR and JCI Compliance	Initiatives: Real-time Replication to Offsite DR Site and Data Centre Modernisation
Expected Outcome: Integrated clinical systems and streamlined workflows	Expected Outcome: Personalised communication & paperless documentation	Expected Outcome: Improved connectivity and performance	Expected Outcome: Improved security posture and regulatory compliance	Expected Outcome: Business continuity and operational resilience

KNOWLEDGE MANAGEMENT

At Durdans Hospital, we believe that world-class healthcare begins with empowered people. As a pioneer in Sri Lanka's private healthcare sector with over 80 years of service, Durdans has always prioritised the growth and development of its workforce. We are committed to continuous training and knowledge development-offering both in-house learning and access to external education opportunities that build unique capabilities across clinical, technical, and operational functions.

Our vision for the future includes a workforce that is not only technically proficient but also agile, compassionate, and prepared to meet the demands of an evolving healthcare landscape. Through targeted development programs, partnerships with global institutions, and strong internal mentorship and knowledge development, Durdans ensures that every team member has access to lifelong learning. This focus on capability development supports our

pursuit of excellence and contributes to a healthcare ecosystem that is resilient, future-ready, and innovative.

Amrak Institute of Medical Sciences: Shaping the Future of Allied Health Education

Amrak Institute of Medical Sciences, a subsidiary of Durdans Hospital, continues to cement its position as Sri Lanka's premier Allied Health higher education institution. Established as a training arm in 2017 and evolved into a fully accredited institution by 2019, Amrak plays a crucial role in addressing the country's healthcare workforce gaps. The institute is powered by the hospital's deep-rooted clinical expertise and its extensive laboratory network-enabling students to gain real-world experience in a JCI-accredited environment.

91%
student satisfaction rate

70%
of students secured internships or job placements within six months of completing their diploma or degree.

500+
active students enrolled in 2024



Please refer Human Capital for more information on our approach towards employee training and development

>40%
of 2024 Biomedical Science diploma holders secured eligibility for credit transfers to international universities.

Our Business

Intellectual Capital



Progress in 2024/25:

Despite external headwinds, the institute remained resilient by expanding academic offerings, enhancing international partnerships, and advancing its bid for degree-awarding status. These achievements reflect Amrak's commitment to delivering future-focused education while continuously adapting to the dynamic needs of the healthcare sector.



Key Challenges in 2024/25

- Policy shifts in Australia disrupted student transfers and visa approvals for partner universities such as Flinders University and UTS.
- Foreign exchange restrictions and inflation resulted in a 14% student dropout rate pre-program start and a 32% dropout rate among nursing students by October 2024.
- National political and environmental disruptions also affected enrolments during the February and mid-year intakes



Strategic Responses

- Engaged in discussions to introduce a 3+1 transnational education model, allowing students to complete their final study year abroad with seamless academic continuity.
- Expanded academic offerings aligned with growing industry needs, including new programs in Pharmacology and Optometry.
- Strengthened financial support mechanisms and explored scholarship-based education access to mitigate economic barriers for students.



Major Achievements in 2024/25

- Successfully completed the institutional review by the Ministry of Higher Education, paving the way to become a Non-State Degree-Awarding Institute.
- Launched new strategic partnerships with international institutions including University of Technology Sydney, Birmingham City University, IMU Malaysia, and NCUK (UK).
- Achieved a 17% increase in enrolments in Biomedical and Laboratory Sciences, driven by rising awareness of Allied Health career pathways.
- Introduced new infrastructure upgrades, including modern simulation labs and e-learning platforms, improving academic delivery and student experience.

Our Strategy from 2024-28

Looking ahead, Amrak's strategic direction is guided by a bold vision to become South Asia's leading institute for Allied Health Sciences. The 2024–2028 strategic plan outlines key priorities including academic excellence, internationalisation, student support, and infrastructure development. By aligning with global healthcare trends and industry demands, Amrak aims to bridge the skills gap, foster innovation, and empower the next generation of healthcare professionals both locally and globally.

Amrak Strategy - 2024-2028	
Goals	Objectives
1. Most Recognised Allied Health Education Provider in Sri Lanka	1 Enhance Academic Excellence and Innovation 2 Strengthen Industry Partnerships and Collaboration 3 Improve Infrastructure and Technological Capabilities 4 Focus on Comprehensive Student Development and Support 5 Enhance Quality Assurance and Accreditation
2. Empowering Sri Lanka Allied Health Labour Force	1 Enhance Education and Training Programs: 2 Strengthen Professional Development and Career Pathways: Staff and Students 3 Foster Collaboration and Integration within the Healthcare System:
3. Excellence in Education	1 Enhanced Personalisation and Adaptive Learning: 2 Cultivation of Future Skill readiness and Career guidance 3 Strengthening Industry and Academic Partnerships:
4. Enhancing Healthy Communities for a Sustainable Growth	1 Increase Access to Allied Health Education through Scholarship Schemes 2 Enhance Workforce Skills and Communication through Volunteer and Skill Development Projects 3 Foster a Strong and Engaged Alumni Network to Support Sustainable Growth and Development in Allied Health Education

Testimonials from our Past Students

Student feedback continues to affirm the impact of Amrak's education model. Graduates consistently highlight the value of hands-on training at Durdans Hospital, expert faculty guidance, and international pathway opportunities. Many credit their success to the institute's supportive learning environment and real-world exposure. Testimonials reflect strong student satisfaction and a sense of readiness to contribute meaningfully to both local and global healthcare systems.



Our Business

Intellectual Capital

It's been a great experience here at Amrak, with an amazing panel of lecturers who always make it really fun and exciting to learn anything. Moreover, the student hub with all the fun games always keep us occupied and it is never boring here at Amrak. It's been an amazing learning experience.-

Dinithi Weerasinghe -FCN Student

Amrak Institute is one the best medical institutes ever. It is safe and there are lots of facilities for students. Lecturers of Amrak Institute are so friendly and well educated. Amrak is situated in the heart of Colombo so it is very easy to reach and attend classes.-

Jayanil Thushara- FCN Student

Well to say about the provision that the facilities are good. Almost, I'm snug with the facilities. The orientation program that held so far was good and I enjoyed it so much.-

R. Neelambari - FCGS Student

I joined Amrak due to the advanced lecturers and attractive education methods. I think Amrak is the number 1 private University in Sri Lanka. I think I can achieve my goals and easily become a clinical doctor through this path. There are good facilities. I think

- K.M Anil Gayan -FCGS Student

According to my idea, Amrak institute is one of the best medical institutes I know. The facilities and hygiene are very high quality. The staff is friendly. This is a good place for a student to do their studies.-

Ann Christina – FCN Student

FUTURE OUTLOOK:

• Quality Assurance & TQM

Durdans is committed to achieving 100% JCI compliance by year-end, supported by targeted action plans and staff-wide engagement. TQM practices, including 5S and quality circles, are being implemented across departments to improve efficiency and workplace organisation.

• Workforce Development

Quarterly training on leadership, soft skills, and TQM is being integrated into performance appraisals to build a high-performing, patient-centered workforce. Safety culture is monitored through biannual staff surveys.

• Digital Transformation

A three-year IT roadmap is enhancing clinical systems, cybersecurity, and digital services to support innovation, operational efficiency, and improved patient care.

• Sustainability & Climate Readiness

Environmental strategies are being embedded into operations through staff training and resource optimisation to ensure resilience and reduce environmental impact.

• Knowledge Management

Durdans is strengthening institutional knowledge through centralised repositories, internal learning forums, and standardised protocols, fostering a culture of continuous learning and innovation.

Our Business

Human Capital

We view our people as the foundation of our success. While our human capital is built on the premise of driving operational excellence, we also actively seek to foster a work environment built on trust, compassion, innovation, and inclusivity. The HR strategy at Durdans is structured with the mission of ensuring a resilient, motivated workforce capable of delivering world-class healthcare while also navigating sector-specific challenges, and the evolving demands of the modern world.



FOCUS AREAS FOR 2024/25:

Diversity, Inclusion & Ethics

Employee Safety, Development, and Well-being

Employee Empowerment

We promote a non-discriminatory environment with equal opportunities for all employees, regardless of gender, age, or ethnicity. Our Code of Conduct ensures high ethical standards, fostering respect and integrity within the workplace.

We prioritise employee safety with rigorous accident tracking and root cause analyses. Mental health support is offered through counselling services, while continuous professional development is encouraged via training programs. Competitive benefits like subsidised healthcare and meals support staff well-being.

We foster open communication through multiple channels and encourage employee participation. Diverse engagement events and team-building boost morale, reduce burnout, and strengthen organisational culture.

Our Business

Human Capital

Impacted Stakeholders:



Customers Employees Community Regulators

Impacted SDGs:



Associated Capitals:



Value Driver	Strategic Outcomes
Inclusive and Ethical Workplace Culture	<ul style="list-style-type: none"> Fosters fairness and respect through strong anti-discrimination policies and a Code of Conduct Encouraging a Transparent environment, protect Whistleblowers and act swiftly on any matters brought to attention Encourage feedback, communication, and open dialogue
Employee Health, Safety, and Well-being	<ul style="list-style-type: none"> Enhances workplace safety through an OHS framework Reduces incidents through accident tracking Supports mental health with professional counselling
Continuous Learning and Skills Development	<ul style="list-style-type: none"> Strengthens workforce capabilities through structured training programs, including a flagship nursing school and cross-functional workshops
Engagement and Empowerment	<ul style="list-style-type: none"> Boosts morale and reduces burnout through open communication channels and engagement events Encourages participation and recognition of high performance
Comprehensive Compensation and Benefits	<ul style="list-style-type: none"> Improves retention and satisfaction via fair pay, subsidised healthcare and meals, and accommodation for selected staff segments
Digital Transformation in HR and Operations	<ul style="list-style-type: none"> Enhances efficiency through HRIS and digital tools Streamlines processes and improves data access, supporting modern healthcare delivery

DIVERSITY, INCLUSION, AND ETHICS

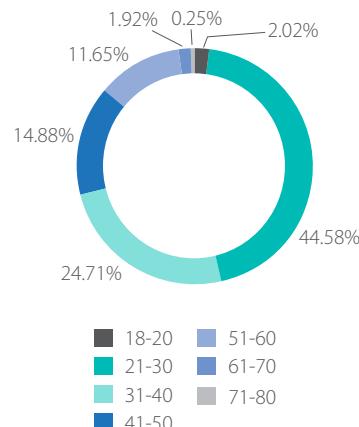
At Durdans Hospital, we are deeply committed to fostering a diverse and inclusive work environment. We believe that diversity serves to both enrich our organisational culture, and enhances our ability to deliver compassionate, world-class healthcare. Our HR strategy is built on principles of fairness, equity, and ethical conduct.

Diversity in the Workforce

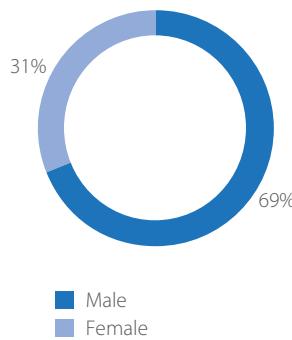
We nurture a work environment in which all employees are treated fairly, regardless of gender, age, religion, or ethnicity. Anti-discrimination policies are woven into the fabric of our recruitment, performance management, and disciplinary practices. We actively strive to create gender parity in the workplace

and promote diversity at all levels of the organisation. This approach is reflected in our recruitment processes, where we aim to attract a diverse pool of candidates and evaluate them fairly.

Employees by Age



Employees by Gender





Ethical Practices

Our Code of Conduct provides clear guidelines on acceptable behaviour, emphasising integrity, honesty, and accountability. These ethical standards are essential for maintaining a respectful and trustworthy workplace, and upholds a commitment to excellence while ensuring the rights of patients and staff are safeguarded at every stage. We place high importance on ensuring that all staff members are aligned with our values and work collaboratively towards common organisational goals. The whistleblowing policy allows employees to report misconduct or unethical behaviour without fear of retaliation, providing a secure and transparent channel for voicing concerns.

The Code of Conduct is provided to every employee upon their induction, and encompasses the following aspects:

Patient Care Ethics:	Ensures patient dignity, confidentiality, informed decision-making, and equitable treatment.
Workplace Standards and Anti-Discrimination:	Promotes honesty, professionalism, respectful behaviour, and prohibits disruptive conduct. Upholds ethical behaviour, respect among colleagues, and appropriate use of hospital branding and communications. A strong stance against harassment, discrimination, and retaliation; promotes diversity, equity, and inclusion.
Legal & Regulatory Compliance:	Staff are required to adhere to regulations set forth by regulatory bodies. Accordingly, prescription drugs, controlled substances, and medical supplies are to be handled responsibly by authorised personnel only.
Confidentiality & Data Use:	Strict rules are enforced to protect patient and internal information, including restrictions on social media sharing.
Financial Integrity:	Emphasis on accurate billing, prohibition of bribes or kickbacks, and ethical use of company resources.
Conflict of Interest & External Activities:	Staff must avoid conflicts between personal and professional roles. No staff of the Durdans Healthcare Group shall use non-public information acquired through employment at Durdans Hospital to trade in the securities of any company or buy or sell any property or assets.
Anti-Corruption Laws:	No member of staff is permitted to offer, authorise or promise to provide anything of value, either directly or indirectly, to a government official or other person or entity in connection with the Company's transactions that does or might appear to secure an improper advantage in obtaining or retaining business.
Marketing and Advertising:	Marketing and Advertising activities may be utilised for the purposes of educating the public; to provide information to the community; to increase awareness of our services, and to recruit employees. Marketing materials and media announcements are to be presented in a truthful, informative, and non-deceptive manner.
Reporting & Whistleblower Protection:	Contact details to the Chief Executive Officer, Executive Director, Head of Human Resources and Head of Internal Audit and Compliance, where any employee, patient may directly approach the mentioned party on any matters pertaining to any matters of concern.

Freedom of Association and Collective Bargaining

While no unions are currently present at Durdans, we respect employees' legal right to form associations in accordance with Sri Lankan law. This policy reflects our commitment to fostering an open, inclusive, and collaborative environment where employees feel empowered to voice their opinions and contribute to the organisation's success.

Our Business

Human Capital

EMPLOYEE SAFETY, DEVELOPMENT, AND WELL-BEING

Durdans Hospital places a high priority on the safety, well-being, and continuous development of our employees. We understand that the health of our workforce directly impacts the quality of care we provide to our patients –

therefore, our HR strategy integrates a strong focus on physical safety, mental health support, skill enhancement, and overall employee welfare.

the hospital has implemented a robust Occupational Health and Safety (OHS) framework designed to safeguard staff from physical, chemical, biological, and psychosocial hazards inherent to the healthcare environment.

Employee Protection and Safety

Employee health and safety are integral to our overarching commitment to quality care and patient safety. To this end,

Proactive Risk Management and Incident Response

- A cornerstone of our OHS program is the strict adherence to evidence-based protocols for managing workplace hazards. The hospital has a well-defined needle stick injury protocol, ensuring that any such incident is met with an immediate and comprehensive response, encompassing first aid, formal incident reporting, post-exposure prophylaxis (PEP), and structured follow-up. Each case is jointly reviewed by the Infection Prevention and Control (IPC) team and the Quality Assurance (QA) department to identify root causes and implement corrective and preventive actions (CAPA).
- Staff injuries and adverse events are reported through a centralised incident management system, enabling real-time tracking and investigation. Outcomes from these investigations feed into ongoing staff education and infrastructure modifications, ensuring lessons learned are embedded into hospital practice. Trends are continuously monitored and reviewed by the Safety and Quality Committee, supporting a cycle of continuous improvement.

Protecting Workforce Well-being

- Routine staff health surveillance plays a critical role in ensuring employees remain fit for duty and are protected against occupational risks. Annual health assessments, vision and hearing screenings, and fitness-to-work evaluations are standard for all employees—particularly those in clinical and high-risk departments.
- Complementing these efforts is a hospital-wide vaccination program, which includes coverage for Hepatitis B, Influenza, COVID-19, and other occupationally relevant immunisations. Vaccine uptake and coverage are closely monitored and managed by the Occupational Health Nurse, ensuring high levels of immunity across the workforce.
- Recognising that employees may experience mental health challenges as a result of the demands of their roles, the hospital provides access to confidential counselling services to support their well-being.

Ensuring Safety During Infrastructure Development

- In recognition of the risks posed by physical modifications to the hospital environment, Durdans Hospital mandates comprehensive Pre-Construction Risk Assessments (PCRA) for all construction and renovation projects. This multidisciplinary assessment evaluates potential impacts on patient care, infection control, staff safety, and the hospital environment. Mitigation measures are planned and implemented before any work begins.
- The Facility Management team plays a key role in ensuring contractor compliance with hospital safety standards. Pre- and mid-construction safety audits are conducted to verify adherence to protocols, and any non-compliances are addressed through immediate corrective actions. All contractors must undergo safety orientation and are expected to fully comply with personal protective equipment (PPE) guidelines, access restrictions, and emergency procedures.

A Culture of Safety and Accountability

- Through these coordinated and proactive strategies, Durdans Hospital cultivates a culture where safety is embedded in every process. Whether through rigorous protocol adherence, staff empowerment, or infrastructure oversight, the hospital remains steadfast in its mission to protect those who care for others. This culture of safety strengthens resilience, enhances staff morale, and ultimately contributes to the delivery of high-quality, patient-centered care.

Occupational Injury Summary – FY 2024/25

During the financial year 2024/25, Durdans Hospital recorded a total of 10 occupational injury incidents involving staff. Of these, 6 injuries occurred within the hospital premises during duty hours, while 4 incidents were reported as having occurred during the employee's commute to or from work.

Category	Number of Reported Incidents
Employee injuries sustained on hospital premises (on duty)	6
Employee injuries sustained while commuting to or from duty	4

Mental Health and Well-being

In a bid to address the mental health challenges that professionals are exposed to within the healthcare sector, the hospital has implemented a dedicated counselling program that provides confidential support to employees. This initiative is designed to mitigate stress and burnout, which are common issues among healthcare workers. By offering access to independent counselling services, Durdans promotes a healthy work-life balance and prioritises emotional well-being.

Professional Development & Career Growth

We are committed to continuous skill development and offer robust training opportunities. Our flagship program, the Nursing Training School, is a prime example of this commitment, investing approximately LKR 1.5 million per trainee over three years. This program ensures that we develop highly skilled nursing professionals capable of meeting the demands of modern healthcare. In addition to nursing, we are expanding training programs to other critical areas within the hospital.

Training and Development

As part of its ongoing commitment to clinical excellence, patient safety, and professional development, Durdans Hospital delivered a wide range of structured training programmes throughout the year. These initiatives catered to clinical and non-clinical staff, focusing on core medical competencies, operational readiness, leadership development, and service excellence.

Clinical Competency and Medical Skills Development

Training sessions focused on enhancing the core clinical skills of doctors, nurses, and allied health professionals:

Nursing & Mentorship Programmes

The hospital placed strong emphasis on nurse development and bedside care through:

Clinical Competency and Medical Skills Development

Training sessions focused on enhancing the core clinical skills of doctors, nurses, and allied health professionals:

Mentorship Training:

Nursing process training, sponge bath demonstrations, perinatal care, head wash, steam inhalation, and communication in nursing.

Workshops and Skill Building:

ENT-focused nursing workshops, surgical instrument handling, patient lifting techniques, and colostomy care.

Safety, Emergency Preparedness & Risk Management

Comprehensive safety protocols were reinforced through regular drills and risk-specific training:

Fire & Evacuation Drills:

Fire training (Amrak), fire fighter/warden training, and floor-wise partial evacuation drills.

Occupational & Radiation Safety:

Radiation protection programmes, pre-construction risk assessments, and defibrillator training.

Incident Reporting & Facility Safety:

Programmes on facility incident reporting, infection control, and emergency response procedures.

Induction & Orientation Programmes

To ensure seamless onboarding and alignment with hospital standards:

Staff Inductions:

Conducted across departments for clinical and non-clinical staff.

Policy Awareness:

Sessions on whistleblowing, gift policy, PDPA (clinical and non-clinical), and new systems like ambulance deployment and ADR protocols.

Leadership, Performance & Management Development

To foster a culture of accountability and professional growth among the top management:

Performance Management:

MYR (Mid-Year Review) training across three batches.

People & Strategic Management:

Programmes on people management, quality control circles, cost management, and leadership workshops such as "Leading Self to Lead Others".

Customer Service, Communication & Soft Skills

Enhancing the human touch in healthcare delivery through:

Etiquette & Communication Training:

Telephone etiquette, housekeeping etiquettes, grooming sessions for F&B, and service excellence training ("Service Serves Us", "Be the Best Version").

Public Engagement:

Awareness campaigns and community-focused workshops.

Our Business

Human Capital

Technology & Digital Integration

Promoting the use of technology to support healthcare excellence:

Collaborative & External Learning

The hospital participated in broader healthcare dialogues and academic partnerships:

Digital Workshops:

Dialogue workshops, use of GE/Penlon anesthesia machines, and digital facility management platforms.

Symposiums & Congresses:

Colombo Medical Congress 2024, Urology unit symposiums, and national training forums.

External Partnerships:

Training in collaboration with the College of Chemical Pathologists and other regulatory bodies.

Compensation & Benefits:

We believe in compensating our employees fairly for their hard work and dedication. Durdans provides services in the Hospital at a discounted rate not only for the Employee but also Spouses, Children, Parents and Parents in law). Our Non Executive Employees are offered meals and accommodation facilities at a Subsidiary rate.

The Company also provides a Night Snack for employees on duty during the Night shift. These benefits are part of our broader strategy to ensure that our employees' financial, physical, and emotional needs are met, creating a supportive and rewarding work environment.

EMPLOYEE EMPOWERMENT AND ENGAGEMENT

At Durdans, we believe that employee empowerment is a key driver of engagement and performance. We focus on fostering a work environment where employees feel connected, valued, and motivated to perform at the highest standards of excellence. Our approach to engagement is built on open communication, recognition, and involvement in decision-making processes.

Multi-Channel Communication

We ensure that all employees have access to multiple communication channels to voice their opinions, concerns, and feedback. These include email, notice boards, WhatsApp groups, and the HR intranet, as well as regular employee surveys. This enables us to maintain transparency and keep employees informed about important organisational updates. The use of diverse communication platforms ensures that employees feel heard and that their voices are an integral part of the decision-making process.

Real-Time Recognition & Accountability

Durdans places a strong emphasis on recognising and rewarding high performance. Employees who consistently exceed expectations are acknowledged through personalised letters of appreciation from the CEO or Head of HR. Furthermore, our transparent disciplinary framework ensures accountability, with all actions and decisions documented in the HR Information System (HRIS). This combination of recognition and accountability ensures that employees remain motivated, engaged, and committed to organisational goals.



Rs. 35. 6 Mn

Invested in learning and development



6,102

Employees participated in learning and development activities



Rs. 117.3 Mn

Average net salary



12

Engagement events conducted



Rs. 21.3 Mn

Invested

Engagement Initiatives

Durdans Hospital recognises the importance of fostering a positive work environment through engagement activities. We have developed a structured calendar of engagement initiatives that are purpose-driven and aligned with cultural and national events. These activities are designed to reduce burnout, improve morale, and promote cross-department collaboration.

Pirith



Awurudu Event



80th Anniversary Walk



Our Business

Human Capital



FUTURE OUTLOOK:

- **Employee Development**

In 2025, Durdans Hospital will expand internal training programs to include medical technology, administration, and patient care coordination, addressing workforce shortages and ensuring excellence in healthcare.

- **Data-Driven HR**

Advanced HR analytics will be implemented to improve employee performance, retention, and succession planning, enabling real-time insights into talent gaps and leadership opportunities.

- **Employee Well-being**

To combat burnout, Durdans will enhance mental health programs, introduce mindfulness training, and promote physical health through gym memberships and fitness challenges.

- **Inclusive Workplace**

Durdans will strengthen diversity and inclusion efforts, establishing mentorship programs and expanding gender equality policies to ensure diverse representation in leadership and decision-making, further strengthening our commitment to operational and environmental excellence.

Our Business

Social and Relationship Capital

Durdans Hospital's social and relationship capital is founded on trust, collaboration, and shared value with patients, suppliers, partners, and the community. Guided by strong customer and supplier relationship frameworks, the hospital prioritises patient satisfaction, operational resilience, and ethical engagement. Through clinical excellence, innovation, and transparent partnerships, Durdans ensures these relationships remain a lasting source of mutual value.



FOCUS AREAS FOR 2024/25:

Customer Relationship Management



Our focus lies in delivering a personalised, seamless patient experience through responsive service, continuous improvement, and technology-driven accessibility, ensuring lasting trust and satisfaction.

Supplier Relationship Management



A strategically diversified, ethically governed supplier network underpins operational resilience, quality, and efficiency through transparent engagement, rigorous vetting, and performance monitoring.

Our Business

Social and Relationship Capital

Impacted Stakeholders:



Customers



Employees



Suppliers and Business Partners

Impacted SDGs:



Associated Capitals:



Value Driver	Strategic Outcomes
Patient Engagement and Experience	<ul style="list-style-type: none"> Delivers personalised, seamless patient experiences Enhances trust and long-term patient loyalty Drives continuous service improvement through feedback and innovation
Clinical Innovation and Service Excellence	<ul style="list-style-type: none"> Expands access to advanced, specialised care Improves patient outcomes and procedural efficiency Reinforces reputation as a leading tertiary care provider
Wellness and Preventive Care Initiatives	<ul style="list-style-type: none"> Supports proactive health management and lifestyle medicine Broadens service offerings to meet evolving patient needs Attracts both local and international wellness clients
Transparent and Ethical Engagement	<ul style="list-style-type: none"> Promotes accountability and trust with stakeholders Aligns operations with ethical and regulatory standards Strengthens brand credibility and public confidence
Strategic Supplier Partnerships	<ul style="list-style-type: none"> Strengthens operational resilience through a diversified, vetted supplier base Ensures consistent quality, compliance, and timely delivery Builds mutually beneficial, ethical partnerships

SUPPLIER RELATIONSHIP MANAGEMENT

Our commitment to delivering exceptional patient care is supported by a robust, transparent, and strategically diversified supply chain. Our supplier network spans medical and non-medical domains and includes individuals and institutions committed to quality, reliability, and innovation.

With a total of 487 vendors, our supplier base is critical to the seamless delivery of hospital services spanning pharmaceuticals and biomedical equipment to IT, catering, and infrastructure. These partnerships are rooted in mutual value creation, ethical business conduct, and continuous engagement.

SUPPLIER COMPOSITION

Our vendor base reflects the complexity of our operations, and is balanced across several key categories:

Category	Number of Suppliers	% of Total Suppliers
Medical & Surgical	206	42
Food & Beverage (F&B)	80	16
General Suppliers	155	32
Laboratory Suppliers	46	9
Total	487	100

Expenditure Category	Spend (Rs. Mn)	% of Total Spend
Inventory	1,455	42%
Capital Expenditure (Capex)	455	6%



487

Vendors



Rs. 3,016 Mn

Supplier Payments

This diverse ecosystem includes licensed healthcare consultants, local and international pharmaceutical suppliers, medical equipment manufacturers, logistics providers, and operational service vendors-ensuring resilience, expertise, and high service standards.

Services Critical for Operations	Infrequent Services	Services for Network Expansion	Services for Day-to-Day Operations
<ul style="list-style-type: none"> Pharmaceutical suppliers Food and beverage suppliers Medical gas suppliers Utility service providers Waste disposal service providers 	<ul style="list-style-type: none"> Construction contractors Suppliers of media and other fixed assets Professional service providers 	<ul style="list-style-type: none"> Collection centre agents Business reference partners Franchises and affiliations Landlords providing premises 	<ul style="list-style-type: none"> Software suppliers

CAPACITY BUILDING AND OPERATIONAL EFFICIENCY

To strengthen our supply chain performance and ensure seamless service delivery, Durdans Hospital has implemented a series of targeted initiatives focused on capacity building and operational excellence. These actions have collectively led to improved responsiveness, shorter lead times, better stock availability, and stronger resilience across the supply chain.

Digital Inventory Management	Supplier Training and Knowledge Transfer	Lean Internal Processes	Supplier Development and Collaboration
<p>Adoption of automated inventory systems has significantly improved traceability, reduced human error, and optimised stock control-enabling better forecasting and procurement efficiency.</p>	<p>Key suppliers conduct structured training sessions for clinical and technical teams, ensuring hospital staff are proficient in using medical equipment and aligned with best practice protocols.</p>	<p>Continuous process improvement initiatives have been rolled out to reduce waste, eliminate bottlenecks, and improve overall turnaround times in procurement and logistics.</p>	<p>We actively collaborate with strategic suppliers to help build their capabilities, scale operations, and respond effectively to the hospital's evolving requirements.</p>

Our Business

Social and Relationship Capital

SUPPLIER ENGAGEMENT

Supplier engagement is a key imperative that supports our ability to deliver the highest levels of quality to our patients. Our engagement model is built on the principles of transparency, accountability, mutual value creation, and risk mitigation. By nurturing dependable partnerships and maintaining rigorous standards, we ensure that our supply chain is both resilient and responsive to the hospital's dynamic operational needs.

Evaluation & Onboarding

- All new suppliers undergo a comprehensive vetting process prior to onboarding. This includes financial stability assessments, background checks, and verification of certifications such as compliance with the National Medicines Regulatory Authority (NMRA) standards for medical supplies. These steps are critical in ensuring that suppliers not only meet regulatory expectations but are also capable of sustaining consistent quality and timely delivery.

Transparent Procurement

- To ensure fairness and cost efficiency, Durdans Hospital follows a strict competitive bidding process, requiring a minimum of three quotations for all procurement decisions. This approach promotes transparency, encourages competitive pricing, and enhances accountability while selecting vendors who can meet quality and service benchmarks.

Transparent Procurement

- Once on board, suppliers—particularly in the medical category are subject to ongoing performance evaluations through a structured Vendor Performance Format. This tool tracks key parameters such as product/service quality, reliability, delivery timeliness, responsiveness to issues, and compliance with service-level agreements. The insights gained guide decisions related to renewals, upgrades, or replacements of vendors.

Compliance & Ethics

- Every vendor engaged by the hospital is required to sign a contract that includes a compliance clause mandating adherence to applicable laws and the hospital's Code of Business Ethics. This ensures that all supplier relationships align with Durdans' commitment to ethical operations, integrity, and transparency throughout the supply chain.

Structured Communication & Grievance Redressal

- A robust communication framework supports supplier engagement. Vendors can escalate grievances to relevant Group departments or raise issues through the formal Supplier Round Table forum, designed to facilitate two-way dialogue and continuous improvement. Additionally, a whistleblower mechanism allows vendors to report misconduct or irregularities confidentially, reinforcing trust and ethical accountability.

Risk Mitigation through Vendor Redundancy

- To further strengthen supply chain resilience, Durdans maintains two to three vetted vendors per critical supply category. This redundancy not only safeguards against potential disruptions due to supplier unavailability but also creates healthy competition that drives quality and efficiency.

A Responsive Strategy

In the current global healthcare environment, supply chain operations must be agile and adaptive. At Durdans, we have proactively addressed emerging risks while identifying key opportunities for future growth:

Key Challenges:

Global Supply Chain Disruptions

External factors such as logistics constraints and global shortages continue to affect the timely procurement of critical medical supplies.

Escalating Costs

Volatility in the prices of pharmaceuticals, consumables, and transportation has posed ongoing financial pressures.

Supplier Concentration Risk

Dependence on single-source suppliers in select categories heightens vulnerability to disruptions.

Emerging Opportunities:

Digitalisation and Process Automation

Greater use of technology in inventory and procurement systems enables real-time visibility, faster decision-making, and cost savings.

Supplier Diversification

Expanding the supplier network allows us to mitigate risks, enhance flexibility, and ensure supply continuity.

Green Procurement Initiatives

Growing regulatory and stakeholder interest in sustainability presents opportunities to adopt more ethical, eco-friendly sourcing practices.

Strategic Responses:

Risk Mitigation

Diversification of the supplier base and development of alternative sourcing channels have been prioritised to reduce exposure to supply disruptions.

Cost Optimisation

Strategic negotiations and bulk purchasing arrangements have helped control costs without compromising on quality.

Sustainability Integration

We are increasingly encouraging suppliers to align with sustainable practices and evaluating greener alternatives where feasible.

Audit Preparedness

Our comprehensive documentation and traceability protocols have enabled us to meet external audit standards, including successful compliance with the JCI accreditation process.

FUTURE OUTLOOK:

- **Digitalisation & Automation:**

Continued integration of digital systems to enhance procurement accuracy, streamline inventory management, and improve traceability.

- **Supplier Diversification:**

Expanding the vendor base to reduce single-supplier dependency and strengthen resilience against global supply disruptions.

- **Sustainability Focus:**

Promoting green procurement and ethical sourcing practices in alignment with environmental and regulatory expectations.

- **Strategic Risk Mitigation:**

Proactively managing supply chain risks through alternative sourcing strategies, cost optimisation, and audit readiness.

Our Business

Social and Relationship Capital

CUSTOMER RELATIONSHIP MANAGEMENT

Durdans Hospital prioritises delivering exceptional patient care through a robust customer relationship management (CRM) framework. This framework integrates feedback collection, operational adjustments, and technological advancements to ensure a personalised, efficient, and seamless patient experience. The hospital's approach is characterised by responsiveness, continuous improvement, and a strong commitment to patient satisfaction.

CUSTOMER FEEDBACK COLLECTION AND MONITORING

Durdans utilises multiple channels to gather valuable patient feedback and measure satisfaction. Key methods include:

Net Promoter Score (NPS):	Comprehensive Complaint Management System:	Various Feedback Channels:
An ongoing NPS survey is employed to gauge patient satisfaction. For inpatient care, the hospital achieved an impressive score, with the outpatient survey still in its initial phase. Feedback is systematically analysed to identify opportunities for service improvement.	All complaints—whether through physical locations, social media, emails, or call center channels—are logged into a centralised system. Senior management is provided real-time access to complaint data, enabling rapid responses. The hospital analyses the feedback and ensures corrective measures are taken to prevent recurrence.	Patients can communicate concerns via a variety of platforms, including WhatsApp, Facebook, Instagram, the hospital website, and the dedicated call center. The medical helpline, manned by pre-interns with medical backgrounds, assists patients in addressing general health concerns and guiding them on next steps, without providing prescriptions.

A Focus on Continuous Improvement

Patient satisfaction is a dynamic goal at Durdans, and the hospital actively responds to feedback to improve processes, as outlined below:

Corrective Actions:	<ul style="list-style-type: none">The hospital continually analyses survey results, NPS data, and complaint trends. Common issues such as delayed discharge, communication gaps, and food quality are specifically addressed through corrective measures, which include revising workflows, retraining staff, and enhancing service protocols.
Preventive Measures:	<ul style="list-style-type: none">To sustain long-term improvement, Durdans ensures that corrective actions are reinforced. Continuous monitoring of key quality indicators and monthly reviews ensure the ongoing refinement of patient care and service delivery.
Preventive Measures:	<ul style="list-style-type: none">The hospital has seen improvements in nursing communication, discharge timeliness, food quality, and overall cleanliness. Additionally, digital billing systems and enhanced customer service have led to improved satisfaction scores.

TECHNOLOGY TO DRIVE ACCESSIBILITY, SAFETY, AND CONVENIENCE

Durdans leverages technology to streamline patient care, enhance communication, and increase convenience for patients, all while ensuring data is safeguarded:

Digital Transformation:

- Platforms like mobile apps, telemedicine via Doc990, eChannelling, and WhatsApp consultations have been integrated to improve access to healthcare services. These tools allow patients to book appointments, access reports, and engage in remote consultations, contributing to higher satisfaction rates and a smoother care journey.

CRM System Upgrade:

- The hospital is working on CRM integration to centralise feedback across all platforms, including social media, email, and in-person interactions. This future-proof system will help the hospital deliver hyper-personalised experiences by leveraging patient data to tailor services, follow-ups, and promotions based on individual needs.

PDPA Compliance:

- With the introduction of the Personal Data Protection Act (PDPA), Durdans has taken tangible steps to implement robust training programs for staff and initiated IT system updates to ensure full compliance. Confidentiality is maintained across all patient interactions, both digitally and in-person, with strict controls over how patient data is handled.

Ongoing Training:

- Regular audits and staff training are conducted to ensure that sensitive patient information is never disclosed inadvertently. Even in conversations between staff members, patient data is handled with the utmost care and discretion.

DELIVERING CUSTOMER VALUE

Durdans Hospital's laboratory network stands as a cornerstone of its clinical excellence, supporting the hospital's mission to provide accurate, timely, and high-quality diagnostics that directly impact patient outcomes. With a growing island-wide presence and a steadfast commitment to continuous improvement, the laboratory services have evolved into a value-generating component of the healthcare experience-offering convenience, reliability, and advanced diagnostic capabilities.

Refer pages 48 for more information on quality assurance and patient care

Processes to Elevate the Customer Experience

We actively respond to patient feedback, undertaking real-time adjustments to improve the overall patient experience:

- Discharge Process Improvement:** A pilot project in two medical wards aims to expedite discharge times. Signs have been placed in patient rooms to encourage early contact for discharge, ensuring faster processing.
- Direct Access to Senior Management:** To facilitate swift resolution of issues, contact details of the Chief Operating Officer (COO) and Deputy Director of Medical Services are displayed in key areas of the hospital, such as wards, OPD, and the pharmacy. This allows patients to escalate concerns directly to senior leadership if necessary.
- Regular Complaint Review:** Weekly reviews of all complaints ensure that every issue is categorised, discussed, and resolved promptly. The Board of Directors and the Quality and Patient Safety Committee oversee this process to guarantee accountability.

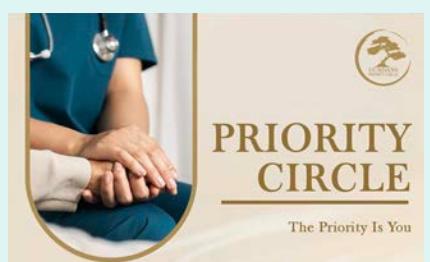
Our Business

Social and Relationship Capital

A Commitment to Service

Differentiation and Personalised Care

Recognising the growing demand for proactive health management and lifestyle medicine, Durdans is expanding its service portfolio beyond curative care. The soon-to-be-launched "Revive by Durdans" Wellness Centre will offer a range of preventive services, including screening, rehabilitation, mental health support, and lifestyle management—delivering comprehensive care across cardiac, neurological, orthopaedic, and metabolic health domains. This reflects a shift from illness treatment to health preservation, appealing to both local and international clients seeking continuous wellness.



The launch of Durdans Priority Circle, in partnership with Standard Chartered Bank, marked a strategic expansion into personalised care for high-net-worth individuals (HNWI). This premium membership program offers:

- Priority appointments and consultations
- Curated wellness and diagnostics packages
- Dedicated service channels and relationship management

Plans are underway to scale the program by onboarding more financial institutions and elite corporate clients.

Integrated Diagnostics: Driving Accuracy, Accessibility & Trust through Laboratory Services

At the heart of Durdans Hospital's value proposition is a high-performing diagnostic ecosystem that enables faster, more accurate, and accessible healthcare. With an extensive island-wide laboratory network comprising over 120+ labs and collection centers, Durdans continues to set benchmarks in diagnostic excellence by investing in quality assurance, workforce training, and digital convenience.

To strengthen diagnostic reliability and maintain clinical confidence, Durdans has introduced several external quality assurance (EQA) initiatives. The American Association of Bioanalysis - Medical Laboratory Evaluation (AAB-MLE) program for blood cell identification was integrated into the lab network, elevating medical laboratory technologist (MLT) expertise and improving reporting accuracy. In addition, the National External Quality Control Programme for Histopathology, coordinated by the Medical Research Institute, has further enhanced the precision of pathology-based diagnoses.

Operational improvements have been a major area of focus, addressing both efficiency and safety:

- New automated analysers-Beckman AU-480, Sysmex-330, and Genrui 6400-were deployed across the network to improve testing throughput and reduce manual errors.
- A robust process for expired reagent handling and disposal was implemented, preventing reagent waste and improving lab turnaround consistency.
- Internal audits across satellite labs, conducted by technical and quality teams, helped standardise pre-analytical, analytical, and post-analytical practices.

Workforce development remains central to sustainable lab excellence. A revised MLT recruitment plan was introduced to attract skilled professionals, while a phlebotomist grade promotion exam and training program now ensures competency-based career growth. To safeguard both patient and staff well-being, needle-stick injury prevention systems were implemented at all sample collection points.

On the customer experience front, Durdans enhanced convenience by enabling report access via mobile apps, email, and WhatsApp. This not only reduces turnaround time but also empowers patients to take control of their health information.

By integrating digital transformation, technical accuracy, and nationwide accessibility, Durdans continues to deliver diagnostic services that form the foundation of early detection, informed treatment, and patient trust.

Full Body Checkup in Sri Lanka | Durdans Hospital

STARTER HEALTH CHECK	ESSENTIAL HEALTH CHECK	ESSENTIAL PLUS HEALTH CHECK	ESSENTIAL PLUS HEALTH CHECK
30% OFF Price After Discount LKR 6,450 Male & Female	30% OFF Price After Discount LKR 10,450 Male & Female	30% OFF Price After Discount LKR 21,350 Male Below 40 Years	30% OFF Price After Discount LKR 27,900 Male Above 40 Years
Starter Health Check Package LKR 6,450.00 Add to cart	Essential Health Check Package LKR 10,450.00 Add to cart	Essential Plus Male Below 40 Years – Health Check Package LKR 21,350.00 Add to cart	Essential Plus Male Above 40 Years – Health Check Package LKR 27,900.00 Add to cart
ESSENTIAL PLUS HEALTH CHECK	ESSENTIAL PLUS HEALTH CHECK	PROFESSIONAL HEALTH CHECK	PROFESSIONAL HEALTH CHECK
30% OFF Price After Discount LKR 25,150 Female Below 40 Years	30% OFF Price After Discount LKR 28,850 Female Above 40 Years	30% OFF Price After Discount LKR 42,450 Male Below 40 Years	30% OFF Price After Discount LKR 49,000 Male Above 40 Years
Essential Plus Female Below 40 Years – Health Check Package LKR 25,150.00 Add to cart	Essential Plus Female Above 40 Years – Health Check Package LKR 28,850.00 Add to cart	Professional Male Below 40 Years – Health Check Package LKR 42,450.00 Add to cart	Professional Male Above 40 Years – Health Check Package LKR 49,000.00 Add to cart
PROFESSIONAL HEALTH CHECK	PROFESSIONAL HEALTH CHECK	PREMIUM HEALTH CHECK	PREMIUM HEALTH CHECK
30% OFF Price After Discount LKR 60,700 Female Below 40 Years	30% OFF Price After Discount LKR 64,400 Female Above 40 Years	30% OFF Price After Discount LKR 83,350 Male Below 40 Years	30% OFF Price After Discount LKR 89,900 Male Above 40 Years
Professional Female Below 40 Years – Health Check Package LKR 60,700.00 Add to cart	Professional Female Above 40 Years – Health Check Package LKR 64,400.00 Add to cart	Premium Male Below 40 Years – Health Check Package LKR 83,350.00 Add to cart	Premium Male Above 40 Years – Health Check Package LKR 89,900.00 Add to cart
PREMIUM HEALTH CHECK	PREMIUM HEALTH CHECK	The Wide Range of Packages Offered by the Durdans Laboratory Network	
30% OFF Price After Discount LKR 107,950 Female Below 40 Years	30% OFF Price After Discount LKR 111,600 Female Above 40 Years	The Wide Range of Packages Offered by the Durdans Laboratory Network	
Premium Female Below 40 Years – Health Check Package LKR 107,950.00 Add to cart	Premium Female Above 40 Years – Health Check Package LKR 111,600.00 Add to cart	The Wide Range of Packages Offered by the Durdans Laboratory Network	



925 +

Tests



14

Diagnostics packages



2.91 Mn

Tests conducted

Clinical Innovation and Excellence That Elevates Care Outcomes

As a purpose-built tertiary care institution, Durdans has earned recognition as a Centre of Excellence in several disciplines, including cardiac care, orthopaedics, and ophthalmology. This reputation is grounded in outcome-focused clinical protocols and a continued commitment to state-of-the-art medical infrastructure, enabling the hospital to respond to complex patient needs with both clinical precision and compassionate care.

In 2024/25, Durdans Hospital delivered a series of high-impact clinical advancements that directly elevated the quality and precision of care across multiple specialties. From pioneering electrophysiology capabilities in cardiac care to expanding specialty access through new clinical units, Durdans continued to redefine what is possible in tertiary healthcare delivery in Sri Lanka.

Our focus remained clear: enhance outcomes, improve procedural efficiency, and expand access to specialised care supported by world-class infrastructure, technology, and talent.

Our Business

Social and Relationship Capital



Patients treated in 2024/25



Surgical procedures performance



OPD patients

Infrastructure and Equipment Upgrades: Enabling Precision and Access

At the heart of Durdans' clinical advancements is its strategic investment in high-impact infrastructure and cutting-edge medical equipment. These upgrades facilitate the expansion of service delivery capacity while elevating the standard of care across key specialties.

Advanced Cardiac Electrophysiology: WorkMate Claris 2D EP System

The commissioning of the WorkMate Claris 2D Electrophysiology (EP) System marks a major milestone in Durdans' leadership in cardiac care. This next-generation system supports advanced cardiac rhythm diagnostics and interventions, enabling:

- Precision-guided complex EP studies
- Reduced procedural time
- Improved diagnostic accuracy and patient safety

This capability further cements Durdans' status as a national and regional leader in comprehensive cardiac care.

Specialty Expansion: Urology Clinic

The newly launched Urology Clinic is designed to close gaps in outpatient and preventive genitourinary care, and is equipped with:

- Advanced diagnostic capabilities
- Minor surgical procedure facilities
- Streamlined pathways for rapid intervention

The clinic reflects Durdans' focus on expanding specialty services that are accessible, efficient, and patient-focused.

Neurosurgical Precision Technologies

To advance the quality of neuro care, the hospital invested in best-in-class navigation and imaging technologies:

- Zeiss Kinevo 900: A high-end neurosurgical microscope delivering enhanced visualisation and real-time intraoperative guidance.
- Medtronic StealthStation S8: A powerful neuro-navigation platform that improves surgical planning and precision, significantly lowering patient risk.

These technologies support minimally invasive procedures, reduce recovery times, and increase surgical success rates.

Operating Theatre and ICU upgrades

Supporting these specialty enhancements are upgrades to core clinical areas: whenever relevant

- High-spec operating theatres adapted for advanced and robotic-assisted surgeries
- Refined ICU infrastructure for critical care management
- Enhanced in-patient environments aligned with international safety and comfort standards

Cardiac Innovation: Advancing Electrophysiology	A major clinical highlight during the year was the procurement and commissioning of the WorkMate Claris 2D Electrophysiology (EP) System. This cutting-edge platform represents a significant step forward in cardiac rhythm management, enabling:	Precision-guided complex EP studies Reduced procedural times Enhanced patient safety and diagnostic accuracy
Urology Expansion: Patient-Centric Specialty Care	This development further strengthens Durdans' position as a regional leader in cardiac care and underscores its long-standing commitment to clinical excellence in cardiovascular medicine.	Advanced diagnostic capabilities Facilities for minor surgical procedures Streamlined care pathways for faster intervention
Multi-Specialty Technological Advancements	Durdans continued its service diversification with the launch of a modern Urology Clinic, designed to fill a vital gap in outpatient specialty services. The clinic is equipped with:	This addition ensures more timely and efficient treatment for genitourinary conditions while prioritising patient comfort and continuity of care.
Seamless Digital Integration	Beyond cardiology and urology, the hospital has deployed high-precision technologies across key specialties. Notable platforms include:	Zeiss Kinevo 900 – An advanced neurosurgical microscope enabling high-definition imaging and real-time guidance Medtronic dStealthStation S8 – A state-of-the-art neuro-navigation system that enhances surgical accuracy and safety in neurosurgery
	These technologies are instrumental in achieving better surgical outcomes, reducing risk, and improving recovery times across complex procedures.	These tools enhance accessibility, convenience, and engagement, making care more responsive and personalised.

FUTURE OUTLOOK:

- Establishment of CSR Vertical

In 2025, Durdans will launch a dedicated CSR vertical to drive sustainability, focusing on community outreach, environmental responsibility, and the strategic management of natural capital across our operations.

- Digitisation and Paperless Operations

We will continue advancing the digitisation of processes, including electronic health records and digital

documentation, to reduce paper consumption and improve operational efficiency, aligning with our sustainability goals.

- Sustainable Infrastructure Enhancements

Ongoing upgrades to hospital infrastructure will include energy-efficient systems, water conservation technologies, and eco-friendly building practices, ensuring minimal environmental impact and improved resource efficiency.

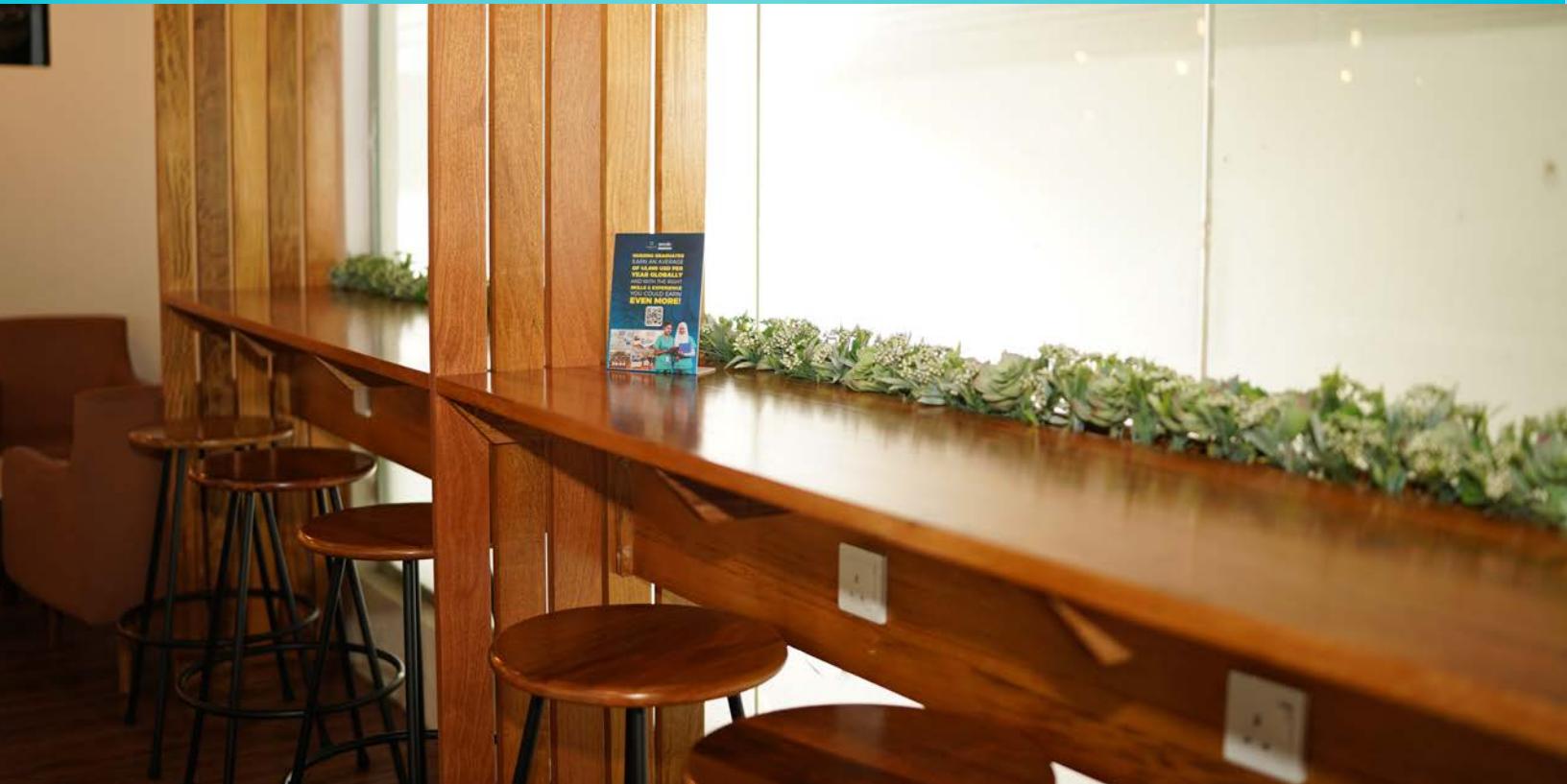
- Operational Sustainability

We are expanding efforts across key projects aimed at reducing utility costs, promoting sustainable staff behaviour, and enhancing waste management, further strengthening our commitment to operational and environmental excellence.

Our Business

Natural Capital

At Durdans Hospital, environmental stewardship is embedded into our operational philosophy. We are committed to preserving our natural capital, which comprises energy, water, paper, and waste, by relying on a multipronged strategy of sustainable practices, innovation, and technology. As a healthcare institution, we recognise the critical role we play in protecting the environment while delivering exceptional patient care, and continue to take tangible steps to elevate our commitment towards upholding sustainability across our operations.



FOCUS AREAS FOR 2024/25:

Responsible Resource Consumption



We continued to focus on reducing energy, water, and paper consumption, by relying on optimised processes and infrastructure and equipment upgrades and digital transformation to drive resource efficiency.

Impact Management



Through robust waste management systems and compliance with regulatory standards, we continue to minimise our environmental impact and reinforce our commitment to responsible healthcare.

Sustainability Awareness



We are dedicated towards strengthening sustainability awareness across our diverse stakeholder groups through staff training and ongoing efforts to integrate sustainability into the hospital's strategy.

Impacted Stakeholders:

Customers



Employees



Community



Regulators

Impacted SDGs:

3 GOOD HEALTH AND WELL-BEING



6 CLEAN WATER AND SANITATION



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



14 LIFE BELOW WATER



15 LIFE ON LAND

Associated Capitals:

Value Driver	Strategic Outcomes
On-site wastewater treatment plant	<ul style="list-style-type: none"> Prevents contamination arising from medical or clinical waste Enhances environmental compliance and public health safety Reinforces reputation as a responsible corporate citizen
Stringent waste segregation and management	<ul style="list-style-type: none"> Ensures safe and responsible disposal of hazardous and non-hazardous waste Reduces risk of cross-contamination and environmental harm Aligns with national regulatory standards and sustainability benchmarks
Energy-efficient processes and infrastructure	<ul style="list-style-type: none"> Reduces electricity consumption and operational costs Improves system reliability and facility performance Supports long-term energy sustainability
Water conservation systems and low-flow fixtures	<ul style="list-style-type: none"> Lowers overall water consumption and utility costs Maintains hygiene standards without compromising efficiency Promotes sustainable water resource management
Digital transformation	<ul style="list-style-type: none"> Minimises paper waste and improves workflow accuracy Increases operational efficiency and patient information access Drives long-term cost savings and supports low-carbon operations

RESPONSIBLE RESOURCE CONSUMPTION

Durdans Hospital has established comprehensive systems and policies to ensure the responsible consumption of primary resources, including energy, water, and paper. Our approach to sustainability extends beyond reducing costs; it is a commitment to minimising our environmental footprint while delivering high-quality healthcare.

Energy Management

Durdans Hospital relies primarily on the National Grid to meet its energy requirements. However, in recognition of the volatile energy landscape and the rising costs of essential commodities

such as electricity and fuel, we have implemented a robust and multi-faceted energy management strategy. This approach combines efficient infrastructure, backup systems, and improved oversight to ensure operational continuity and sustainability.



Our Business

Natural Capital

Energy-Efficient Technologies: The hospital introduced Variable Frequency Drives (VFDs) across critical systems including HVAC units and exhaust systems. These drives adjust motor speed based on real-time demand, optimising energy use without compromising operational performance.

Reduced electricity and fuel consumption
Improved emissions control
Enhanced system efficiency across facility operations

LED Lighting Systems: As part of an energy-saving retrofit, all lobby and public area lighting was converted from CFL and traditional fixtures to energy-efficient LED lighting.

Directly reduced lighting-related energy demand.
Improved illumination quality and lifespan of lighting systems.

Building Management System (BMS): A comprehensive BMS was installed and progressively connected to essential systems and zones, including cooling units in lobby areas and various HVAC components. The system allows real-time monitoring, automated control, and efficient scheduling of energy-consuming equipment.

Significantly curbing energy wastage through automated regulation.
Active analysis of usage patterns to support continuous improvement.
Improved oversight of facility-wide energy performance.

Energy-Efficient IT Infrastructure: Investments in modern, energy-saving servers and networking equipment.

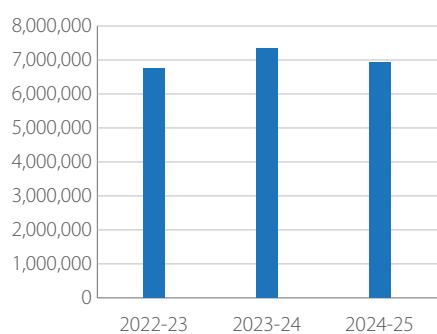
Improved performance of equipment.
Reducing the power draw of back-end systems.

Systemic Oversight and Continuous Monitoring

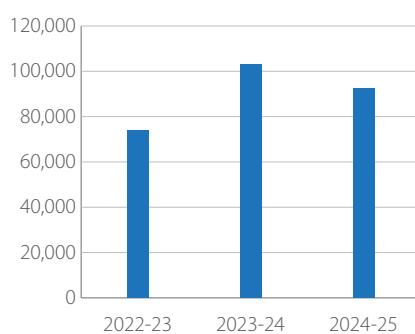
Facility and energy audits are routinely conducted in parallel with financial and operational assessments. These are reinforced by the newly commissioned BMS (Building Management System) which supports transparent tracking of energy performance and system-level consumption across the hospital.

Ensures compliance with internal benchmarks
Highlights further areas for optimisation

Electricity Consumption per Year (Avg) Unit (Kwh)



Diesel consumption per Year (Avg) (Ltr)



 **5.6%**
in electricity consumption 

 **10.5%**
in diesel consumption 

Chiller System Upgrade: Ensuring Continuity and Efficiency in Climate Control

Durdans Hospital is focused on ensuring uninterrupted and efficient air conditioning across clinical and administrative environments to drive a higher quality of care. Aligned with this commitment we operate back-to-back chiller units, based on a redundancy system designed to maintain consistent temperature control even in the event of equipment failure.

During the year under review, we initiated an upgrade of our chiller systems to more energy-efficient models, targeting performance enhancement and cost reduction. These chillers are integral to maintaining regulated temperatures in high-dependency areas such as operating theatres, ICUs, laboratories, and pharmacy storage zones – where precise climate control is essential for patient safety, medical efficacy, and equipment functionality.

Key outcomes of the chiller system upgrade include:

- Improved energy efficiency, contributing to reduced operational load and utility consumption.
- Uninterrupted cooling performance, ensuring compliance with clinical safety and comfort standards.
- Cost savings were achieved with the hospital recording a reduction of approximately LKR 500,000 per month in energy costs following the implementation of the upgraded systems.

This notable upgrade reinforces our capacity to deliver high-quality care under optimal conditions, while aligning with our broader commitment to sustainable operations and responsible energy use.

Power supply is vital towards the continuity of healthcare operations, with brief interruptions holding the potential to pose serious implications on patient care and safety. Durdans Hospital is unwavering in its commitment to ensuring a continuous and reliable electricity supply, particularly in its critical areas such as operating rooms, intensive care units (ICUs), and patient wards. To mitigate the risk of power disruptions, the hospital has implemented a comprehensive, multi-tiered backup power system, as outlined below:

- **Internal Backup Generators:** The hospital has strategically installed high-capacity internal generators that automatically activate during power outages. These generators are positioned to ensure that critical hospital operations, particularly in areas such as surgical theatres, ICUs, and patient wards, remain fully functional without interruption.
- **External Backup Generators:** In addition to the internal backup generators, Durdans has formalised agreements with external generator service providers. In the event of a failure of the internal generators, external units are swiftly deployed to guarantee the continuous operation of essential services. This redundancy system ensures that the hospital's operations remain unaffected during power emergencies.

By utilising both internal and external generators, Durdans Hospital significantly reduces its reliance on the national electricity grid, particularly during emergencies. This approach both ensures the uninterrupted function of critical medical equipment and services and enables us to achieve dual objectives of enhancing energy resilience and operational continuity.

Water Management

Water management is a critical aspect of any healthcare facility, and at Durdans Hospital, it is regarded as one of the key pillars of our commitment to responsible resource management. Our operations require significant amounts of water for a variety of functions, from patient care and sanitation to sterilisation processes, laboratory operations, and catering. Given the importance of water in maintaining hygiene and operational standards, we have implemented a comprehensive approach towards water conservation, efficient usage, and wastewater management, in order to ensure that our water consumption is both responsible and sustainable.



Water Storage Systems

To ensure uninterrupted water supply, especially in emergencies or during high-demand periods, the hospital has installed multiple water sumps throughout its facility. This measure ensures that the hospital is equipped with a reliable water source, thereby avoiding disruptions that could impact patient care or hospital operations.

Our Business

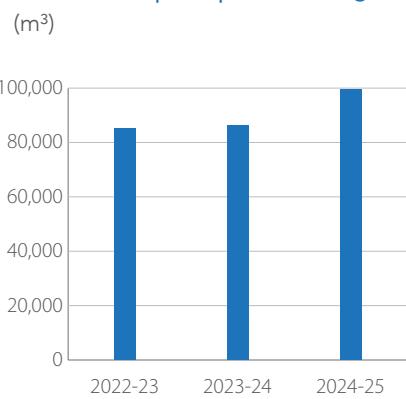
Natural Capital



On-site Water Treatment

A significant achievement this year was the commissioning of a wastewater treatment plant within the hospital. This facility processes and treats water before it is released into the general drainage system, ensuring that only clean, safe water is discharged. This proactive step prevents contamination of the environment and demonstrates our commitment to sustainable waste management practices. Refer page 87 for more details.

Water consumption per Year (Avg)



Paper Consumption

As part of our ongoing commitment to sustainability and operational efficiency, Durdans Hospital has focused on reducing paper consumption, driven largely by the rising costs of printed materials. Over the past few years, the implementation of Electronic Health Records (EHR) and the automation of administrative tasks have played a pivotal role in significantly cutting down paper usage. These digital advancements have streamlined operations, improved accessibility to information, and enhanced workflow efficiency across various departments.

Durdans also continues to embrace digital collaboration tools across the hospital, further reducing paper consumption and improving workflow efficiency. By replacing many in-person meetings with virtual platforms, the hospital has been able to mitigate the impact of travel-related emissions and enhance communication between departments, ultimately improving the overall patient care process.

Laboratory Process Improvement: Streamlining Workflow and Reducing Paper Consumption

Durdans Hospital has introduced significant improvements to its laboratory reporting process, driven by the goal of enhancing operational efficiency and reducing paper consumption. The previous workflow, through which laboratory staff relied on printed worksheets for manually verifying test results, was both time-consuming and prone to human error. To address these challenges, the hospital implemented a digital solution by introducing dual-screen setups for the staff. This process enhancement was initiated at the main laboratory in the hospital premises, with plans to roll it out across all locations in the upcoming year.

Key Changes and Impact

The introduction of dual-screen technology enabled laboratory staff to simultaneously verify results on one screen while managing their daily tasks on another. This real-time digital verification eliminated the need for paper printouts, significantly reducing paper waste and accelerating the verification process. As a result, the verification time was shortened, and accuracy was improved, enhancing the quality of patient care.

Value Added:

- Increased Efficiency: Faster result verification and reduced time spent on administrative tasks, enabling laboratory staff to focus on higher-priority activities.
- Improved Accuracy: Reduced human error in the verification process, ensuring more reliable and accurate test results.
- Sustainability: Eliminated hundreds of paper printouts each day, supporting the hospital's environmental goals by reducing paper consumption.

IMPACT MANAGEMENT

At Durdans Hospital, we take proactive steps to manage and minimise the impact of our operations, ensuring that we contribute positively to both the environment and the communities we serve.

Our initiatives are designed to effectively address and mitigate any potential environmental and social impacts while optimising operational efficiency. Through the comprehensive approach outlined below, we seek to strengthen our corporate responsibility and with our long-term goal of becoming a healthcare leader that prioritises people, the environment, and operational excellence.

Waste Segregation and Disposal

Durdans Hospital generates a wide variety of waste materials due to the nature of the services we provide. To ensure proper handling, disposal, and environmental responsibility, all waste is carefully segregated into distinct categories. This method of classification minimises the potential for contamination and supports our commitment to responsible waste management.

We partner with verified third-parties and regulatory authorities to ensure all waste is disposed of responsibly; ensuring we comply with environmental regulations, mitigate contamination risks, and minimise our overall impact.

General Waste	This category includes non-hazardous, everyday waste materials generated throughout the hospital, such as packaging, paper, food wrappers, and general office waste.
Infected Waste	Infected waste consists of materials that may be contaminated by pathogens, such as used bandages, syringes, and other items from clinical procedures. This waste is handled with care and incinerated with the support of a CEA-approved incinerator to prevent the spread of infections.
Food Waste	Food waste is generated in the hospital's kitchens and dining areas. It is separated and collected for proper disposal by the Colombo Municipal Council in accordance with local environmental regulations.
Plastic/ Polythene Waste	Plastic and polythene waste, including items like packaging, bottles, and non-hazardous disposable medical items, are segregated for recycling or appropriate disposal.
Glass Waste	Glass waste from medical and non-medical sources, including bottles and jars, is collected separately to ensure proper recycling or disposal.
Recyclable Paper Waste	Paper waste such as used paper, cardboards, and medical reports is separated for recycling. This reduces landfill use and supports the recycling industry.



Our Business

Natural Capital

Waste Treatment Plant

As part of our ongoing commitment to environmental sustainability, we have implemented a state-of-the-art waste treatment plant at Durdans Hospital. This facility is designed to treat all wastewater, particularly from clinical areas, before being discharged, ensuring that untreated clinical waste is not released into the general drainage system.

The plant allows us to effectively process and sanitise medical waste, removing harmful substances that could otherwise pose risks to the local ecosystem. Additionally, it ensures that all rainwater runoff from the hospital is thoroughly cleaned before being discharged. Only clean, treated water is released into the external drainage system, aligning with the highest environmental protection standards and minimising the potential for contamination. Through this initiative, we are contributing to the preservation of local water resources and reinforcing our commitment to both patient care and environmental stewardship.

Outcomes:

Environmental Preservation

- Our waste treatment plant ensures that untreated medical wastewater is not released into the drainage system, reducing contamination risks to local water and soil.

Public Health Protection

- By treating clinical waste, we protect public health, preventing the spread of infections and waterborne diseases.

Regulatory Compliance

- The plant helps us comply with the Central Environmental Authority (CEA) standards, reinforcing our commitment to environmental responsibility.

Resource Conservation

- By recycling treated water, we reduce our reliance on fresh water sources, supporting our broader sustainability efforts.

Responsible Corporate Positioning

- This initiative positions us as a responsible corporate entity, dedicated to minimising our environmental impact while maintaining high standards of care.

Impacted SDGs:



1,350,000 litres

waste water treated during quarter 04

Certifications and Environmental Compliance

At Durdans Hospital, we are committed to maintaining the highest environmental standards, which we continually reinforce through adherence to national and international environmental regulations. We are certified with the Environment Protection License (EPL) from the Central Environmental Authority (CEA), reflecting our ongoing efforts to manage our environmental footprint.

This certification underscores our dedication to responsible environmental practices, including efficient waste management, energy conservation,

and resource optimisation. It enhances our credibility with regulatory bodies, patients, and the broader community, further solidifying our position as an entity that cares about our impact across our operations and beyond.

SUSTAINABILITY AWARENESS

At Durdans Hospital, we recognise that sustainability extends beyond infrastructure and technology—it is embedded in the purposeful choices made by staff, patients, and visitors alike. Acknowledging the fundamental role of organisational culture in driving meaningful change, we have

implemented a range of initiatives designed to foster environmental responsibility throughout the hospital community.

Promoting Sustainable Practices

Our sustainability strategy focuses on encouraging simple, yet impactful behaviours aimed towards reducing energy consumption, waste generation, and water usage. Through targeted awareness campaigns, staff education, and strategic signage, we encourage responsible decision-making in day-to-day hospital operations.

One key initiative is the promotion of stair use over elevators for short distances, which contributes to reducing the energy consumption of our energy-intensive lifts. Additionally, we have emphasised the importance of switching off unnecessary lights during morning hours and in unoccupied spaces, thereby further reducing our overall energy consumption.

Engaging Staff and Patients

- 
Staff Engagement and Education:
 - Comprehensive training programs have been implemented to equip staff with the knowledge and tools needed to adopt resource-saving practices. This includes turning off lights in unoccupied areas, reducing water wastage, and encouraging mindful energy use across all hospital departments.
- 
Patient Awareness and Empowerment:
 - Durdans Hospital is committed to educating patients about our sustainability initiatives. Through patient-facing materials and outreach programs, we inform patients of our environmental goals and provide resources that reduce the need for paper documentation and travel, thus contributing to resource conservation.
- 
Cultivating a Culture of Sustainability
 - Beyond individual actions, Durdans is steadfast in our commitment to fostering a culture of sustainability hospital-wide. Our efforts include waste segregation, water conservation, and energy-efficient practices embedded into daily operations. In 2025, we plan to further institutionalise these efforts by establishing a dedicated Corporate Social Responsibility (CSR) unit to expand our community outreach and environmental initiatives.

FUTURE OUTLOOK:

- **Establishment of CSR Vertical**
In 2025, Durdans will launch a dedicated CSR vertical to drive sustainability, focusing on community outreach, environmental responsibility, and the strategic management of natural capital across our operations.

- **Digitisation and Paperless Operations**
We will continue advancing the digitisation of processes, including electronic health records and digital documentation, to reduce paper consumption and improve operational efficiency, aligning with our sustainability goals.

- **Sustainable Infrastructure Enhancements**

Ongoing upgrades to hospital infrastructure will include energy-efficient systems, water conservation technologies, and eco-friendly building practices, ensuring minimal environmental impact and improved resource efficiency.

- **Operational Sustainability**

We are expanding efforts across key projects aimed at reducing utility costs, promoting sustainable staff behaviour, and enhancing waste management, further strengthening our commitment to operational and environmental excellence.

Enterprise Risk Management

Enterprise Risk Management (ERM) in the healthcare sector encompasses a comprehensive set of clinical and administrative systems, processes, and reporting mechanisms designed to identify, monitor, assess, mitigate, and prevent risks. In today's complex and rapidly evolving healthcare environment, risk management plays a critical role in safeguarding patient safety, ensuring operational continuity, protecting institutional reputation, maintaining regulatory compliance, and preserving financial stability.

The scope and importance of risk management have grown considerably in recent years. The rapid adoption of advanced medical technologies, heightened cybersecurity threats, the accelerating pace of scientific and clinical innovation, and increasingly complex regulatory frameworks have created new challenges. These developments demand a dynamic, integrated, and forward-looking approach to managing risk. Within this context, Risk Management has become a fundamental component of strategic planning and operational execution. At Durdans Hospital, risk management is embedded into core governance and clinical processes, reinforcing the Hospital's commitment to delivering high-quality, ethical healthcare while ensuring operational excellence, regulatory alignment, and long-term sustainability.

RISK MANAGEMENT PROCESS AT DURDANS

The Management is responsible for applying an effective risk management strategy within the Company. Risk Management and the oversight of the adequacy and effectiveness of internal controls across the Group are overseen by the internal audit and compliance functions, through regular internal audit reports and compliance statements.

The Company adopts a structured approach to managing risk through processes aimed at eliminating, minimising, accepting, and/or transferring risks. To support this approach, operational and management controls have been implemented, along with defined mitigation plans. These controls and plans are regularly reviewed and verified by the in-house Quality Assurance Department (QAD) and the Internal Audit and Compliance Department. In compliance with the Joint Commission International (JCI) 8th Edition, Durdans Hospital has maintained a proactive and structured approach to risk assessment as a core component of our patient safety and quality improvement framework.

Risk assessments were conducted at both clinical and operational levels, focusing on identifying, analysing, and mitigating potential threats to patient safety, staff well-being, and healthcare delivery. Key areas of focus included:

- Environmental and Facility Risk Assessments to ensure safety in patient care areas, including fire safety, hazardous materials handling, and emergency preparedness.
- Clinical Risk Assessments, including high-risk procedures, medication safety, infection control, and blood transfusion safety.
- Patient-Centred Risk Evaluations, such as fall risk assessments, pressure injury prevention, and behavioral risk assessments in vulnerable populations.
- Organisational Risk Reviews, addressing data privacy, information security, equipment failures, and supply chain vulnerabilities.

All identified risks were categorised, scored, and prioritised using a standardised risk matrix. Mitigation plans were developed with defined ownership, timelines, and quality indicators. Outcomes were monitored through internal audits, safety rounds, and dashboard reporting.

In 2024–25, several targeted interventions were implemented based on risk findings, including revised protocols, training initiatives, and investment in safer technologies. Risk data also informed our Quality Improvement Projects (QIPs) and contributed to a culture of continuous learning and system-wide safety awareness.

Durdans Hospital continues to uphold JCI's commitment to proactive risk management as an essential foundation for delivering safe, effective, and high-quality healthcare.

In addition to the above, specific mitigation mechanisms such as business continuity plans and disaster recovery plans. Insurance to cover residual non-systematic risks are also employed. professional negligence and workmen compensation.

RISK ASSESSMENT MATRIX

The following Risk Assessment Matrix is utilised to evaluate the inherent and residual risk levels associated with specific events or scenarios. The assessment is based on two primary dimensions:

- Likelihood – The probability of a risk event occurring.
- Impact – The severity of consequences should the risk event materialise.

By cross-referencing these two dimensions, the matrix produces a probability-weighted risk level, which assists in prioritising risk mitigation strategies and decision-making.

Likelihood		Impact				
		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Rare	1	Low	Low	Low	Moderate	Moderate
Unlikely	2	Low	Moderate	Moderate	High	High
Possible	3	Low	Moderate	High	High	Extreme
Likely	4	Moderate	High	High	Extreme	Extreme
Almost Certain	5	Moderate	High	Extreme	Extreme	Extreme

Low and moderate risks are discussed with Head of Departments and risk registers are monitored for control measures by QAD on quarterly basis. Head of Department ensures completion the action items as per the agreed timelines which is also reviewed quarterly by QAD. High and extreme risks are escalated to the relevant committees by QAD and Internal Audit and Compliance Department respectively on quarterly basis at the quarterly Committee Meetings and the risk treatment methods are agreed at the meetings. Implementation on treatment methods are done through the Head of Departments.

QPS and Internal Audit Committee Meeting

THE BOARD'S RESPONSIBILITY FOR RISK MANAGEMENT

The Board ensures that there is an ongoing organisational process to identify and manage risks in each domain. The Board

determines the risk appetite in relation to each type of risk at least once a year, and in situations where significant volatility is in the environment, at more regular intervals. If and when necessary the Board establishes standing (eg: Audit Committee) and ad-hoc meetings to examine and advise the Board on specific risks. The Board has oversight of the hospital risk management program, and ensures the following,

- A comprehensive risk identification and assessment is done annually by each operational unit of the organisation by the both Internal Audit and QAD
- The departmental heads and chairpersons of the committees continuously scan for new risks and changes in risk profiles and report such to the relevant committees.

- Based on the risks identified and their significance, contingency, preparedness and risk mitigating plans are implemented through Executive Management.
- Quarterly a summarised reports are submitted to the Board setting-out key risks and key audit findings are then reported together with risk mitigation actions.
- Recommendations are made by required actions are initiated and monitored.

Listed below are the key risks areas identified within the corporate risk profile along with their respective status and mitigating action plans.

Risk Category	Description / Potential Impact	Mitigating Actions / Controls
Patient Safety and Clinical Risks	Patient safety remained a top priority, with continuous monitoring of sentinel events, near misses, and the implementation of preventive strategies through our risk management framework. Performance improvement projects were conducted based on data trends, with measurable outcomes monitored and reviewed quarterly.	<ul style="list-style-type: none"> • Adherence to clinical guidelines & JCI standards • Clinical Risk Management (CRM): credentialing, incident & complaints monitoring • Infection control and prevention • Vaccinations (e.g., Hepatitis B) and regular staff screening • Awareness programs • Confidential medical records management • Continuous monitoring and use of clinical quality indicators to assess care outcomes

Enterprise Risk Management

Risk Category	Description / Potential Impact	Mitigating Actions / Controls
Strategic Risks	<p>Risks to achieving short- and long-term strategic goals arising from unclear roles and responsibilities, inefficient implementation of strategies, lack of performance monitoring, ineffective change management, and absence of standardised risk oversight processes. These risks can lead to inefficiencies, resource misallocation, or failure to meet organisational objectives.</p>	<ul style="list-style-type: none"> Clearly defined organisational structure with assigned roles and responsibilities Use of transparent, repeatable processes to guide strategic implementation Strong change management practices to drive acceptance and continuity Development and application of risk metrics for regular monitoring and performance reporting Implementation of standardised tools and templates to systematise risk management practices Regular executive oversight and alignment of strategy with enterprise risk assessments
Financial Risks	<p>Risks related to funding availability, rising interest rates, poor liquidity management, cost inflation, credit exposure to corporate clients and insurers, and potential shortages in essential medical supplies. These may result in financial instability, delayed investments, or operational disruptions. Additional risks include capital expenditure commitments impacting cash flow, dividend payment obligations affecting liquidity, large related party receivables posing collection risks, currency fluctuations, and operational cash flow volatility.</p>	<ul style="list-style-type: none"> Prudent management of borrowings with constant monitoring of gearing levels Daily cash flow planning and close liquidity monitoring Conducting feasibility studies for all major investments to ensure ROI and cash flow sustainability Close monitoring of receivables from corporate clients, insurers, and related parties to mitigate credit risk Stockpiling of essential drugs, consumables, and supplies to preempt shortages Strategic cost containment and productivity improvements via optimal staff deployment and efficient facility use Strong internal control environment and internal audits to ensure financial discipline, fraud minimisation, and compliance with SOPs and regulatory requirements Foreign exchange risk management policies to mitigate currency exposure Prudent dividend policy aligned with cash flow and liquidity forecasts
Operational Risks	<p>Errors arising from people, processes, equipment failures, and supply chain inefficiencies may result in ineffective operations, patient dissatisfaction, stockouts, reputational damage, and regulatory non-compliance.</p>	<ul style="list-style-type: none"> Execution of a Board-approved, risk-based internal audit plan Backup arrangements for utility services and critical medical equipment Regular review, calibration, and preventive maintenance of medical devices by Bio-Medical Engineering IT system backups and enhanced data security protocols Robust supply chain processes with strict inventory controls to prevent stockouts and minimise wastage and expiry HRM framework with structured recruitment, training, and staff development programs Comprehensive complaint management systems to address grievances and enhance patient experience Continuous improvement initiatives based on stakeholder feedback to strengthen operational efficiency

Risk Category	Description / Potential Impact	Mitigating Actions / Controls
Employee-Related Risks	Risks arising from staff turnover, low engagement, skills gaps, and poor internal communication that can impact the continuity and quality of patient care, service standards, and organisational culture.	<ul style="list-style-type: none"> Promotion of a performance-driven culture to improve employee engagement and retention Organisational culture transformation to foster team cohesion and collaboration Improved internal communication across all staff levels and departments ICT infrastructure upgrades enabling secure 24x7 remote system access Ongoing training and professional development programs Clearly defined roles aligned to organisational objectives Competitive benefits and career progression to reduce attrition rates
Hazards: Catastrophic Events & Pandemics	External risks arising from pandemics, natural disasters, or unforeseen catastrophic events leading to infection outbreaks, disruptions in operations, increased costs, and potential health risks to staff and patients.	<ul style="list-style-type: none"> Establishment of dedicated isolation wards and intensive care units (ICUs) Implementation of strict safety and infection control protocols for zero-contact exposure Staff vaccinations (e.g., Hepatitis B) and regular health monitoring Deployment of essential clinical staff with necessary health precautions Ongoing evaluation of environmental and infectious disease risks Pandemic preparedness and emergency response planning Updated SOPs for future outbreaks and disaster scenarios
Information Technology & Management Risks	Risks arising from system downtime, data loss, cybersecurity threats, privacy breaches, and lack of IT resilience that can disrupt operations, compromise patient data confidentiality, and affect regulatory compliance.	<ul style="list-style-type: none"> Robust in-house developed ERP, HIS (Health Information system), LIS (Laboratory Information System), and EMR (Electronic Medical Records) systems to manage core operations High availability platform via VMware to prevent system downtime Cloud backup and off-site Disaster Recovery Site (DRS) for data resilience Advanced antivirus and cybersecurity with CrowdStrike implementation Secure network with corporate Wi-Fi and SDWAN (Software Defined Wide Area Network) across external labs and collection centers Multi-layered data protection with encryption, access control, network segmentation Use of Office 365 with enterprise-grade security for staff collaboration Strong IT governance and updated cybersecurity policies, especially for remote work Deployment of automated solutions in billing, pharmacy, OPD, and EDI (Electronic Data Interchange) platforms (DOC990, E-Channelling, etc.) Alignment with JCI IT standards and practices for healthcare IT quality and security Continuous ICT upgrades to support secure 24x7 remote access for staff Annual Audit Plan as critical mitigation measures

Enterprise Risk Management

Risk Category	Description / Potential Impact	Mitigating Actions / Controls
Regulatory and Legal Compliance Risks	<p>Failure to comply with applicable healthcare regulations and standards could lead to penalties, reputational harm, or disruption to operations. Regulatory risks are intensified by evolving legislation and requirements from local and international bodies.</p>	<ul style="list-style-type: none"> Regular compliance reviews and audits to ensure adherence to applicable laws and standards Alignment with SLMC (Sri Lanka Medical Council) for medical practitioner licensing and ethical practice Alignment with PHSRC (Private Health Services Regulatory Council) for institutional licensing and operational standards Compliance with CEA (Central Environmental Authority) for waste management and environmental protection Implementation of PDPA (Personal Data Protection Act) for patient data privacy Ongoing alignment with Joint Commission International (JCI) standards to maintain international accreditation and quality benchmarks Active participation and representation in healthcare policy forums to stay informed of regulatory changes and influence decision-making Audit committee overseas compliance
Fraud and Corruption Risk	<p>Internal or external fraud such as financial misappropriation, procurement fraud, billing irregularities, or unethical collaborations with third parties.</p>	<ul style="list-style-type: none"> Strong internal audit function with regular and surprise audits Well-structured annual audit plan Established whistleblower mechanisms to report unethical behavior confidentially Clear policies and training on ethics, anti-fraud, and conflict of interest Implementation of automated billing and procurement systems with audit trails to detect irregularities
Environmental Risks	<p>Risks arising from improper medical waste disposal, emissions, energy use, or non-compliance with environmental laws (e.g., CEA). May lead to fines, health hazards, reputational damage, or operational restrictions. Hospitals generate hazardous biomedical waste which, if mishandled, poses contamination risks to the public and environment.</p>	<ul style="list-style-type: none"> Compliance with Central Environmental Authority (CEA) guidelines on clinical waste segregation, storage, and disposal Contracted licensed third-party waste handlers for hazardous and clinical waste disposal Regular training of staff on biomedical waste handling Energy-efficient technologies and green practices in infrastructure (e.g., LED lighting, HVAC management) Water and energy usage monitoring to improve efficiency Regular internal and external environmental audits

Risk Category	Description / Potential Impact	Mitigating Actions / Controls
Social Risks	Risks stemming from failure to engage with community needs, employee wellbeing, patient rights, or social responsibility expectations. Poor stakeholder relationships may affect reputation, staff retention, and regulatory perception. Includes risks from inequitable access, patient dissatisfaction, or adverse community relations.	<ul style="list-style-type: none"> Implementation of Corporate Social Responsibility (CSR) programs focused on health education, screenings, and underserved communities Commitment to patient rights, informed consent, and grievance mechanisms Employee welfare initiatives including fair wages, health benefits, training, and development Transparent stakeholder communication and community engagement Internal patient satisfaction monitoring and service recovery initiatives Alignment with JCI and local healthcare quality standards promoting equity and respect for persons
Economic Risks	Macroeconomic challenges including inflation, currency depreciation, foreign exchange constraints, and rising operational costs affecting patient footfalls, procurement, and staff retention.	<ul style="list-style-type: none"> Proactive monitoring and management reviews Scenario planning and contingency strategies Cost control and operational efficiencies Monitoring recruitment and retention trends Financial planning to mitigate inflation and currency depreciation impacts

Corporate Governance

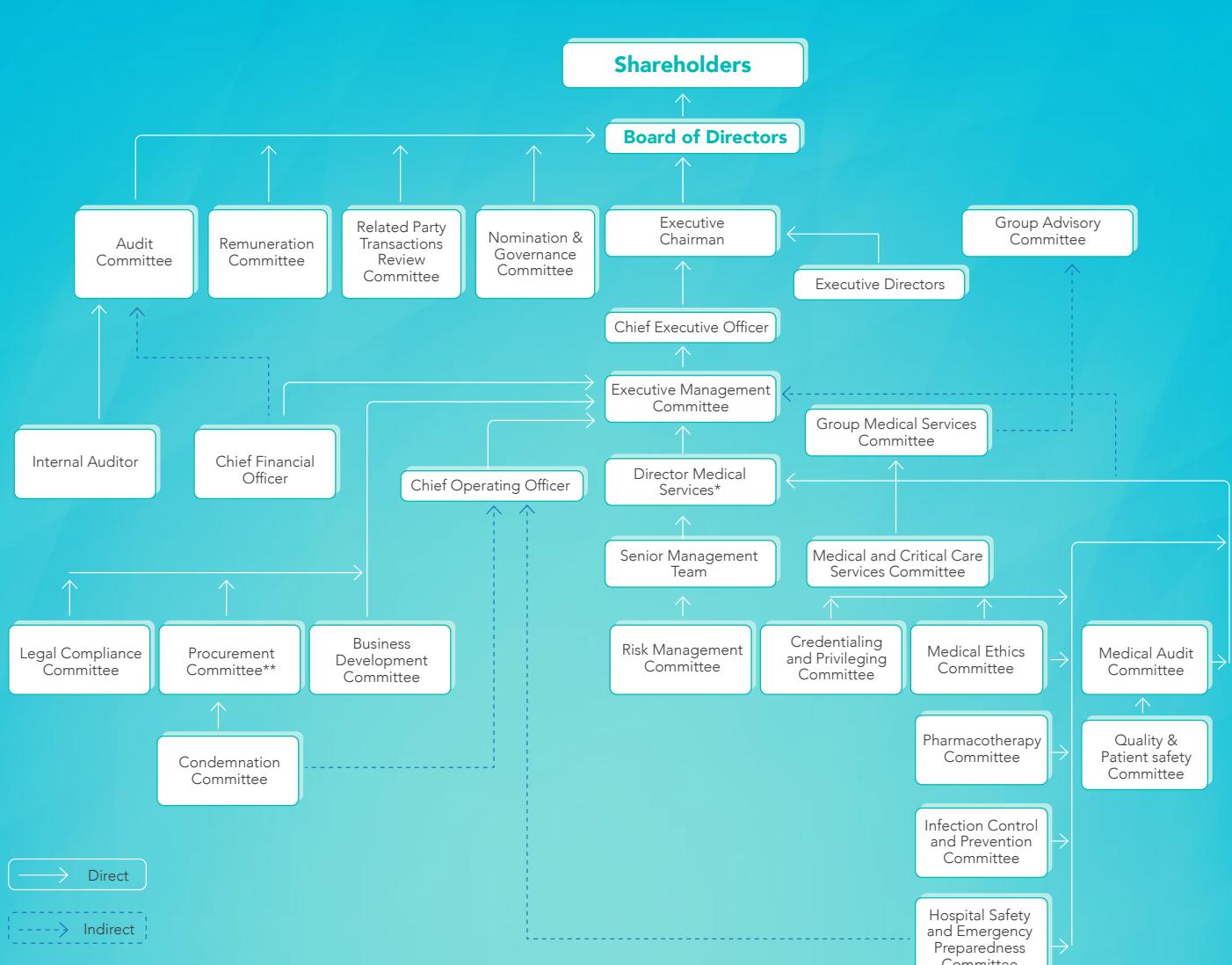
1. EXECUTIVE SUMMARY

The Company has in place a structured corporate governance framework which serves to maintain and enhance sustainable shareholder value. In addition to compliance with mandatory requirements, the Company follows its own internal benchmarks and processes in order to meet best practices in

governance. Detailed below are the compliance rules and standards adhered to by the Company in terms of mandatory provisions included under the Companies Act, Listing Rules of the Colombo Stock Exchange ("CSE") and the Securities and Exchange Commission of Sri Lanka ("SEC") in addition to all other rules and regulations and legislations relevant to

the business of the Company. Further, where relevant and appropriate the Company has ensured that it practices the Revised Code of Best Practices on Corporate Governance issued in 2017, jointly advocated by the SEC and the Institute of Chartered Accountants of Sri Lanka ("CASL").

2. GOVERNANCE STRUCTURE



*Director Medical Services role aligned with Chief Executive Officer

** The Procurement committee has a direct reporting line to an Executive Director

2.1 The Board of Directors

2.1.1 Board Responsibilities

The key responsibilities of the Board include the following.

- Appointing and reviewing the performance of the Executive Chairman
- Reviewing and approving annual plans and long-term business plans
- Providing direction and guidance to formulate medium and long-term strategies aimed at promoting the long-term success of the Company
- Overseeing systems of internal control and risk management functions
- Reviewing and approving strategic investments and capital expenditure
- Ensuring all related party transactions are in compliance with statutory obligations
- Monitoring systems of governance and compliance
- Approving any amendments to constitutional documents

2.1.2 Board Composition

As at the date of reporting the Board comprised nine Directors of whom three served in the capacity of Non-Executive, Independent Directors. In keeping with the applicable rules and codes the Company continues to maintain the right balance between Executive, Non-Executive and Independent Directors. The composition of Executive and Non-Executive, Independent Directors brings the right mix of knowledge required to operate the business sustainably. The Executive Directors bring in extensive knowledge of the business through experience while the Non-Executive, Independent Directors bring in the required experience, objectivity and independent oversight to the business.

Board composition as at 31st March 2025

	1	2	3	4	5	6	7	8	9		
Age Group	< 40	40-70					> 70				
Board Tenure	> 5 years							Over 5 years			
Designation	Executive			Non-Executive, Non-Independent		Non-Executive, Independent					
Gender	Male										

2.1.3 Board Appointments

Board appointments follow a formal and structured process under the purview of the Nominations and Governance Committee.

New Director appointments are made known to shareholders via public announcements and are declared in the quarterly interim releases as well as in the Annual Report.

Prior to appointment, prospective candidates for Directorship are required to report their business affiliations and any changes in their professional responsibilities and business associations to the Nominations and Governance Committee which will examine such facts and make recommendations to the Board accordingly.

2.1.4 Board Skills

The Board brings in diverse exposure from the fields of Management, Medical Administration, Banking, Finance, Economics, Marketing and Human Resources. All Directors possess skills, expertise and knowledge complemented with integrity and independent professional judgment.

Details of their qualifications and experience are provided under the Board profile section of this Annual Report.

The Board, through a regular review of its composition ensures that the skill representation is in place with current and future needs of the Company.

Individual Directors are also encouraged to seek expert opinion and professional advice on subject matters of which they do not possess full knowledge or expertise, which enables better decision making.

2.1.5 Re-election

All Directors are subject to election by shareholders at the first Annual General Meeting after their appointments. One-third of the Non-Executive Directors come up for re-election at every Annual General Meeting. The Board discusses the possibility of any impairment of its Directors independence due to extended Board tenures and collectively evaluates the re-election of such Board members. The Executive Directors other than the Executive Chairman are re-elected in a manner that is similar to the re-election of Non-Executive Directors.

Corporate Governance

2.1.6 Board Meetings

2.1.6.1 Regularity of Meetings

During the year under review four Board meetings and one special Board meeting were held. All Board meetings were pre-scheduled. Details of the Board meeting dates and the Director participation at each meeting is provided below.

	04th June 2024	Board Meeting Date				Eligible to Attend
		29th August 2024	27th September 2024 (Special Board meeting)	21st November 2024	27th February 2025	
Executive						
Mr. A. E. Tudawe	✓	✓	✓	✓	✓	5
Mr. U. D. Tudawe	✓	✓	✓	✓	✓	5
Mr. A. S. Tudawe	✓	✓	✓	✓	✓	5
Non-Executive, Non Independent						
Dr. A. D. P. A. Wijegoonewardene	✗	✓	✓	✓	✗	3
Mr. Y. N. R. Piyasena	✓	✓	✓	✓	✓	5
Non-Executive, Independent						
Mr. A. D. B. Talwatte	✓	✓	✓	✓	✓	5
Mr. A. V. R. De S. Jayatileke	✓	✓	✓	✓	✓	5
Mr. S. Renganathan	✓	✓	✓	✓	✓	5
Mr. H. M. A . Jayasinghe	✓	✓	✗	✓	✓	4

2.1.6.2 Timely Information to Board

Directors were provided with necessary information well in advance by way of board papers and proposals for all five Board meetings held during the year to help extensive discussion, informed deliberations and effective decision making.

Members of the Senior Management team made presentations to the Board on important issues relating to strategy, risk management, investment proposals, re-structuring and system procedures where necessary.

2.1.6.3 Board Agenda

The Executive Chairman ensures that all Board proceedings are conducted smoothly and effectively approving the

agenda for each meeting prepared by the Company Secretaries. The typical Board Agenda in 2024/25 took the following form.

- Confirmation of previous meeting minutes
- Ratification of circular resolutions
- Matters arising from previous meeting minutes
- Board sub-committee reports and other matters exclusive to the Board
- Status updates on major projects
- Review of performance – in summary and in detail
- Approval of quarterly and annual financial statements

- New resolutions
- Tabling of compliance reports

2.1.6.4 Company Secretaries

A representative from the Company Secretaries Messrs. Nexia Corporate Consultants (Pvt) Ltd functions as the Secretary to the Board. In addition to maintaining board minutes and board records, the Company Secretaries provides support to ensure the Board receives timely and accurate information. The Company Secretaries also provides advice relating to Corporate Governance matters, board procedures and applicable rules and regulations.

2.1.6.5 Non-Executive Directors' Time Dedication

In addition to attending Board Meetings, the Directors have attended respective sub-committee meetings and have contributed to decision making via circular resolutions and one-on-one meetings with key management personnel where necessary.

2.1.6.6 Ensuring Independence and Managing Conflict of Interest

Directors make general disclosures of interest every financial year as required. Potential conflicts if any are reviewed by the Board from time to time to ensure the integrity of the Board's independence.

During the Board Meetings, Directors who have an interest in a matter under discussion excuse themselves and abstain from voting on the subject matter.

All Directors once appointed to the Board will obtain Board clearance prior to;

- Engaging in any transaction that could create or potentially create a conflict
- Accepting a new position
- Any changes to their current Board representation or interest

Criteria for defining "Independence"

Criteria	Status of Non-Executive Independent Directors
1. Employed by the Company during the period of two years immediately preceding appointment as Director	None of the Independent, Non-Executive Directors are employed or have been employed by the Company previously
2. Currently, has/had during the two years preceding appointment as a Director has directly or indirectly engaged in material business relationships with the Company	None of the Independent, Non-Executive Directors has/had a material business relationship with the Company
3. Has a close family member who is a Director, CEO (and/ or equivalent) position in the Company	No family member of the Independent, Non-Executive Directors, is a Director, CEO of the Company
4. Has a Significant Shareholding (carrying not less than 10% of the voting rights) in the Company	None of the Independent, Non-Executive Directors shareholding exceeds 1% of voting rights
5. Has served on the Board continuously for a period exceeding nine years from the date of first appointment	None of the independent non executive directors have served more than nine years continuously on the Board as at 31st March 2025.
6. Has a relationship resulting in income/ non-cash benefits equivalent to 20% of the Director's annual income	Independent, Non-Executive Directors income/ non-cash benefits are less than 20% of individual Director's income
7. Is a director or an employee of another company in which a majority of other directors of the Company are employed or are Directors or have a significant shareholding or have a material business relationship	None of the Independent, Non-Executive Directors are Directors of another company as defined

2.1.6.7 Director Remuneration

(a) Executive Director Remuneration

The Remuneration Committee is responsible for determining the compensation of the Executive Chairman and the Executive Directors of the Company.

Refer page 113 of this Annual Report for the detailed Remunerations Committee Report.

Executive Director Remuneration is a combination of fixed and variable components. The variable component is linked to the Business Value Growth based on the Group's bottom line and expected returns on shareholder funds. Further, the Remuneration Committee consults the Executive Chairman about any proposal relating to the Executive Director Remuneration other than that of the Executive Chairman.

(b) Non-Executive Director Remuneration

The compensation of Non-Executive Directors is determined in reference to the fees paid to Non-Executive Directors of comparable companies. Non-Executive Directors were paid additional fees for either chairing or being a member of a sub-committee. Non-Executive Directors are not paid any performance incentive payments.

Corporate Governance

2.2 Senior Independent Director's Statement

In compliance with Section 9.6.3 of the Listing Rules of the Colombo Stock Exchange, the Board appointed a Senior Independent Director (SID) in November 2023, in view of the Chairperson continuing to serve in an executive capacity and the absence at that time of a designated Chief Executive Officer.

The appointment of a CEO with effect from 1st January 2025 has brought clarity to the separation of the roles of Chairperson and CEO. However, the continued executive responsibilities undertaken by the Chairperson and other Executive Directors warrant the ongoing presence of the SID role within the governance framework of the Company.

Throughout the period under review, I have engaged regularly with the Chairperson on governance-related matters, provided an independent and confidential channel of communication for Non-Executive Directors, and convened and chaired meetings comprising only Independent Directors. In line with governance best practices, I have also facilitated the annual performance appraisal as stipulated.

I am dedicated to fostering a culture of strong governance and enhancing Board effectiveness.



A. V. R. De S. Jayatilleke
Senior Independent Director
Ceylon Hospitals PLC

2.3 Board Sub Committees

The Board has delegated some of its functions to Board Sub-Committees while retaining final decision rights.

The four Board Sub-Committees set up in view of delegating Board functions are listed below.

1. Audit Committee ("AC")
2. Remuneration Committee ("RC")
3. Nominations and Governance Committee ("NGC")
4. Related Party Transactions Review Committee ("RPTRC")

The Board Sub-Committee comprise of principally Independent Non-Executive Directors. The membership of the four Board Sub Committees for the year under consideration was as follows

Committee Membership	Board Sub-Committees			
	AC	RC	NGC	RPTRC
Executive				
Mr. A. E. Tudawe - Executive Chairman	-	-	△	-
Mr. U. D. Tudawe - Executive Vice President	-	-	△	-
Mr. A. S. Tudawe	-	-	-	-
Non-Independent, Non-Executive				
Dr. A. D. P. A. Wijegoonewardene				
Mr. Y. N. R. Piyasena				
Independent, Non-Executive				
Mr. A. D. B. Talwatte	□	□	□	□
Mr. A. V. R. De S. Jayatilleke	○	○	○	○
Mr. S. Renganathan	○	○	○	○
Mr. H. M. A. Jayasinghe	○		○	○

□ - Committee Chairman

○ - Committee Member

△ - Mr. Ajith Tudawe and Mr. Upul Tudawe attend the meeting by invitation as they have industry expertise. Their contribution enhances the succession and nomination process.

Considering the above, the Company confirms that it has complied with the mandatory disclosure requirements of Section 7.6 of the Listing Rules of the Colombo Stock Exchange ("CSE") in relation to the contents of the Annual Report and Accounts of a listed entity.

The table on this page provides reference to the relevant sections of this Annual Report where specified information is disclosed together with page references for the convenience of the reader.

Section	Disclosure Requirements	Section/ Reference	Page(s)
7.6 (i)	Names of persons who held the position of Director during the financial year	Our Leadership section to this Annual Report	25-28
7.6 (ii)	Principal activities of the Company and its subsidiaries during the financial year and any changes thereon	Note 1.3 to the Financial Statements	127
		Group Structure	
7.6 (iii)	The names and the number of shares held by the 20 largest shareholders of voting and non-voting shares and the percentage of such shares held as at financial year end	Share Information	184-185
7.6 (iv)	The public holding percentage	Share Information	183
7.6 (v)	Directors and Chief Executive Officer's holding in shares at the beginning and end of the financial year	Annual Report of the Board of Directors	108
7.6 (vi)	Information pertaining to material and foreseeable risk factors	Enterprise Risk	90
7.6 (vii)	Details of material issues pertaining to employees and industrial relations	Note 30 to the Financial Statements	169
7.6 (viii)	Extents, locations, valuations and the number of buildings on the Company's land holdings and investment properties as at the end of the financial year	Note 9.5 to the Financial Statements	145
7.6 (ix)	Number of shares representing the stated capital as at the financial year end	Share Information	182
7.6 (x)	A distribution schedule stipulating the number of shareholders in each class of equity and the percentage of their total holdings as at the financial year end	Share Information	182
7.6 (xi)	Ratios and market price information (Equity, dividend per share, dividend payout ratio, net assets value per share, market value per share)	Share Information	182
7.6 (xii)	Significant changes in the entity or its subsidiaries fixed assets and the market value of land, if the value differs substantially from the book value	Note 9 to the Financial Statements on 'Property, Plant and Equipment'	142
7.6 (xiii)	Details of funds raised through public issues, rights issues and private placements during the financial year	Not applicable	
7.6 (xiv)	Information in respect of Employee Share Option Schemes	Not applicable	
7.6 (xv)	Disclosures pertaining to Corporate Governance Practices in terms of Rules 7.10.3, 7.10.5 (c), 7.10.6 (c), of Section 7 of the Listing Rules	Corporate Governance	96
7.6 (xvi)	Disclosures on Related Party Transactions exceeding 10% of the Equity or 5% of the total assets of the entity as per audited financial statements, whichever is lower	Related Party Transaction Review Committee Report Note 15 to the Financial Statements	112 160

Corporate Governance

The Company also confirms that it is in compliance with the Mandatory provision requirements of Companies Act No. 7 of 2007.

Section	Area Covered	Compliance Status	Reference
168 (1) (a)	The nature of the business of the Company or classes of business in which it has an interest together with any change thereto	Yes	127
168 (1) (b)	Signed financial statements of the Group and the Company	Yes	Financial Statements
168 (1) (c)	Auditors' Report on financial statements	Yes	Independent Auditors' Report
168 (1) (d)	Accounting policies and any changes thereto	Yes	Notes to the Financial Statements
168 (1) (e)	Particulars of the entries made in the Interests Register	Yes	170
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company	Yes	Notes to the Financial Statements
168 (1) (g)	Total corporate donations made by the Company	Yes	Notes to the Financial Statements
168 (1) (h)	Information on the Directorate of the Company and its subsidiaries during and at the end of the accounting period	Yes	172
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered	Yes	Notes to the Financial Statements
168 (1) (j)	Auditors' relationship or any interest with the Company and its Subsidiaries (other than as auditor)	Yes	Report of the Audit Committee/Financial Statements
168 (1) (k)	Acknowledgement of the contents of this Report and signatures on behalf of the Board	Yes	Financial Statements/ Annual Report of the Board of Directors
168 (2)	Information specified in paragraphs (b) to (j) of subsection (1) in relation to Subsidiaries	Yes	Financial Statements/ Annual Report of the Board of Directors

The Company also confirms that it is in compliance with the Corporate Governance requirements of Section 09 of the Listing Rules of the CSE and disclosure of compliance with the said rules as given below.

Rule No.	Area Covered	Requirement	Compliance Status	Details
9.19.1	Non-Executive Directors	Two or such number of Non-Executive Directors equivalent to one third (1/3) of the total number of Directors whichever is higher.	Compliant	6 out of 9 Directors are Non-Executive Directors
9.19.2	Independent Directors	Two or one-third of Non-Executive Directors, whichever is higher, should be Independent	Compliant	3 out of 6 Non-Executive Directors are Independent
9.09.2 (b)	Non-Executive Directors	Each Non-Executive Director should submit a declaration of independence/non-independence	Compliant	All Non-Executive Directors have submitted the declaration in the prescribed format
9.19.3 (a)	Disclosures relating to Directors	The names of the Directors determined to be Independent will be set out in the Annual Report	Compliant	Corporate Governance section to the Annual Report
9.19.3 (b)	Disclosures relating to Directors	A determination has to be made by the Board as to the independence or the non-independence of Non-Executive Directors	Compliant	Corporate Governance section 2.1.6.6 to this Annual Report
9.19.3 (c)	Disclosures relating to Directors	Brief resume of each Independent Director should be disclosed in the Annual Report	Compliant	Our Leadership section in this Annual Report
9.19.5	Remuneration Committee	A listed company shall have a Remuneration Committee	Compliant	Board Sub-Committees under Corporate Governance report in this Annual Report
9.19.5 (a)	Remuneration Committee Composition	i) Remuneration committee shall comprise of a minimum of two Directors One (01) of whom shall be independent ii) The Chairman of the Committee is an Independent Director	Compliant	The Remuneration Committee report under Board Sub Committees
9.19.5 (b)	Remuneration Committee	The Remuneration Committee shall recommend the remuneration of the Chief Executive Officer and the Executive Directors	Compliant	Corporate Governance report section 2.1.6.7 in this Annual Report
	Remuneration Committee	The Annual Report shall set out: i) Names of Directors comprising the Remuneration Committee ii) Statement of the Remuneration Policy iii) Aggregate remuneration paid to Executive and Non-Executive Directors	Compliant	The Remuneration Committee report under Board Sub-Committees
9.19.6	Audit Committee	A listed company shall have an Audit Committee	Compliant	Audit Committee Report under Board Sub-Committees

Corporate Governance

Rule No.	Area Covered	Requirement	Compliance Status	Details
9.19.6 (a)	Audit Committee	<p>The Audit Committee shall comprise of a minimum of two Directors One (01) of whom shall be independent</p> <p>The Chairman of an Audit Committee is an Independent Director</p> <p>The chairman of the Audit Committee shall be a member of a recognised professional accounting body</p>	Compliant	Audit Committee Report under Board Sub-Committees
	Audit Committee	Audit Committee shall have functions as set out in section 7.10.6 of the listing rules	Compliant	Audit Committee Report under Board Sub-Committees
	Audit Committee	<p>The Annual Report shall:</p> <ol style="list-style-type: none"> set out the names of Directors that comprises the Audit Committee determine the independence of the Auditors and disclose the basis for such determination contain a report of the Audit Committee setting out the manner of its functional compliance 	Compliant Compliant Compliant	Audit Committee Report under Board Sub-Committees

Changes taken place between the financial year end and the date of reporting.

- Mr. A.D.B. Talwatte Completed and aggregate period of Nine years on the Board On 02nd May 2025 and ceased to be an Independent Director in terms of Section 9.8.3 (v) of the Listing Rules.

- Mr. H.M.A. Jayasinghe Independent Non Executive Director was appointed as a Chairman of Audit and Related Party Transaction Review Committee w.e.f. 03rd May 2025.

- Nomination and Governance Committee and the Remuneration Committee were reconstituted w.e.f. 03rd May 2025.



- 106 Annual Report of the Board of Directors on the Affairs of the Company
- 111 Statement of Directors' Responsibility
- 112 Report of the Related Party Transactions Review Committee (RPTRC)
- 113 Report of the Remuneration Committee
- 114 Report of the Nomination and Governance Committee
- 115 Report of the Audit Committee
- 117 Independent Auditor's Report
- 120 Statement of Profit or Loss and Other Comprehensive Income
- 121 Statement of Financial Position
- 123 Statement of Changes in Equity - Company
- 124 Statement of Changes in Equity - Group
- 125 Statement of Cash Flows
- 127 Notes to the Financial Statements

“

FINANCIAL ANALYSIS

THE FINANCIAL YEAR 2024/25 REFLECTED STRONG PERFORMANCE AMIDST A RECOVERING ECONOMIC ENVIRONMENT, WITH REVENUE GROWTH OF 7% WITH THE PROFIT BEFORE TAX GROWTH OF 45% DRIVEN BY INCREASED PATIENT VOLUMES AND OPERATIONAL EFFICIENCIES.

”

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

GENERAL

The Directors have pleasure in presenting their report and the audited financial statements of the Company and the Group for the year ended 31st March 2025 and the auditor's report on the Consolidated Financial Statements.

This report provides the information as required by the Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange and recommended best practices on Corporate Governance. This report was approved by the Board of Directors on 30th May 2025.

1. PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

Ceylon Hospitals PLC is the holding company of Durdans Heart Centre (Pvt) Ltd, Durdans Medical and Surgical Hospital (Pvt) Ltd, Amrak Institute of Medical Sciences (Pvt) Ltd and Ceygen Biotech (Pvt) Ltd constituting the Durdans Healthcare Group. [Durdans Heart Centre (Private) Limited was amalgamated with the Company with effect from 01st January 2025.]

The Chairman's Review and Management Discussion and Analysis sections are incorporated into this report by reference. They contain details of development and performance of the Group's businesses during the year, an indication of the key performance indicators and information regarding principal risks and uncertainties together with information equivalent to that, required for a business review.

The measures taken by the Company to manage its risks are detailed in the report titled Enterprise Risk Management on Pages from 90 to 95 of this report.

2. FUTURE DEVELOPMENTS

Over the past few years, the Company has undertaken a series of carefully considered investments aimed at strengthening our operational capabilities, expanding our service portfolio, and positioning ourselves for long-term sustainable growth. These initiatives reflect our ongoing commitment to delivering high-quality healthcare while creating lasting value for our stakeholders.

As we move forward, the Board is confident that the investments made to date-across infrastructure development, technological advancement, and capacity building-will begin to yield measurable returns. These efforts have laid a solid foundation for improved efficiency, enhanced patient care, and increased market reach.

Looking ahead, our future investment plans are strategically aligned with emerging industry trends and evolving patient needs. These initiatives are expected to unlock new growth opportunities, enhance service excellence, and drive shareholder value. The Board remains focused on ensuring

that all current and future investments are guided by strong governance principles, risk management practices, and a clear vision for long-term value creation.

3. FINANCIAL STATEMENTS OF THE COMPANY AND THE GROUP

The Financial Statements of both the Company and the Group duly certified by the Chief Financial Officer and approved by two directors in compliance with sections 152, 153 and 168 of the Companies Act No. 07 of 2007 are given on Page 120 of the Annual Report.

4. AUDITORS REPORT

The Company's external auditors, Messrs. B. R. De Silva & Co. Chartered Accountants performed the audit on the financial statements for the year ended 31st March 2025. The Auditor's report on the Financial Statements is given on Pages from 117 to 119 of the Annual Report as required by Section 168 (I) (c) of the Statutes.

5. ACCOUNTING POLICIES

A summary of the significant accounting policies adopted in the preparation of the Financial Statements is given on Pages from 127 to 138 of the Annual Report as required by Section 168 (I) (d) of the Companies Act No. 07 of 2007. The policies adopted are consistent with those adopted in the previous financial year.

6. RESULTS AND DIVIDENDS

6.1 Gross Revenue

The total revenue of the Group for the year ended 31st March 2025 was Rs..9.75 Bn (2023/24-Rs 9.15 Bn). An analysis of the income is given in Note 03 to the Financial Statements on Page 139 to this Annual Report.

6.2 Profit and Appropriations

The profit before income tax of the Group for the year ended 31st March 2025 was Rs.958 Mn (2023/24 - Rs. 659 Mn) and the profit after tax for the year ended 31st March 2025 was Rs. 726 Mn (2023/24 – Rs. 453 Mn). The details of the Group profits are given on Page 120 to this report.

6.3 Dividend on Ordinary Shares

The Board recommended an interim dividend of Rs.4/- per share for the year ended 31st March 2025 to be paid on 11th July 2025. Prior to recommending the dividend, in accordance with Section 56 (2) and (3) of the Companies Act No. 07 of 2007, the Board of Directors signed a certificate stating that, in their opinion and based on the available information, the Company will satisfy the solvency test immediately after the distribution is made. The Company has obtained a certificate from the Auditors for the said solvency statement in terms of Section 57 of the Companies Act.

6.4 Provision for Taxation

Income tax for 2024/25 has been provided on taxable income arising from the operations of the Group and has been disclosed in accordance with Sri Lanka Accounting Standards. The Group has also provided deferred tax on all known temporary differences using the liability method as permitted by the Sri Lanka Accounting Standard (LKAS 12) on Income Tax.

Information on income tax expenses and deferred taxes is given in the Notes to the Financial Statements on Page 140 of this Annual Report.

6.5 Reserves

The Group's total reserves as at 31st March 2025 amounted to Rs. 9.2 Bn (2023/24-Rs. 7 Bn). The movement of the reserves are given on Page 123 under 'Statement of Changes in Equity' and in the Notes to the Financial Statements of this Annual Report.

6.6 Property, Plant and Equipment, Investments Properties, Leasehold Properties and Intangible Assets

Details of capital expenditure incurred on property plant and equipment are given in the Notes to the Financial Statements from Pages from 142 to 145.

7. CREDITOR PAYMENT

For all trade creditors, it is the Group policy to:

- Agree and confirm the terms of payment at the commencement of business with the supplier.
- Pay in accordance with any contract agreed upon with the supplier or as required by law.
- Continuously review payment procedures and liaise with suppliers as a means of eliminating difficulties and maintaining good working relationships.

8. DIRECTORS

8.1 List of Directors

The Board of Directors of the Company as at the date of this report comprise of nine members having extensive Medical, Financial and Commercial knowledge and expertise. The qualifications and experience of the Directors are given in the 'Board of Directors' section from Pages 24 to 28 of this Annual Report.

Names of the persons who held office as Directors of the Company as at 31st March 2025 and the names of the persons who ceased to hold office as Directors (if any) of the Company at any time during the year 2024/25, as required by Section 168 (l) (h) of the Companies Act No. 07 of 2007 are given below.

Mr. A. E. Tudawe

Executive Chairman

Mr. U. D. Tudawe

Executive Director

Dr. A. D. P. A. Wijegoonewardene

Non Independent, Non-Executive Director

Mr. Y. N. R. Piyasena

Non Independent, Non-Executive Director

Mr. A. D. B. Talwatte

Independent, Non-Executive Director

Mr. A. S. Tudawe

Non Independent, Executive Director

Mr. A. V. R. De S. Jayatileke

Senior Independent, Non-Executive Director

Mr. S. Renganathan

Independent, Non-Executive Director

Mr. H. M. A. Jayasinghe

Independent, Non-Executive Director

8.2 Independence of Directors

The Board has decided as to the independence of each non-executive director and confirms that three of the non-executive directors meet the criteria of independence in terms of Rule 9.19.2 of Listing Rules.

Each of the independent directors have submitted a signed and dated declaration of his independence against the specified criteria.

8.3 Re-election of Directors

In Accordance with the Article No. 58 of the Articles of Association of the Company and the Corporate Governance Code Mr. H.M.A Jayasinghe will retire by rotation at the Annual General Meeting in, 09th September 2025 and being eligible, will offer himself for re-election with the unanimous consent of the Directors.

8.4 Recommendation for Re- appointment

Mr. A.E. Tudawe, Dr. A. D. P. A. Wijegoonewardene, Mr. Y. N. R. Piyasena and Mr. A.D.B. Talwatte shall vacate their offices as per the requirements of Section 210 of the Companies Act No. 07 of 2007 and four separate resolutions will be tabled at the forthcoming Annual General Meeting to obtain the sanction of the shareholders to re- appoint them as Directors to the Board as per Section 211 of the Companies Act No. 07 of 2007.

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

8.5 Disclosure of Directors Dealings in Shares

Directors' Interest in Ordinary Shares of the Company are depicted in the table below;

	31st March 2025		31st March 2024	
	No. of Shares		No. of Shares	
	Voting	Non-Voting	Voting	Non-Voting
Mr. A. E. Tudawe	455,162	-	235,152	-
Dr. A. D. P. A. Wijegoonewardene	276,831	-	234,368	-
Mr. U. D. Tudawe	385,013	-	181,279	-
Mr. Y. N. R. Piyasena	581,490	-	523,096	-
Mr. A. D. B. Talwatte	1,213	-	1,062	-
Mr. A. S. Tudawe	805	1,062	51	1,062
Mr. A. V. R. De S. Jayatilleke	121	-	106	-
Mr. S. Renganathan	-	-	-	-
Mr. H.M.A. Jayasinghe	-	-	-	-

8.6 Remuneration and Other Benefits

Directors' remuneration and other benefits, in respect of the Company for the financial year ended 31st March 2025 is given in Note 6 to the Financial Statements on Page 140 of this Annual Report as required by Section 168 (1) (f) of the Companies Act No. 07 of 2007.

8.7 Directors' Interests in Contracts or Proposed Contracts

Directors have no direct or indirect interest in any contract or proposed contract with the Company for the year ended 31st March 2025 other than those disclosed on Page 170 of this Annual Report.

The Directors have declared all material interests in contracts involving the Company and refrained from voting on matters in which they were materially interested. They have also disclosed their interest in other companies to ensure that they refrain from voting on a matter in which they have an interest.

8.8 Related Party Transaction

The Company's transactions with Related Parties given in Notes 15 and 32 to the Financial Statements, have complied with Colombo Stock Exchange Listing Rule 9.3.2 and the Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13 (c) of the Securities and Exchange Commission Act.

9. ARTICLES OF ASSOCIATION

The Articles of Association of the Company may be amended by passing of a special resolution.

10. STATED CAPITAL

The stated capital of the Company as at 31st March 2025 was Rs. 1,778 Mn comprising 31,762,723 voting shares and 10,133,765 non-voting shares. Details of the stated capital are given in Note 18 to the Financial Statements on Page 161 of this Annual Report. The rights and obligations attached to the ordinary shares are set out in the Articles of Association of the Company, a copy of which can be obtained from the Secretaries upon request.

11. SHARE INFORMATION

Details of share-related information are given on Page 182 to this Annual Report and information relating to earnings, dividends and net assets per share is given in the Management Discussions and Analysis on Page 183 of this Annual Report.

12. PUBLIC HOLDING OF SHARES IN THE COMPANY

The public shareholding as at 31st March 2025 for voting and non-voting shares was 21.52% and 51.03% respectively.

13. SUBSTANTIAL SHAREHOLDING

Substantial shareholders are required to notify their interests in accordance with Section 200 of the Companies Act and oblige shareholders to comply with the notification obligations to the Company contained in the rules of the Colombo Stock Exchange.

The Twenty Largest Shareholders of the Company as at 31st March 2025 are indicated on Page 184 of this Annual Report.

14. EQUITABLE TREATMENT TO SHAREHOLDERS

The Company has always ensured that all Shareholders are treated equitably.

15. CORPORATE DONATIONS

During the year, the Company made donations to charity amounting to Rs. 87,000/- (2023/24 - Rs. 6,000/-) The information given above on donations form an integral part of the Report of the Board of Directors as required by the Section 168 (1) (g) of the Companies Act No. 07 of 2007

16. ENVIRONMENTAL PROTECTION

The Group and the Company have not, to the best of their knowledge engaged in any activity, which was detrimental to the environment.

17. STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief are satisfied that all statutory payments due to the Government and in relation to employees have been made to date.

18. COMPLIANCE WITH LAWS AND REGULATIONS

To the best of knowledge and belief of the Directors the Company and the Group have not engaged in any activity, which contravenes laws and regulations of the country.

19. EVENTS AFTER THE REPORTING PERIOD

There have been no material events occurring after the Balance Sheet date that would require adjustments to or disclosure in the Financial Statements other than as disclosed in Note 29 to the Financial Statements on Page 169 to this Annual Report.

20. GOING CONCERN

The Board of Directors has reviewed the Company's business plans and is satisfied that the Company has adequate resources to continue its operation in the foreseeable future. After considering the financial position, operating conditions, regulatory and other factors and such other matters required to be addressed in the Corporate Governance code, the Directors have a reasonable expectation that the Company possesses adequate resources to continue in operation for the foreseeable future. For this reason, the Group of Companies continues to adopt the Going Concern basis in preparing the financial statements.

Details of the adoption by the Group and the Company of the going concern basis in preparing the financial statements are set out in the financial review within the business review section and are incorporated into this report by reference.

21. RISK MANAGEMENT AND SYSTEM OF INTERNAL CONTROL

21.1 Risk Management

Specific steps that have been taken by the Company are detailed on Pages from 92 to 95 this Annual Report.

21.2 System of Internal Control

The Board of Directors has established an effective and comprehensive system of internal controls to ensure that proper controls are in place to safeguard the assets of the Company, to detect and prevent fraud and irregularities, to ensure that proper records are maintained and Financial Statements presented are reliable. Monthly Management Accounts are prepared, giving the management relevant, reliable and up-to-date Financial Statements and key performance indicators.

The Audit Committee reviews the reports, policies and procedures on a regular basis, to ensure that a comprehensive internal control framework is in place. More detail in this regard can be seen on Page 115 of this Annual Report.

The Board has conducted a review of the internal controls covering financial, operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence therewith for the period up to the date of signing the Financial Statements.

21.3 Audit Committee

The composition of the Audit Committee and their Report is given on Page 115 of this Annual Report.

22. CORPORATE GOVERNANCE

The Corporate Governance practices of the Company are set out from Pages from 96 to 104 of this Annual Report. The Directors acknowledge their responsibility for the Group's corporate governance and the system of internal control.

23. OPERATIONAL EXCELLENCE

To increase efficiency and reduce operating cost the Company has ongoing initiatives to drive policy and process standardisation and to optimise the use of existing technology platforms.

24. APPOINTMENT OF AUDITORS

The Financial Statements for the year have been audited by Messrs. B. R. De Silva & Co. Chartered Accountants, who offer themselves for re-appointment. A resolution to re-appoint them as Auditors and authorise the Directors to fix their remuneration will be proposed at the Annual General Meeting.

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

25. AUDITOR'S REMUNERATION AND INTEREST IN CONTRACTS WITH THE COMPANY

The Group audit fees paid for the year 2024/25 amounted to Rs. 1.5 Mn. Apart from that, the Company has engaged Messrs. B. R. De Silva & Co. Chartered Accountants, the external auditors to advice on accounting matters arising from the introduction of new Accounting Standards for the year under consideration. As far as the Directors are aware, the Auditors do not have any other relationship or interest in contracts with the Company.

26. ANNUAL GENERAL MEETING

The 79th Annual General Meeting of the Company will be held on 09th September 2025.

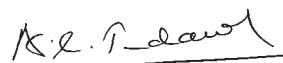
27. NOTICE OF MEETING

Details of the Annual General Meeting are given in the Notice of Meeting.

28. ACKNOWLEDGEMENT OF THE CONTENTS OF THE REPORT

As required by Section 168 (1) (k) of the Companies Act No. 07 of 2007 the Board of Directors hereby acknowledge the contents of this Report.

For and on behalf of the Board,



A. E. Tudawe

Director



U. D. Tudawe

Director

24th July 2025

Statement of Directors' Responsibility

The following statement which should be read in conjunction with the Auditor's statement of responsibilities has been made with a view to distinguish between the respective responsibilities of the Directors and the Auditors in relation to the financial statements.

Section 150, 152 (1) and 153 (1) of the Companies Act No. 07 of 2007 require that the Directors prepare the financial statements and circulate it among the shareholders. These financial statements comprise a Statement of Comprehensive Income, which presents a true and fair view of the profit or loss of the Company for its financial year as well as a Statement of Financial Position, which presents a true and fair view of the state of affairs of the Company as at the end of its financial year.

As the Directors are satisfied that the Company has adequate resources to continue in business for the foreseeable future, the financial statements continue to be prepared on a 'going concern' basis.

In preparing the Financial Statements as disclosed on Pages from 108 to 119, the Directors consider that the Company and its subsidiaries have used appropriate accounting policies that have been applied consistently and supported by reasonable and prudent judgment and estimates, while all accounting standards considered to be applicable and relevant have been followed.

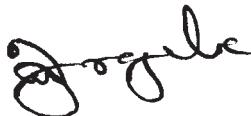
The Directors are responsible for ensuring that the Company and its subsidiaries maintain accounting records which disclose with reasonable accuracy, the financial position of the Company and its subsidiaries while complying with the provisions of the Companies Act No. 07 of 2007.

The Directors have a general responsibility to take reasonable steps in safeguarding the assets of the Company and its subsidiaries, provide proper consideration towards the establishment of appropriate internal control systems with a view to detecting and preventing frauds and other irregularities.

COMPLIANCE REPORT

The Directors confirm to the best of their knowledge that all taxes, duties and levies payable by the Company and its subsidiaries, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and its subsidiaries, all other known statutory dues which were due and payable by the Company and its subsidiaries as at the reporting date have been paid or where relevant provided for in arriving at the financial results for the year under review.

By Order of the Board



Nexia Corporate Consultants (Pvt) Ltd
Secretaries

24th July 2025

Report of the Related Party Transactions Review Committee (RPTRC)

OBJECTIVE

The objective of the Committee is to exercise oversight on behalf of the Board of Ceylon Hospitals PLC and its subsidiaries that all Related Party Transactions ("RPTs") are in compliance with Section 9 of the listing rules of the Colombo Stock Exchange ("CSE"), the Code as issued by the Securities Exchange Commission of Sri Lanka and also the best practices as recommended by CA Sri Lanka.

RESPONSIBILITY

The responsibility of the Committee is to ensure that the interests of the shareholders are collectively considered by the Company when entering into a RPT and fairness and transparency is maintained at all times.

Considering the foregoing the Committee conducts its meetings in compliance with the policy guidelines developed for the Company in this respect which is in line with Section 9 of the listing rules of CSE.

As per the policy the RPTRC has identified the RPTs' in terms of institutions as well as individuals. Under individuals, in addition to Directors, all Senior Management personnel of the Company have been identified as Key Management Personnel ("KMPs") to increase transparency and enhance good governance.

COMPOSITION OF THE COMMITTEE

The Committee comprise of the following Directors;

Mr. A. D. B. Talwatte

Chairman (Independent, Non-Executive Director)

Mr. A.V.R. De S. Jayatilleke

Member (Senior Independent, Non-Executive Director)

Mr. S. Renganathan

Member (Independent, Non-Executive Director)

Mr. H. M. A . Jayasinghe

Member (Independent, Non-Executive Director)

CONDUCT OF MEETINGS

The Committee meets at least once every quarter.

During the financial year ended 31st March 2025 the Committee held four meetings. The meeting attendance was as follows

Name	Attended/ Eligibility to Attend
Mr. A. D. B. Talwatte - Chairman	4
Mr. A.V.R. De S. Jayatilleke	4
Mr. S. Renganathan	4
Mr. H. M. A . Jayasinghe	4

At the quarterly RPTRC meeting, all recurrent transactions carried out with subsidiaries and associates are reported. The Committee reviewed and pre approved all proposed non current Related Party Transactions (RPTs) of the parent Ceylon Hospitals PLC and related parties. At quarterly RPTRC meetings, all recurrent transactions carried out with subsidiaries and other affiliates are reviewed and reported.

Mechanisms are in place for the KMPs' to declare RPTs, if any, that they are connected with as per the Company RPT policy guidelines.

ACTIVITIES DURING THE YEAR

The activities and the views of the committee has been communicated to the Board on a quarterly basis through verbal briefings and by tabling minutes of the Committees' meetings along with the detail reports of RPTs' carried out with subsidiaries and associates of the Company.

There were no RPTs' where KMPs' were involved requiring declaration to the RPTRC during the year under concern.

The RPT Review Committee was satisfied that there were no other transactions to be reported in the Annual Report for the year ended 31st March 2025 other than those disclosed in the report under the Financial Statements Note 32. RPT disclosures are made in the Financial Statements as required by the Sri Lanka Accounting Standard (LKAS 24) on Related Party Disclosures.



A. D. B. Talwatte

Chairman - Related Party Transactions Review Committee

02nd May 2025

Report of the Remuneration Committee

SCOPE OF THE COMMITTEE

Scope of the Committee is to review and recommend overall remuneration policy and performance-based pay plans for the Company and agree with the Board a framework to remunerate the Executive Chairman and Executive Director(s) based on performance targets, benchmark principles, performance related pay schemes, industry trends and past remuneration and succession planning of Key Management Personnel.

Determining compensation of Non-Executive Directors is not under the scope of this Committee.

REMUNERATION POLICY

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

THE RESPONSIBILITIES OF THE REMUNERATION COMMITTEE

- to make recommendations to the Board on the Company's policy and structure for all executive directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing a remuneration policy.
- to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives.
- to make recommendations to the Board on the remuneration packages of all executive directors and senior management, including benefits in kind and compensation payments, including any compensation payable for loss or termination of their office or appointment.
- to review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company.
- to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate.
- to ensure that no executive director or any of his associates is involved in deciding his own remuneration.
- to seek advice from the Executive Chairman about remuneration proposals for other executive directors and senior management team.

The Remuneration Committee will seek the assistance of external agencies/ independent professionals to carry out salary surveys and other remuneration related advice, if and when necessary, to consider salaries paid by comparable companies, time commitment, responsibilities and employment conditions in the Group.

COMPOSITION OF THE COMMITTEE

The Committee comprise of the following Directors;

Mr. A. D. B. Talwatte

Chairman Independent, Non-Executive Director

Mr. A. V. R. De S. Jayatilleke

Member (Senior Independent, Non-Executive Director)

Mr. S. Renganathan

Member (Independent, Non Executive Director)

The quorum of the committee shall be three. The Committee held a meetings during the year under review.

ATTENDANCE AT MEETINGS

Name	Attended/ Eligibility to Attend
Mr. A. D. B. Talwatte	1
Mr. A. V. R. De S. Jayatilleke	1
Mr. S. Renganathan	1

ACTIVITIES OF THE COMMITTEE FOR THE YEAR 2024/25

- The Committee reviewed the succession plan prepared by the Management for the key Corporate Management positions.
- The Committee reviewed and determined the bonus payable for 2023/24 performance according to the 'Business Value Growth' index for the Executive Directors and senior management staff and recommended same to the Board for approval prior to payment.

The Committee continued to report on its activities and recommended to the Board for approval the matters discussed at its meetings. The annual management performance appraisal scheme, the calculation of short-term incentives was executed in accordance with the approvals given by the Board, based on discussions conducted by the Committee.

The Aggregate remuneration paid to Executive and Non-Executive Directors as required by Section 9.12.8 to the Listing Rules of the Colombo Stock Exchange is given in Note 07 to the Financial Statements.

The Committee wishes to report that the Company has complied with the provisions of the Companies Act No. 07 of 2007 in relation to remuneration of Executive Directors.



A. D. B. Talwatte

Chairman - Remuneration Committee

02nd May 2025

Report of the Nominations and Governance Committee

TERMS OF REFERENCE

The Terms of Reference clearly states the purpose of establishing the Committee, its composition, authority and conduct and scheduling of meetings.

The Board Nominations Committee was established by the Board to ensure Board's oversight and control over "Selection of Directors including Chairman, Chief Executive Officer"

AUTHORITY OF THE COMMITTEE

The Committee has the authority to discuss issues under its purview and report back to the Board with recommendations, enabling the Board to take a final decision on the matter. The Members of the Committee have the authority to express their independent views when making decisions. The Committee regularly reviews the structure, size, composition and competencies of the Board and makes recommendations to the Board with regard to any changes. If a need arises, professionals from outside may be invited for advice on specific issues.

DUTIES OF THE COMMITTEE

The duties of the Committee include inter-alia the following:

- Propose suitable Guidelines for the appointment and re-appointment of Directors to the Board.
- Review the results of the Performance Evaluation of the Board of Directors of the Company and its Subsidiaries.
- The Chairman of the Committee shall discuss with the independent Directors and provides feedback to the Chairman of the Board on board effectiveness.
- Ratification of Subsidiary Board appointments in consultation with the relevant Subsidiary Board Chairman.
- Monitor compliance with the Corporate Governance Statutory Guidelines.
- Establish the process for conducting the review of the Chief Executive Officer's performance annually.
- Propose suitable Guidelines for the appointment and re-appointment of Directors to the Board.
- Review the results of the Performance Evaluation of the Board of Directors of the Company and its Subsidiaries.
- The Chairman of the Committee shall discuss with the independent Directors and provides feedback to the Chairman of the Board on board effectiveness.
- Ratification of Subsidiary Board appointments in consultation with the relevant Subsidiary Board Chairman.

COMPOSITION OF THE COMMITTEE

The Committee comprise of the following Directors;

Mr. A. D. B. Talwatte

Chairman Independent, Non-Executive Director

Mr. A. V. R. De S. Jayatilleke

Member (Senior Independent, Non-Executive Director)

Mr. S. Renganathan

Member (Independent, Non-Executive Director)

Mr. H. M. A . Jayasinghe

Member (Independent, Non-Executive Director)

The Committee is chaired by an Independent Director who has experience in the relevant subject and constitutes Executive and Non-Executive, Independent Directors from the Board to ensure that the responsibilities of the Committee are discharged effectively.

To hold a meeting there shall be a quorum of three members of the Committee who are Non-Executive Directors of whom at least one should be independent.

ACTIVITIES OF THE COMMITTEE IN 2024/25

The Committee has acted within the parameters set by its terms of reference. The Committee continued to work closely with the Board of Directors on matters assigned to the Committee and reported back to the Board of Directors with its recommendations.

MEETINGS AND ATTENDANCE

During the year, the Committee met once and all four members were present for same. All proceedings of the Committee meetings were reported to the Board of Directors.



A. D. B. Talwatte

Chairman - Nominations and Governance Committee

02nd May 2025

Report of the Audit Committee

ROLE OF THE COMMITTEE

The Audit Committee assist the Board in fulfilling its responsibilities in relation to the integrity of the financial statements of the Company and the Group, the internal control and risk management systems of the Group and its compliance with legal and regulatory requirements, the External Auditors' performance, qualifications and independence, the adequacy 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 and reviewed annually. 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. An interactive forum with the participation of members of the Audit Committee and the Senior Management team is also held to discuss ways and means of improvement and exchange information on best practices in effective internal controls.

The effectiveness of the Committee is evaluated annually by its members and feedback on same communicated to the Board of Directors at each year end.

COMPOSITION OF THE COMMITTEE

The Committee comprise of the following Directors;

Mr. A. D. B. Talwatte

Chairman Member (Independent, Non-Executive Director)

Mr. A.V.R. De S. Jayatilleke

Member (Senior Independent, Non-Executive Director)

Mr. S. Renganathan

Member (Independent, Non-Executive Director)

Mr. H. M. A. Jayasinghe

Member (Independent, Non-Executive Director)

Profiles of the Committee Chairman and the Members are given on Pages 24 and 28 of this report.

The Committee held eight meetings during the financial year ended 31st March 2025. Attendance of the Committee members is given below;

Name	Attended/ Eligibility to Attend
Mr. A. D. B. Talwatte - Chairman and Member (Independent, Non Executive Director)	7
Mr. A. V. R. De S. Jayatilleke Member (Senior Independent, Non Executive Director)	8
Mr. S. Renganathan Member (Independent, Non Executive Director)	7
Mr. H. M. A . Jayasinghe Member (Independent, Non Executive Director)	8

The Executive Chairman, the Chief Financial Officer, the External Auditors and Internal Auditors attended meetings by invitation as required. Other Senior Management team members of the Company also attended the meetings on a need basis. The Committee engaged with the management to review the key risks faced by the Group with a view to obtaining assurance that appropriate and effective risk mitigation strategies were in place. The activities and views of the Committee was communicated to the Board of Directors quarterly through verbal briefings.

FINANCIAL REPORTING

The Audit Committee has reviewed and discussed the Group's quarterly and annual financial statements prior to publication, with the support of the management and External Auditors. The review included ascertaining compliance of the statements and disclosures with the Sri Lanka Accounting Standards, the appropriateness and changes in accounting policies and material judgemental matters.

The Committee also discussed with the External Auditors and management any matters communicated to the Committee by the External Auditors in their reports to the Committee on the audit for the year.

The Committee received assurance from the Chief Executive Officer and Chief Financial Officer of the Company that financial information provides a true and fair view of the Group's operations and finances, complying with applicable laws and regulations.

Report of the Audit Committee

The Committee obtained independent input from the External Auditors on the impact of several new Sri Lanka Accounting Standards that would come into effect in the current financial year and in the future and satisfied themselves that the necessary preparatory work was being undertaken to enable the Company and the Group to adopt them.

The Committee is of the opinion that the Company is in compliance with the relevant legal and regulatory requirements including financial reporting requirements, CSE Rules, Companies Act and SEC Act and other relevant reporting-related regulations and requirements.

INTERNAL AUDIT, RISKS AND CONTROLS

The Committee reviewed the adequacy of the Internal Audit coverage for the Group and the Internal Audit Plans for the Group with the Executive Chairman and the Senior Management team. The Internal Auditors regularly reported to the Committee on the adequacy and effectiveness of internal controls in the Group and compliance with laws and regulations and established policies and procedures of 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 every quarter.

The committee is in the process of developing comprehensive report on the process of identification, evaluation and management of all significant risks faced by the Group companies to identify all significant risks with possible mitigating actions proposed by the management.

EXTERNAL AUDIT

The External Auditors' Letter of Engagement, including the scope of the audit, was reviewed and discussed by the Committee with the External Auditors and the management prior to the commencement of the audit.

The External Auditors kept the Committee advised regarding matters of significance that were pending resolution. Prior to the conclusion of the Audit, the Committee met with the External Auditors and Management to discuss all audit issues and to agree on their treatment. This included the discussion of formal reports from the External Auditors to the Committee. The Committee also met the External Auditors before finalisation of the financial

statements in order to obtain their input on specific issues and to ascertain whether they had any areas of concern relating to their work. The External Auditors' final management reports on the audit of the Company and Group financial statements for the year 2024/25 were discussed with the management and the auditors.

The Committee was satisfied that the independence of the External Auditors has not been impaired by any event or service that gives rise to a conflict of interest. Due consideration was given to the nature of the services provided by the Auditors and the level of audit and non-audit fees received by the Auditors from the Group. The Committee also reviewed the arrangements made by the Auditors to maintain their independence and confirmation was obtained from the Auditors on their compliance with the independence guidance given in the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

The performance of the External Auditors has been evaluated and the Committee has recommended to the Board that Messrs. B. R. De Silva & Co. Chartered Accountants be re-appointed as the Auditors of the Company for the financial year ending 31st March 2026, subject to approval by the shareholders at the Annual General Meeting.



A. D. B. Talwatte
Chairman - Audit Committee

02nd May 2025

Independent Auditor's Report

B.R.DE SILVA & CO.
Chartered Accountants



Private & Confidential

TO THE SHAREHOLDERS OF CEYLON HOSPITALS PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ceylon Hospitals PLC ("the Company") and the consolidated financial statement of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31st March 2025 and the statement of profit or loss and other 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 material accounting policies and other explanatory notes.

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 31st March 2025, and of their financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Key Audit Matter

1. Recognition of Revenue

The Company and the Group have recognised revenue of Rs. 6,807,998,130 and Rs. 9,750,619,853 respectively for the year ended 31st March 2025.

How the matter was addressed

- Our audit procedures in relation to revenue recognition included both tests of controls as well as substantive procedures.
- Our testing of the company's manual and automated controls focused on controls around the timely & accurate recording of sales transactions.
- We reviewed the group's accounting policies in respect of revenue recognition and found them to be in compliance with Sri Lanka Accounting Standards.
- We performed analytical review procedures to assess whether the recognised revenue was in line with the expected level.
- Checked a sample of invoices raised to patients, to ensure revenue is recognised and measured in accordance with the contractual terms of the contracts and the Group's accounting policies.

Partners – N.S.C.De Silva FCA, FCMA (UK),CGMA, L.C.Piyasena FCA, L.L.S.Wickremasinghe FCA, F.S.N.Marikkar FCA, S.M.S.S.Bandara MBA, FCA, D.S.De Silva LLLB, Attorney – at -Law ACA, ACMA (UK),CGMA
Partner (Kandy) W.L.L. Perera FCA.

22/4,
Vijaya Kumararatunga Mw.,
Colombo 05,
Sri Lanka.
Telephone : +94 112 513 420 - 22
+94 114 510 268
Fax : +94 114 512 404
E-mail : brds@eureka.lk
Web : www.brdesilva.com

Independent Auditor's Report

Key Audit Matter	How the matter was addressed
Revenue is a key performance indicator used to evaluate the performance of the Group and the Company. Given the significance of the total value, the number of transactions, judgement involved in the timing of recognition and the reliance on Information Technology (IT) systems for revenue recognition, the recognition of revenue was considered as a key area of focus.	<ul style="list-style-type: none">Discussed with the Management regarding the contractual arrangements where consultant medical personnel are involved, and tested the appropriateness of the recognition of revenue on a gross or net basis.Performed substantive test in respect of cut off at the end of the year.Assessed the adequacy of the disclosures in the financial statements.
2. Transactions held with Related Parties Related party balances and disclosure of the group are disclosed in notes (15) and (32) to the financial statements. The group is engaged in related party transactions during the ordinary course of business. A considerable part of revenue, recurring expenditure of the company have taken place through related companies.	<ul style="list-style-type: none">Evaluated the process established by the Management in identifying and reporting related party transactions.Reviewed the reports of related party transaction review committee.Reviewed a sample of transactions and ensured that transactions are taken place on arm's length basis.Critically examined the accuracy of intercompany reconciliations carried out by the Management on a quarterly basis.Checked the adequacy of disclosures made in the financial statements in accordance with Sri Lanka Accounting Standards.
3. Accounting for Merger of the Company with Durdans Heart Centre (Pvt) Ltd The Company merged with Durdans Heart Centre (Pvt) Ltd on 1st January 2025. The Company recognised Rs. 71,379,116 as the merger reserve to the financial statements as disclosed in note 36. The merger was accounted based on the Statement of Recommended Practice for Merger Accounting For Common Control Combinations issued by CA Sri Lanka. We considered accounting for the merger To be a key audit matter as it represents a Significant transaction entered into by the Company during the year	<ul style="list-style-type: none">We reviewed the relevant board resolutions and approvals from regulators and shareholders.We obtained the audited financial statements of Durdans Heart Centre (Pvt) Ltd. We checked the mathematical accuracy of the calculations related to merger reserve.We assessed the adequacy of the disclosures included in the note 36 to the financial statements.
Other Information The Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained on the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.	Responsibilities of The Management and Those Charged with Governance for the Financial Statements The 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 the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the 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 the Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards 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 consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year 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 the independent auditor's report is FCA 2122.



B. R. DE SILVA & CO.
Chartered Accountants
Colombo 05.

24th July 2025
(LW/ST/SI)

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31st March,	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Revenue	(3)	9,750,619,853	9,152,568,499	6,807,998,130	5,369,409,393
Cost of Services		(3,928,273,815)	(4,013,929,442)	(3,016,600,544)	(2,417,849,789)
Gross Profit		5,822,346,038	5,138,639,057	3,791,397,586	2,951,559,604
Other Operating Income	(4)	285,468,277	205,407,718	117,525,120	78,566,864
Less: Expenses					
Administration Expenses		(3,674,472,150)	(3,301,862,792)	(2,616,998,011)	(2,061,354,229)
Other Operating Expenses		(1,275,039,169)	(1,338,284,825)	(740,596,569)	(698,667,781)
Finance Costs	(5)	(251,516,841)	(144,668,678)	(295,207,285)	(147,983,528)
Finance Income	(5.1)	51,135,028	99,655,771	160,733,009	171,815,812
Total Expenses		(5,149,893,132)	(4,685,160,524)	(3,492,068,856)	(2,736,189,726)
Profit Before Taxation	(6)	957,921,183	658,886,251	416,853,850	293,936,742
Less: Income Tax Expense	(7)	(231,910,108)	(205,073,835)	(144,148,164)	(60,305,283)
Net Profit after Taxation		726,011,075	453,812,416	272,705,686	233,631,459
Other Comprehensive Income					
Items that will not be reclassified to Profit or Loss					
Net Change in Fair Value on Equity Investments at Fair Value through Other Comprehensive Income		570,433	(1,466,017)	570,433	(6,970,886)
Actuarial Gain/(Loss) on Gratuity valuation	(24.1)	(110,006,851)	408,213	(109,599,533)	1,931,223
Deferred Tax Charge on actuarial Gain /(Loss) on Gratuity valuation	(25.2)	33,002,055	(799,974)	32,879,860	(579,367)
Gain on Revaluation of Property, Plant and Equipment		2,540,258,531	-	974,862,829	-
Deferred Tax Effect on Revaluation Gain		(690,004,648)	-	(292,458,849)	-
Other Comprehensive Income for the Year		1,773,819,520	(1,857,778)	606,254,740	(5,619,030)
Total Comprehensive Income for the Year		2,499,830,595	451,954,638	878,960,425	228,012,429
Profit Attributable to:					
Equity Holders of the Parent		652,598,851	417,194,311	272,705,686	233,631,459
Non-Controlling Interest		73,412,224	36,618,105	-	-
		726,011,075	453,812,416	272,705,686	233,631,459
Total Comprehensive Income Attributable to:					
Equity Holders of the Parent		2,261,441,468	414,608,925	878,960,425	228,012,429
Non-Controlling Interest		238,389,127	37,345,713	-	-
		2,499,830,595	451,954,638	878,960,425	228,012,429
Earnings Per Share - Basic	(8)	16.38	11.59	6.84	6.49

The Significant Accounting Policies and the Notes from Pages 127 to 178 form an integral part of these Financial Statements.

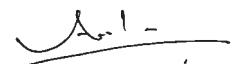
Statement of Financial Position

As At 31st March,	Note	Group		Company		
		2025	2024	2025	2024	
ASSETS						
Non-Current Assets						
Property, Plant and Equipment	(9)	14,146,488,737	11,582,383,348	9,446,280,917	8,241,211,471	
Capital Work in Progress	(9.3)	112,844,670	72,479,167	112,844,670	66,090,705	
Intangible Assets	(9.6)	1,057,321	1,364,771	-	-	
Right of Use Assets	(9.7)	362,656,517	363,571,459	362,656,517	363,571,459	
Investments in Subsidiaries	(10)	-	-	1,508,955,619	1,493,624,884	
Other Financial Assets	(11.2.3)	289,647,085	289,392,752	108,541,216	72,066,346	
Total Non-Current Assets		14,912,694,330	12,309,191,497	11,539,278,939	10,236,564,865	
Current Assets						
Inventories	(13)	768,763,663	814,310,899	666,884,953	642,259,346	
Trade and Other Receivables	(14)	389,208,054	312,865,752	319,534,824	199,903,869	
Advances and Prepayments	(14.1)	260,255,105	291,390,201	138,409,276	164,155,421	
Amounts due from Related Parties	(15.1)	1,021,105	5,385,050	53,395,623	66,372,111	
Other Financial Assets	(11.2.3)	1,504,313,134	899,204,908	373,590,599	45,528,555	
Income Tax Recoverable	(16)	-	44,254,174	-	37,259,871	
Cash and Cash Equivalents	(17)	246,369,313	366,450,867	131,085,951	212,124,767	
Total Current assets		3,169,930,374	2,733,861,850	1,682,901,225	1,367,603,940	
Total Assets		18,082,624,704	15,043,053,347	13,222,180,165	11,604,168,805	
EQUITY AND LIABILITIES						
Equity Attributable to Equity Holders of the Parent						
Stated Capital	(18)	1,778,802,331	1,142,797,779	1,778,802,331	1,142,797,779	
Revaluation Reserve	(19)	3,999,379,365	2,290,344,615	2,425,067,451	1,742,663,471	
Merger Reserve	(36)	(71,379,116)	-	(71,379,116)	-	
Fair Value Reserve	(20)	109,254,714	74,340,012	109,156,559	(658,927)	
Accumulated Profit	(21)	5,294,148,444	4,595,642,550	3,208,622,209	2,963,955,267	
		11,110,205,737	8,103,124,956	7,450,269,434	5,848,757,590	
Non-Controlling Interests	(22.2)	841,400,123	733,044,005	-	-	
		11,951,605,860	8,836,168,961	7,450,269,434	5,848,757,590	

Statement of Financial Position

As At 31st March,	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Non-Current Liabilities					
Interest Bearing Loans and Borrowings	(11.3)	964,241,744	1,989,051,038	904,261,744	1,872,910,579
Lease Liability	(12.2)	279,131,174	279,087,131	279,131,174	279,087,131
Deferred Rent Income	(23)	-	-	-	28,579,838
Retirement Benefit Obligations	(24.1)	366,202,818	227,264,506	351,047,296	203,792,863
Deferred Tax Liabilities	(25)	2,128,800,767	1,389,826,253	1,422,096,166	1,063,004,337
Amounts Due to Related Parties	(15.2)	-	-	446,249,998	467,500,000
Total Non -Current Liabilities		3,738,376,503	3,885,228,929	3,402,786,378	3,914,874,748
Current Liabilities					
Interest Bearing Loans and Borrowings	(11.3)	505,535,455	488,625,758	441,472,204	428,928,529
Lease Liability	(12.2)	108,196,575	120,415,860	108,196,575	120,415,860
Trade and Other Payables	(26)	1,099,414,060	1,027,015,438	763,487,930	551,022,658
Courses Advance Received	(26.1)	26,779,175	-	-	-
Income Tax Payable	(16)	50,196,808	-	50,152,333	-
Amounts Due to Related Parties	(15.2)	37,760,255	142,793,332	553,721,802	327,119,459
Bank Overdraft	(17)	564,760,011	542,805,070	452,093,508	413,049,962
Total Current Liabilities		2,392,642,339	2,321,655,458	2,369,124,352	1,840,536,467
Total Equity and Liabilities		18,082,624,704	15,043,053,347	13,222,180,165	11,604,168,805

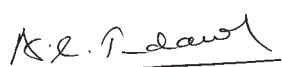
These Financial Statements are prepared in compliance with the requirements of the Companies Act No. 07 of 2007.



Amila Mapitiya
Chief Financial Officer

The Board of Directors are responsible for the preparation and presentation of these Financial Statements.

Signed for and on behalf of the Board by,



A E Tudawe
Director



A S Tudawe
Director

DATE OF APPROVAL BY THE BOARD : 24th July 2025

The Significant Accounting Policies and the Notes from Pages 127 to 178 form an integral part of these Financial Statements.

Statement of Changes in Equity - Company

For the Year Ended 31st March,	Stated Capital Rs.	Revaluation Reserves Rs.	Fair Value Reserve Rs.	Merger Reserve Rs.	Accumulated Profit Rs.	Total Rs.
Balance as at 31st March 2023	1,142,797,779	1,742,663,471	6,311,959	-	2,812,305,464	5,704,078,673
Net Profit for the year	-	-	-		233,631,457	233,631,457
Other Comprehensive Income						
Actuarial Gain on Gratuity valuation	-	-	-	-	1,931,225	1,931,225
Deferred Tax Effect on Gratuity valuation	-	-	-	-	(579,367)	(579,367)
Net Change in Fair Value on Equity Investments at FVOCI	-	-	(6,970,886)	-	-	(6,970,886)
Total Comprehensive Income for the year	-	-	(6,970,886)	-	234,983,315	228,012,429
Transactions with Owners in their capacity as Owners						
Right Issue Expenses	-	-	-	-	(557,042)	(557,042)
Dividend Paid - Ordinary Shares	-	-	-	-	(82,776,471)	(82,776,471)
	-	-	-	-	(83,333,513)	(83,333,513)
Balance as at 31st March 2024	1,142,797,779	1,742,663,471	(658,927)	-	2,963,955,266	5,848,757,589
Net Profit for the year	-	-	-	-	272,705,686	272,705,686
Other Comprehensive Income						
Actuarial Gain on Gratuity valuation	-	-	-	-	(109,599,533)	(109,599,533)
Net Gain/ (Loss) on Land and Building valuation	-	974,862,829	-	-	-	974,862,829
Deferred Tax Effect on Gratuity valuation	-	-	-	-	32,879,860	32,879,860
Deferred Tax Effect on Revaluation on Land & Buildings	-	(292,458,849)	-	-	-	(292,458,849)
Net Change in Fair Value on Equity Investments at FVOCI	-	-	570,433	-	-	570,433
Total Comprehensive Income for the year	1,142,797,779	2,425,067,451	(88,494)	-	3,159,941,279	6,727,718,015
Transactions with Owners in their capacity as Owners						
Shares issued from Merger Reserve of DHC	86,098,725	-	-	(86,098,725)	-	-
Reserve transferred through merger	-	-	109,245,053	145,760,000	111,459,087	366,464,140
Withdrawal of Shares of DHC	-	-	-	(948,981)	-	(948,981)
Settlement of Investments in DHC	-	-	-	(130,091,410)	-	(130,091,410)
Effect of Depreciation Method Adjustments	-	-	-	-	12,254,183	12,254,183
Right Issue (Voting+Non-Voting)	549,905,827	-	-	-	-	549,905,827
Right Issue Expenses	-	-	-	-	(3,052,800)	(3,052,800)
Dividend Paid - Ordinary Shares	-	-	-	-	(71,979,540)	(71,979,540)
Balance as at 31st March 2025	1,778,802,331	2,425,067,451	109,156,559	(71,379,116)	3,208,622,209	7,450,269,434

The Significant Accounting Policies and the Notes from Pages 127 to 178 form an integral part of these Financial Statements.

Statement of Changes in Equity - Group

For the Year Ended 31st March,	Stated Capital	Revaluation Reserves	Meger Reserve	Fair Value Reserve	Accumulated Profit	Total	Non Controlling Interest	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 31st March 2023	1,142,797,779	2,290,344,615	-	76,843,290	4,261,863,861	7,771,849,545	729,500,386	8,501,349,931
Net Profit for the Year	-	-	-	-	417,194,311	417,194,311	36,618,105	453,812,416
Other Comprehensive Income								
Net Change in Fair Value on Equity Investments at FVOCI	-	-	-	(2,503,278)	-	(2,503,278)	1,037,261	(1,466,017)
Actuarial Gain/ (Loss) on Gratuity valuation	-	-	-	-	672,965	672,965	(264,752)	408,213
Deferred Tax effect on actuarial Gain / (Loss) on Gratuity valuation	-	-	-	-	(755,072)	(755,072)	(44,902)	(799,974)
Transactions held with Owners in their capacity as Owners								
Rights Issue Expenses	-	-	-	-	(557,042)	(557,042)	-	(557,042)
Dividend Paid - Ordinary Shares	-	-	-	-	(82,776,471)	(82,776,471)	(33,802,094)	(116,578,565)
Balance as at 31st March 2024	1,142,797,779	2,290,344,615	-	74,340,012	4,595,642,551	8,103,124,957	733,044,005	8,836,168,962
Net Profit for the Year	-	-	-	-	652,598,851	652,598,851	73,412,224	726,011,074
Other Comprehensive Income								
Net Change in Fair Value on Equity Investments at FVOCI	-	-	-	-	570,433	-	570,433	-
Actuarial Gain/ (Loss) on Gratuity valuation	-	-	-	-	(109,949,297)	(109,949,297)	(57,554)	(110,006,851)
Revaluation Adjustments	-	1,709,034,750	-	-	-	1,709,034,750	61,120,286	1,770,155,036
Settlement of Investments in DHC	-	-	(130,091,410)	-	-	(130,091,410)	-	(130,091,410)
Deferred Tax effect on actuarial Gain / (Loss) on Gratuity valuation	-	-	-	-	(32,984,581)	(32,984,581)	(17,474)	(33,002,055)
Transactions held with Owners in their capacity as Owners								
Reserve transferred through merger	86,098,725	-	145,760,000	34,344,269	274,032,317	540,235,311	-	540,235,311
Rights Issue Expenses	-	-	-	-	(3,052,800)	(3,052,800)	-	(3,052,800)
Effect of Depreciation Method Adjustments	-	-	-	-	12,254,183	12,254,183	-	12,254,183
Right Issue (Voting+Non-Voting)	549,905,827	-	-	-	-	549,905,827	-	549,905,827
Shares issued from Merger Reserve of DHC	-	-	(86,098,725)	-	-	(86,098,725)	-	(86,098,725)
Withdrawal of Shares of DHC	-	-	(948,981)	-	-	(948,981)	-	(948,981)
Dividend Paid - Ordinary Shares	-	-	-	-	(94,392,780)	(94,392,780)	(26,101,363)	(120,494,143)
Balance as at 31st March 2025	1,778,802,331	3,999,379,365	(71,379,116)	109,254,714	5,294,148,444	11,110,205,737	841,400,123	11,951,605,860

The Significant Accounting Policies and the Notes from Pages 127 to 178 form an integral part of these Financial Statements.

Statement of Cash Flows

For the Year Ended 31st March,	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Cash Flows from/ (used in) Operating Activities					
Net Profit before Income Tax Expenses		957,921,183	658,886,251	416,853,850	293,936,742
Adjustments for					
Inventory Written-off/ (Write-in)		28,592,629	26,518,999	11,868,747	18,537,520
Bad Debts Written-off		-	49,230,422	-	39,240,576
Depreciation Charge for the Year	(9)	510,828,039	442,576,147	341,936,500	230,162,729
Amortisation of Intangible Assets	(9.6)	320,000	-	-	-
Amortisation of Right to use assets	(9.7)	103,428,056	124,576,745	103,428,056	124,576,746
Finance Income	(5.1)	(51,135,028)	(99,655,771)	(160,733,009)	(171,815,812)
Finance Costs	(5)	215,584,580	144,668,678	295,207,285	147,983,528
Lease Interest		35,932,260	-	35,932,260	-
Amortisation of Deferred Rent	(23)	-	-	-	(1,890,286)
Profit/ (Loss) on Disposal of Property, Plant and Equipment		(36,101,000)	(17,755,043)	(36,101,000)	(1,550,000)
Fair Value(Gain)/Loss on Financial Instruments		(200,600,858)	(102,117,477)	-	(2,079,175)
(Increase)/ Decrease in Financial Instruments		-	-	570,433	-
Unclaimed Dividend		-	(1,113,174)	-	(1,113,174)
Unclaimed VAT		-	19,814,175	-	-
Creditors written back		-	(159,566)	-	-
Adjustment due to merger – net reserves		-	-	(378,042,673)	-
Provision for Defined Benefit Plans	(24.2)	54,747,098	57,627,341	50,606,061	50,803,994
Operating Profit before Working Capital Changes		1,619,516,960	1,303,097,727	681,526,510	726,793,388
(Increase)/ Decrease in Inventories	(13)	45,547,236	179,302,173	41,876,930	146,796,431
(Increase)/ Decrease in Trade and Other Receivables	(14)	(45,207,207)	330,378,921	(3,401,684)	130,060,905
(Increase)/ Decrease in Dues from Related Parties	(15.1)	4,363,945	-	12,976,488	-
Increase/ (Decrease) in Trade and Other Payables	(26)	99,177,798	147,995,419	39,904,165	100,440,824
Increase/ (Decrease) in Dues to Related Parties	(15.1)	(105,033,076)	142,737,497	192,895,031	252,236,208
Cash Generated from Operations		1,618,365,656	2,103,511,737	965,777,440	1,356,327,757
Finance Costs Paid		(215,584,580)	(144,668,678)	(295,207,285)	(120,884,569)
Defined Benefit Plan Costs Paid	(24.1)	(25,815,638)	(35,368,838)	(21,563,227)	(27,807,086)
Tax Paid	(16)	(31,671,574)	(198,040,821)	(3,075,628)	(60,607,678)
Net Cash from/ (used in) Operating Activities		1,345,293,864	1,725,433,400	645,931,301	1,147,028,423

Statement of Cash Flows

For the Year Ended 31st March,	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Cash Flows from/ (used in) Investing Activities					
Acquisition of Property, Plant and Equipment		(455,359,713)	(958,306,721)	(326,380,889)	(480,681,769)
Purchase of Intangible Assets		(12,550)	(1,600,000)		
Acquisition of CWIP		(46,753,965)	(827,134,758)	(46,753,965)	(823,939,417)
Proceeds from sale of Property Plant and Equipment		36,101,000	6,430,000	36,101,000	1,550,000
Proceeds on sale of shares & units		178,985,005	42,879,195	-	-
(Acquisition)/ Disposal of Other Investments		(605,362,559)	(48,585,501)	24,942,976	(32,174,541)
Income from Investments	(5.1)	51,135,028	99,655,771	160,733,009	171,815,812
Net Cash Flows from/ (used in) Investing Activities		(841,267,755)	(1,686,662,014)	(151,357,869)	(1,163,429,915)
Cash Flows from/ (used in) Financing Activities					
Receipts from Interest bearing Loans and Borrowings	(11.3.1)	30,000,000	375,000,000	-	360,000,000
Repayments of Interest bearing Loans and Borrowings	(11.3.1)	(1,037,899,598)	(254,127,542)	(976,244,150)	(194,711,427)
Lease Rent Payment	(12.1)	(150,620,615)	(154,378,433)	(150,623,326)	(154,378,433)
Proceeds from the Issue of Shares (Right Issue and Merger)		636,004,553	-	636,004,553	-
Right Issue Expenses		(3,052,800)	(557,042)	(3,052,800)	(557,042)
Dividends Paid		(120,494,143)	(116,578,565)	(71,979,540)	(82,776,471)
Net Cash Flows from/ (used in) Financing Activities		(646,062,604)	(150,641,582)	(565,895,264)	(72,423,373)
Net Increase/ (Decrease) in Cash and Cash Equivalents		(142,036,495)	(113,470,196)	(71,321,832)	(88,824,866)
Cash and Cash Equivalents at the beginning of the Year		(176,354,203)	(62,884,006)	(249,685,725)	(112,100,329)
Cash and Cash Equivalents at the end of the Year		(318,390,698)	(176,354,203)	(321,007,557)	(200,925,195)
Analysis of Cash & Cash Equivalents					
Bank Overdraft		(564,760,011)	(542,805,070)	(452,093,508)	(413,049,962)
Cash in Hand and at Bank	(17)	246,369,313	366,450,867	131,085,951	212,124,767
		(318,390,698)	(176,354,203)	(321,007,557)	(200,925,195)

The Significant Accounting Policies and the Notes from Pages 127 to 178 form an integral part of these Financial Statements.

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1 General

Ceylon Hospitals PLC ("the Company") is a Public Limited Liability Company, incorporated and domiciled in Sri Lanka under the provisions of companies Act No. 07 of 2007 and listed on the Colombo Stock Exchange. The registered office and the principal place of business are located at No. 03, Alfred Place, Colombo 03.

1.2 Parent Enterprise and Ultimate Parent Enterprise

The Consolidated Financial Statements of the Company for the year ended 31st March 2025 comprise the Company (Parent company) and its Subsidiaries. (together referred to as the "Group" and individually as "Group entities")

The Company's parent undertaking is Durdans Management Services Ltd which is incorporated and domiciled in Sri Lanka.

1.3 Principal business activities and Nature of Operations

During the year the principal business activities of the group were as follows:

Name of the Company	Nature of the Business
Ceylon Hospitals PLC	Providing Healthcare Services and Laboratory Services
Durdans Heart Centre (Pvt) Ltd	Providing Preventive Cardiac Care Services and Cardiac Surgical Care (On 1st January 2025, merged with CH PLC)
Durdans Medical and Surgical Hospital (Pvt) Ltd	Providing Healthcare Services
Amrak Institute of Medical Sciences (Pvt) Ltd	Providing allied Medical Science Courses
Ceygen Biotech (Pvt) Ltd	Supplying of Molecular Biological, Biochemical, Biotechnological Reagents, Kits, Equipment and Accessories for Molecular diagnostics and research

1.4 Date of Authorisation for issue

The financial statements of Ceylon Hospitals PLC and its subsidiaries for the year ended 31st March 2025 was authorised for issue in accordance with a resolution of the Board of Directors on 24th July 2025.

1.5 Number of Employees

The Staff strength of the Group as at 31st March 2025 was 2012 As at 31st March 2024 - 1913)

1.6 Companies in the Group

Subsidiaries

The Group Financial Statements include the results of Durdans Medical and Surgical Hospital (Pvt) Limited, Amrak Institute of Medical Sciences (Pvt) Ltd and Ceygen Biotech (Pvt) Ltd which are subsidiaries of the company. The details of subsidiaries are as follows:

Company Name	Year of Incorporation	Ownership Percentage
Subsidiary Companies		
Durdans Medical and Surgical Hospital (Pvt) Ltd	2007/08	85.87%
Amrak Institute of Medical Sciences (Pvt) Ltd	2017/18	58.31%
Ceygen Biotech (Pvt) Ltd	2009/10	51.57%

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of Preparation of Financial Statements

Basis of Preparation

The Consolidated Financial Statements of the Group and separate Financial Statements of the Company have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/ LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka ("CASL") and in compliance with the requirements of the Companies Act No. 07 of 2007 and provide appropriate disclosures as required by the Listing Rules of the CSE.

These Financial Statements presented in Sri Lankan Rupees have been prepared on a historical cost basis except for the revaluation of certain Property, Plant and Equipment, financial instruments at fair value and derivative financial instruments that have been measured at fair value. The retirement benefit obligations are measured at the present value of the defined benefit obligation. All these measures are explained in the respective notes to the financial statements. These Financial Statements, except for information on cash flows have been prepared following the accrual basis of accounting.

2.1.2 Statement of Compliance

The Consolidated Financial Statements of Ceylon Hospitals PLC and its subsidiary companies have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRS/ LKAS) as laid down by the Institute of Chartered Accountants of Sri Lanka ("CASL") and the requirements of the Companies Act No. 07 of 2007.

2.1.3 Responsibility for Financial Statements

The Board of Directors of the Company is responsible for the preparation and presentation of the Financial

Notes to the Financial Statements

Statements of the Group and the Company as per the provisions of the Companies Act No. 07 of 2007 and Sri Lanka Accounting Standards.

The Board of Directors acknowledges their responsibility for Financial Statements as set out in the Annual Report of the Board of Directors, Statement of Directors' Responsibility, and the certification on the Statement of Financial Position.

These Financial Statements include the following components:

- i. A Statement of Profit or Loss and Other Comprehensive income.
- ii. A Statement of Financial Position.
- iii. A Statement of Changes in Equity.
- iv. A Statement of Cash Flows.
- v. Notes to the Financial Statements comprising Material Accounting Policies and other explanatory information.

2.1.4 Going Concern

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

Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, financial statements of the Group continue to be prepared on a going concern basis.

2.1.5 Functional Currency and Presentation Currency

The Consolidated Financial Statements are presented in Sri Lankan Rupees, which is the Group's functional and presentation currency. All financial information presented in Rupees has been rounded to the nearest Rupee.

2.1.6 Use of Estimates and Judgements

The preparation of the financial statements in conformity with SLFRSs and LKASs requires the Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, judgements and estimates based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual results may differ from those estimates and judgemental decisions.

Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

2.1.6.1. Judgement

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the note Right of Use Assets, whether an arrangement contains a Lease and Lease Classification.

2.1.6.2. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the year ended 31st March 2025 is included in the following notes:

Note 24 – Measurement of defined benefit obligations: Key actuarial assumptions;

Note 25 – Recognition of deferred tax liability/(asset): availability of future taxable profit against which tax losses carried forward can be used;

Note 09 – Measurement of useful lifetime of Property, Plant and Equipment

Note 28 – Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources; and

Note 11 – Fair Valuation of Investments classified as FVTOCI

Note 12 – Recognition of Right of Use Asset and Lease Liability

2.1.7 Comparative Information

Comparative information, including quantitative, narrative, and descriptive data, is presented for the previous year to enhance understanding of the current period's financial statements and support inter-period comparability. The accounting policies have been consistently applied by the Company and remain unchanged from the previous period. Comparative figures have not been reclassified or restated. On 1st January 2025, CHPLC merged with its 81.16%-owned subsidiary, Durdans Heart Centre (DHC), under common control. CHPLC elected not to restate comparative financial information for the year ended 31st March 2024, in line with the management's accounting policy for common-control combinations to apply the pooling-of-interests (book-value) method without restatement.

2.1.8 Measurement of Fair Value

A number of the Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities. The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, the Group assesses the evidence obtained from the third parties to support the conclusion that such

valuations meet the requirements of SLFRS, including the level in the fair value hierarchy in which such valuations should be classified. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

2.2. Material Accounting Policies

2.2.1 Basis of Consolidation

2.2.1.1. Business Combination

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. 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. Acquisition-related costs are expensed as incurred and included in administrative expenses.

2.2.1.2. Subsidiaries

Subsidiaries are those enterprises controlled by the Group. Control is achieved when the Group is exposed or has right to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group controls an investee if, and only if the Group has:

- Power over the investee (i.e.; Existing rights that give it the current ability to direct the relevant activities of the investee.)
- Exposure, or right to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its return.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which the control commences until the date that on which control ceases.

A listing of the Group's significant subsidiaries is set out in Note 1.3 to the financial statements. Investments in subsidiaries are measured at Cost.

2.2.1.3. Non-Controlling Interests

The interest of the outside shareholders of the Group is disclosed separately under the heading of Non-Controlling Interest ("NCI"). NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

2.2.1.4. Investment in Equity Accounted Investee

The Group's investment in its equity accounted investee is accounted for using the equity method. Equity accounted investee is an entity in which the Group has a significant influence.

Under the equity method, the investment in the equity accounted investee is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the equity accounted investee. Goodwill relating to the equity accounted investee is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The Statement of Comprehensive Income reflects the share of the results of operations of the equity accounted investee. Where there has been a change recognised directly in the equity of the equity accounted investee, the Group recognises its share of any changes and discloses this, when applicable, in the Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the equity accounted investee.

The share of profit of an equity accounted investee is shown on the face of the income statement. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its equity accounted investee. The Group determines at each reporting date whether there is any

Notes to the Financial Statements

objective evidence that the investment in the equity accounted investee is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the equity accounted investee and its carrying value and recognises the amount in the 'share of profit from equity accounted investee' in the income statement.

Upon loss of significant influence over the equity accounted investee, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the equity accounted investee upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

2.2.1.5. Business Combinations under common control

On 1st January 2025, CHPLC (the surviving entity) merged with its 81.16%-owned subsidiary Durdans Heart Centre (DHC), both under ultimate common control of Durdans Management Services Ltd (DMS). The objective was to achieve synergies, cost efficiencies and optimise intercompany transactions.

The Group adopted the Statement of Recommended Practice (SORP) for Merger Accounting for Common Control Combinations approved by the Council of the Institute of Chartered Accountants of Sri Lanka on 19th December, 2012, on merger accounting for common control combinations for annual periods beginning on or after 1st April 2020. The SORP is applicable for Consolidated Financial Statements. Due to the absence of clear guidance of accounting for amalgamation in the separate Financial Statements, the Group adopted the SORP for Merger Accounting for Common Control

Combinations, in preparing the separate Financial Statements of the Company.

CH PLC used the pooling-of-interests method in merging two companies, combining their assets, liabilities, and equity at historical book values as though they had always operated as a single entity without recognising goodwill or revaluing to fair market value.

2.2.1.6. Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.2.1.7. Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to groups of cash-generating units that are expected to benefit from the synergies of the combination.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

2.2.1.8. Reporting date

Group's subsidiaries have the same reporting period as the parent company, which ends on 31st March.

2.2.2 Foreign Currency Transactions

The Group's consolidated financial statements are presented in Sri Lankan Rupees ("Rupees"), which is also the parent company's functional currency. Transactions in foreign currencies are translated into Sri Lankan Rupees ("Rs.") at the foreign exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into rupees at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translations are recognised in the Statement of Comprehensive Income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference.

2.3 Valuation of Assets and their Measurement Bases

2.3.1 Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items. The cost of inventories is based on Weighted

Average Cost. The cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realisable value is the estimated price at which inventories can be sold in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.3.2 Property, Plant and Equipment

Property, Plant and Equipment are tangible items that are held for servicing, or for administrative purposes and are expected to be used more than one period.

2.3.2.1. Recognition

Property, Plant & Equipment are recognised if it is probable that future economic benefits associated with the assets will flow to the Group and cost of the asset can be reliably measured.

2.3.2.2. Measurement

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and Direct Labour, any other cost directly attributable to bringing the asset to a working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located.

All other repair and maintenance costs are recognised in the income statement as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

2.3.2.3. Subsequent Expenditure

When significant parts of Property, Plant and Equipment are required to be replaced at intervals, the Group derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. 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.

The cost of replacing part of an item of Property, Plant and Equipment is recognised in the carrying amount of the item, if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised.

2.3.2.4. Revaluation of Land and Buildings

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the 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.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statement, in which case the increase is recognised in the statement of income. A revaluation deficit is recognised in the income statement, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve. Any balance remaining in the revaluation surplus in respect of an asset is transferred directly to Accumulated Profit on retirement or disposal of the assets.

The Company policy is to revalue the Company land and building between 3-5 years.

2.3.2.5. Depreciation

The provision for depreciation is calculated by using straight line basis on the cost or valuation of all Property, Plant and Equipment other than freehold land, in order to write off such amounts over the following estimated useful lives. The principal annual rates used are:

Ceylon Hospitals PLC

Buildings	-	2.5%
Plant & Machinery	-	10%
Electrical Equipment	-	10%
Furniture & Fittings	-	10%
Sundry Equipment	-	10%
Telephones	-	20%
Electrical Power Plant & Transformer	-	10%
Air Conditioners	-	10%
Motor Vehicles	-	10%
Linen	-	50%
Computer Equipment	-	20%

Notes to the Financial Statements

Durdans Medical and Surgical Hospital (Pvt) Ltd		
Buildings	-	2.50%
Computer Equipment	-	20%
Medical Equipment	-	10%
Furniture & Fittings	-	5%
Curtaining & Linen	-	50%
Electrical & Other Equipment	-	10%
Motor Vehicles	-	10%

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised.

2.3.2.6. Borrowing Cost

Borrowing cost directly attributable to the acquisition, construction or production of a qualifying 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, until such time the assets are substantially ready for their intended use.

2.3.2.7. Restoration Cost

Expenditure incurred on repairs and maintenance of Property, Plant & Equipment in order to restore or maintain the future economic benefits expected from originally assessed standard of performance, is recognised as an expense when incurred.

2.3.2.8. Capital Work-in-Progress

The cost of self-constructed assets includes the cost of materials, Direct Labour, and direct overheads including any other costs directly attributable to bring the assets to a workable condition of their intended use and capitalised borrowing cost. Capital Work-In-Progress is transferred to the respective asset accounts when the asset is available for use and all work connected to construction is completed.

2.3.2.9 Impairment of Property, Plant and Equipment

The carrying value of Property, Plant and Equipment is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceed the estimated recoverable amount the assets are written-down to their recoverable amount. Impairment losses are recognised in the Profit or Loss unless it reverses a previous revaluation surplus for the same asset.

2.3.2.10 De-recognition

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 de-recognition of the asset calculated as the difference

between the net disposal proceeds and the carrying amount. Gains or losses on de-recognition are recognised in profit or loss and gains are not classified as revenue.

2.3.3 Intangible Assets

An intangible asset is initially recognised at cost, if it is probable that future economic benefit will flow to the enterprise, and the cost of the asset can be measured reliably. Following the initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

The estimated useful life for intangible assets with finite useful life is as follows;

Software Licenses – Over four years

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the Cash Generating Unit ("CGU") level.

An Intangible Asset is de-recognised on disposal or when no future economic benefits are expected from it. The gain or loss arising from de-recognition of such intangible assets is included in the profit or loss when the item is de-recognised.

2.3.4 Right of Use Assets

(a) Basis of recognition

The Group applies Sri Lanka Accounting Standard (SLFRS 16) on Leases in accounting for all lease hold rights except for short term leases, which are held for use in the provision for services.

(b) Basis of Measurement

The Group recognises right-of-use assets at the date of commencement of the lease, which is the present value of lease payments to be made over the lease term. Right-of-Use assets are measured at cost less any accumulated amortisation and impairment losses and adjusted for any re-measurement of lease liabilities. The cost of the right-of-use assets includes the amount of lease liabilities recognised, initial Direct Cost incurred and lease payments made at or before the commencement date less any lease incentives received. Right of Use Assets are amortised on the straight-line basis over the lease term.

(c) Lease Liability

At the commencement date of the lease, the bank recognises lease liabilities, measured at present value of future lease payments to be made over the lease term.

The present value of lease commitments has been calculated using weighted average incremental borrowing rate. The Group applied modified retrospective approach in accordance with SLFRS 16 when accounting for right-of-use assets and operating lease liabilities.

2.3.5 Financial Instruments - Recognition and measurement**2.3.5.1. Recognition and Initial Measurement**

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Transaction cost in relation to financial assets and financial liabilities at fair value through profit or loss are dealt with through the Income Statement.

2.3.5.2 Classification and Subsequent Measurement of Financial Assets

From 01st April 2018 as per Sri Lanka Accounting Standard on Financial Instruments (SLFRS 9) the Group classifies all of its financial assets based on the business model for managing the assets and the assets' contractual terms measured at either;

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL)

Financial assets are not re-classified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets are not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(a) Financial assets – Business Model Assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Notes to the Financial Statements

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

(b) Assessment of whether Contractual Cash Flows are Solely Payments of Principal and Interest (SPPI test)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable rate features;
- Prepayment and extension features; and
- Terms that limits the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

(c) Financial assets – Subsequent Measurement and Gains and Losses

i. Financial Assets at Fair Value through Profit or Loss

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

ii. Financial Assets at Amortised Cost

These assets are subsequently measured at amortised cost using the Effective Interest Method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

iii. Debt Investments at Fair Value through Other Comprehensive Income

These assets are subsequently measured at fair value. Interest income calculated using the Effective Interest Method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income ("OCI"). On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

iv. Equity Investments at Fair Value through Other Comprehensive Income

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(d) De-recognition - Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- i. The rights to receive cash flows from the asset have been expired
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
 - 1) the Group has transferred substantially all the risks and rewards of the asset, or
 - 2) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- ii. When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognised to the extent of the Group's continuing involvement in it.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.3.5.3. Classification and Subsequent Measurement of Financial Liabilities

As per SLFRS 9, the Group classifies financial liabilities, other than financial guarantees and loan commitments into one of the following categories:

- i. Financial liabilities at fair value through profit or loss, and within this category as
 - Held-for-trading; or
 - Designated at fair value through profit or loss;
- ii. Financial liabilities measured at amortised cost

a) Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

b) Financial Liabilities Designated at Fair Value through Profit or Loss

Financial liabilities designated at fair value through profit or loss are recorded in the SOFP at fair value when

- i. The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis, or
- ii. A group of financial liabilities are managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided on that basis to entity's key management personnel, or
- iii. The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

c) Financial Liabilities Measured at Amortised Cost

After initial recognition, such financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

d) De-recognition - Financial liabilities

The Group de-recognises a financial liability when its contractual obligations are discharged, cancelled or expired.

2.3.5.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.3.5.5 Fair value of Financial Instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 11.5.

a) Impairment of Non-Derivative Financial Assets

The Group recognises loss allowances for Expected Credit Losses ("ECLs") on:

- Financial assets measured at amortised cost;
- Debt investments measured at FVOCI; and
- Contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

Debt securities that are determined to have low credit risk at the reporting date; and other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available

Notes to the Financial Statements

without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

b) Measurement of ECLs

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

c) Credit-Impaired Financial Assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- The disappearance of an active market for a security because of financial difficulties.

d) Presentation of Allowance for ECLs in the Statement of Financial Position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

e) Written-off

The gross carrying amount of a financial asset is written-off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of written-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

f) Impairment of Non-Financial Assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, if asset could not be tested for impairment on an individual basis, then assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

2.4 Liabilities and Provisions

Liabilities classified as current liabilities on the reporting date are those, which fall due for payment on demand or within one year from the reporting date. Non-current liabilities are those balances that fall due for payment after one year from the reporting date.

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, 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. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

All known liabilities have been accounted for in preparing the financial statement.

2.4.1 Retirement Benefit Obligations

2.4.1.1. *Defined Benefit Plan – Gratuity*

Employees are eligible to receive a gratuity payment of half month's salary per year of service at the end of service, provided the employee has provided 5 years of service. Defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The present value of the defined benefit obligation is calculated annually by independent actuaries using Projected Unit Credit Method ("PUC") as recommended by Sri Lanka Accounting Standard (LKAS 19) on Employees benefits. The defined benefit liability is recognised in the reporting date.

The actuarial gains and losses are charged or credited to Other Comprehensive Income in the period in which they arise. The assumptions based on which the results of the actuarial valuation were determined as at 31st March 2025 are given below. However, according to the Payment of Gratuities Act No. 12 of 1983, the liability for the gratuity payment to an employee arises only on the completion of 5 years of continued service with the Company.

- a. Rate of Discount - 10% (Per annum)
- b. Rate of Salary Increases - 9%
- c. Retirement Age - 60 years
- d. Average Employee Turnover rate - 27% age up to age 54 and zero thereafter
- e. The company will continue in business as a going concern the liability is not externally funded.

2.4.1.2. *Defined Contribution Plans - Employees' Provident Fund & Employees' Trust Fund*

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in accordance with the respective Statutes and Regulations.

2.4.2 Capital Commitments and Contingencies

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured. Capital commitment and contingent liabilities of the Group are disclosed in the respective notes to the Financial Statements.

2.4.3 Events Subsequent to the Reporting Period

The materiality of the events after the reporting period has been considered and appropriate adjustments and provisions have been made in the financial statements wherever necessary.

2.5 Statement of Profit or Loss and other Comprehensive Income

2.5.1 Revenue from Contracts with Customer

Revenue is recognised when the obligation to provide goods and services is satisfied in accordance with Sri Lanka Accounting Standards (SLFRS 15) on Revenue from Contracts with Customers. The consideration is determined with reference to the amount the group expects to be entitled in exchange for transferring the promised goods or services to the customer.

i. *Rendering of Services*

Revenue from rendering of Healthcare services is recognised over time.

ii. *Sale of Medicine and Related Products*

Revenue from the sale of medicine and related products is recognised at the point of sale.

iii. *Interest*

Interest Income is recognised on an accrual basis. Interest on financial instruments measured at amortised cost is recognised using Effective Interest Rate.

iv. *Dividends*

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

v. *Rental Income*

Rental income is recognised on an accrual basis.

vi. *Other Income*

Other Income is recognised on an accrual basis.

vii. *Gains or Losses on the disposal of Property, Plant and Equipment*

Net gains and losses on the disposal of Property, Plant and Equipment and other non-current assets including investments have been accounted for in the Statement of Comprehensive Income, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

Notes to the Financial Statements

2.5.2 Expenditure Recognition

Expenses are recognised in the Statement of Comprehensive Income 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 income in arriving at the profit for the year.

For the purpose of presentation of the Statement of Comprehensive Income, the Directors are of the opinion that the function of expenses method, presents fairly the elements of the Group's performance and hence, such presentation method is adopted.

2.5.3 Taxation

2.5.3.1. Current Taxes

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, as amended ('IRA').

2.5.3.2. Taxation

Deferred Tax is provided in full, using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

2.5.4 Earnings per Share

The Financial Statements present basic earnings per share ("EPS") data for its ordinary shareholders. The EPS is calculated by dividing the Profit or Loss attributable to ordinary shareholders of the Company by the number of ordinary shares in issue.

2.5.5 Dividends on Ordinary Shares

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the company's shareholders. Interim dividends are deducted from equity when they are declared and are no longer the discretion of the Company.

2.6 The Statement of Cash Flows

2.6.1 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 flow, cash and cash equivalent consists of cash in hand and deposits in banks net of outstanding bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

Investment with short term maturities i.e. three months or less from the date of acquisitions is also treated as cash equivalents.

2.6.1 Cash and Cash Equivalents (Cont'd)

The cash flow statements are prepared using the "Indirect Method" in accordance with the Sri Lanka Accounting Standard (LKAS 7) on Statement of Cash Flows, whereby gross cash receipts and gross cash payments on operating activities, investing activities and financial activities are recognised.

Standards Issued but not yet Effective

The new and amended standards and interpretations that are issued, but not yet effective, to the date of issuance of the financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The following amendments and improvements are not expected to have a significant impact on the Group's financial statements.

These amendments to various standards are effective for the annual reporting periods beginning on or after 01st January 2025.

- Amendments to SLFRS 17 : Insurance Contract

3. REVENUE

For the Year Ended 31st March,	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Healthcare Services	9,750,619,853	9,152,568,499	6,807,998,130	5,369,409,393

4. OTHER OPERATING INCOME

Deferred Rent Income	-	-	-	1,890,286
Sundry Income	29,412,551	63,317,023	28,802,672	39,876,040
Fair Value Gain on Financial Assets at Fair Value through Profit or Loss	202,612,211	102,117,477	14,276,701	2,079,175
Rent Income	-	21,105,000	21,105,000	21,105,000
Profit on sale of shares/ Units	14,356,716	11,320,612	10,490,768	10,953,189
Profit/ (Loss) on Disposal of Property, Plant and Equipment	36,101,000	6,434,432	36,101,000	1,550,000
Unclaimed Dividend Income	-	1,113,174	-	1,113,174
Miscellaneous Income	2,985,798	-	6,748,981	-
	285,468,277	205,407,718	117,525,120	78,566,864

5. FINANCE COSTS

Loan Interest	179,830,346	73,125,085	225,144,914	79,344,375
Interest Expenses on Overdrafts	30,734,248	37,604,634	29,847,198	37,160,505
Interest on Leases	35,932,260	27,098,958	35,932,260	27,098,958
Bank Charges	4,300,612	6,840,001	4,282,912	4,379,690
Exchange Loss	719,374	-	-	-
	251,516,841	144,668,678	295,207,285	147,983,528

5.1 Finance Income

Interest Income	25,708,872	87,853,271	10,303,010	9,284,729
Dividend Income	25,426,155	11,802,500	150,429,999	162,531,083
	51,135,028	99,655,771	160,733,009	171,815,812

Notes to the Financial Statements

6. PROFIT/ (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAXATION

Profit / (Loss) from ordinary activities before taxation is stated after charging all expenses including the following.

For the Year Ended 31st March,	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Director's Fees and Remuneration	90,041,653	75,297,011	85,632,175	71,408,534
Auditor's Remuneration - Internal	8,480,148	19,514,600	8,480,148	19,514,600
Auditor's Remuneration - External	3,067,874	3,533,468	2,000,000	1,700,000
Depreciation	529,975,043	442,576,147	341,936,400	230,162,729
Defined Benefit Plan Costs - Gratuity	55,154,416	57,627,341	50,606,061	50,803,994
Legal Fees	117,603,811	3,124,470	97,648,357	2,341,174
Salaries	1,381,731,610	1,291,284,510	1,173,765,131	722,235,788
Employee's Provident Fund	144,186,559	108,190,949	117,671,116	73,287,042
Employee's Trust Fund	38,543,535	28,432,277	30,598,933	18,249,074

7. INCOME TAX EXPENSE

For the Year Ended 31st March,	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Current Tax (Note 7.1)	149,938,186	88,681,431	89,327,329	-
Under/(Over) Provision of current taxes in respect of prior years	-	2,177,938	-	2,000,344
Net (Decrease)/ Increase in Deferred Tax Liabilities	81,971,922	114,214,466	99,512,841	58,304,939
Net Adjustment to Deferred Tax with Merger	-	-	(44,692,006)	-
Deferred Taxation Charge/ (Reversal)	81,971,922	114,214,466	54,820,835	58,304,939
Income Tax Expense	231,910,108	205,073,835	144,148,164	60,305,283

7.1 Reconciliation between Current Tax expense and the Accounting profit

Accounting Profit before Taxation	957,921,183	658,886,251	416,853,850	293,936,742
Consolidation Adjustments	-	55,482,683	-	-
Income not Subject to Taxation	(201,559,276)	(142,689,109)	(50,377,701)	(22,317,092)
Less: Investment Income	(234,739,073)	-	(171,404,148)	-
Other Income Subject to Taxation	70,961,700	-	15,744,804	(164,081,083)
Aggregated Disallowed expenses	874,865,385	849,990,008	712,050,768	544,772,909
Aggregated Allowed expenses	(901,334,631)	(983,110,127)	(606,775,256)	(679,393,144)
Less: Tax Loss Brought Forward	(18,334,557)	-	(18,334,557)	-
Taxable Profit	547,780,732	438,559,706	297,757,760	(27,081,668)
Statutory Tax - Business Income	128,649,676	53,389,425	89,327,329	-
Statutory Tax - Other Income	21,288,510	35,292,006	-	-
Current Tax Provision	149,938,186	88,681,431	89,327,329	-

7.2 Tax Disclosure Note – Merger-Related Adjustments (CH PLC & DHC)

On January 1, 2025, DHC was merged into CH PLC. The combined operations now continue under the CH PLC corporate structure. The figures shown under the "Company" column for 2025 reflect the combined results of CH PLC and DHC. Details of the separate tax notes for each legacy entity appear below.

Income Tax Expense

	CH PLC 12 months	DHC for 9 months	Total
Current Tax (Note 7.1)	77,340,893	11,986,436	89,327,329
Net (Decrease)/ Increase in Deferred Tax Liabilities	99,512,841	(44,692,006)	54,820,835
Income Tax Expense	176,853,734	(32,705,570)	144,148,164
Reconciliation between Current Tax expense and the Accounting profit			
Accounting Profit before Taxation	373,717,398	43,136,452	416,853,850
Income not Subject to Taxation	(20,877,701)	(29,500,000)	(50,377,701)
Less: Investment Income	(151,212,435)	(20,191,713)	(171,404,148)
Other Income Subject to Taxation	6,621,536	9,123,268	15,744,804
Aggregated Disallowed expenses	673,731,486	38,319,282	712,050,768
Aggregated Allowed expenses	(605,842,752)	(932,504)	(606,775,256)
Less: Tax Loss Brought Forward	(18,334,557)	-	(18,334,557)
Taxable Profit	257,802,975	39,954,785	297,757,760
Statutory Tax - Business Income (30% & 15%)	77,340,893	11,986,436	89,327,329
Current Tax Provision	77,340,893	11,986,436	89,327,329

Parent Company - Ceylon Hospitals PLC

The Company is liable for Income Tax for the year of assessment 2024/25 at the rate of 30%

Durdans Heart Centre (Pvt) Ltd.

The Company is liable for Income Tax for the year of assessment 2024/25 at the rate of 30%

Durdans Medical & Surgical Hospitals (Pvt) Ltd

The Company is liable for Income Tax for the year of assessment 2024/25 at the rate of 15%

Amrak Institute of Medical Sciences (Pvt) Ltd

The Company is liable for Income Tax for the year of assessment 2024/25 at the rate of 30%

Ceygen Biotech (Pvt) Ltd

The Company is liable for Income Tax for the year of assessment 2024/25 at the rate of 30%

Notes to the Financial Statements

8. EARNINGS PER SHARE

Basic Earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders over the weighted average number of ordinary shares outstanding during the year.

For the Year Ended 31st March	Group		Company	
	2025	2024	2025	2024
Profit Attributable to Equity Holders of the Parent (Rs.)	652,598,851	417,194,311	272,705,686	233,631,459
Weighted Average Number of Shares Outstanding during the Year	39,853,156	35,989,770	39,853,156	35,989,770
Earnings Per Share (Rs.)	16.38	11.59	6.84	6.49

9 PROPERTY, PLANT AND EQUIPMENT

9.1 Group

As At 31st March 2025	Freehold Land	Buildings & Fittings	Medical & Other Equipment	Furniture & Fittings	Computer Equipment	Motor Vehicles	Library Books	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost/ Valuation								
Balance as at 01st April 2023	3,745,540,000	2,449,740,041	4,459,709,787	313,597,558	376,726,590	174,925,495	-	11,520,239,471
Additions	-	3,548,886,403	616,412,890	136,003,330	31,995,692	-	417,848	4,333,716,163
Disposals/ Transfers	-	-	(1,725,000)	-	(14,758,743)	(3,400,000)	-	(19,883,743)
Balance as at 31st March 2024	3,745,540,000	5,998,626,444	5,074,397,677	449,600,888	393,963,539	171,525,495	417,848	15,834,071,891
Additions	-	88,577,330	252,974,298	61,095,001	30,179,240	22,483,197	50,648	455,359,713
Revaluation	891,060,000	1,649,198,531	-	-	-	-	-	2,540,258,531
Disposals/ Transfers	-	(615,548,368)	88,678,963	2,160,024	(1,624,971)	(24,427,202)	-	(550,761,555)
Balance as at 31st March 2025	4,636,600,000	7,120,853,936	5,416,050,938	512,855,913	422,517,808	169,581,490	468,496	18,278,928,580
Accumulated Depreciation								
Balance as at 31st March 2023	-	377,019,061	2,847,655,376	217,482,563	285,706,617	86,384,135	-	3,814,247,752
Depreciation Charge for the Year	-	89,163,089	282,469,427	18,226,738	39,158,244	13,501,443	57,206	442,576,147
Disposals/ Transfers	-	-	-	(1,725,000)	(10,358)	(3,400,000)	-	(5,135,358)
Balance as at 31st March 2024	-	466,182,150	3,130,124,802	233,984,301	324,854,503	96,485,577	57,206	4,251,688,541
Transfer to Revaluation	-	-	-	-	-	-	-	-
Depreciation Charge for the Year	-	164,513,755	296,797,126	30,248,662	33,074,766	(13,895,389)	89,120	510,828,039
Disposals/ Transfers	-	(630,057,790)	-	-	-	-	(18,945)	(630,076,735)
Balance as at 31st March 2025	-	638,115	3,426,921,928	264,232,963	357,929,269	82,590,188	127,380	4,132,439,843
Net Book Value								
At 31st March 2024	3,745,540,000	5,532,444,294	1,945,997,874	213,891,587	69,109,036	75,039,917	360,642	11,582,383,348
At 31st March 2025	4,636,600,000	7,120,215,821	1,989,129,010	248,622,950	64,588,538	86,991,302	341,115	14,146,488,737

9.2 Company

As At 31st March 2025	Freehold Land	Buildings & Fittings	Medical & Other Equipment	Furniture & Fittings	Computer Equipment	Motor Vehicles	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost/ Valuation							
Balance as at 31st March 2023	2,814,040,000	1,055,261,178	2,201,842,115	201,965,981	333,128,856	99,638,885	6,705,877,015
Additions	-	3,380,443,711	359,865,837	93,714,419	12,077,704	-	3,846,101,671
Disposals/ Transfers	-	-	(1,725,000)	-	(14,697,843)	-	(16,422,843)
Balance as at 31st March 2024	2,814,040,000	4,435,704,889	2,559,982,952	295,680,400	330,508,717	99,638,885	10,535,555,843
Assets transferred through merger	-	37,927,951	623,475,157	15,970,807	8,536,310	11,014,991	696,925,215
Additions	-	15,297,486	224,787,906	54,710,732	13,210,719	15,495,000	323,501,843
Revaluation	624,840,000	350,022,830	-	-	-	-	974,862,830
Disposals/ Transfers	-	(385,995,656)	-	-	-	(4,164,990)	(390,160,646)
Balance as at 31st March 2025	3,438,880,000	4,452,957,500	3,408,246,014	366,361,939	352,255,745	121,983,886	12,140,685,084
Accumulated Depreciation							
Balance as at 31st March 2023	-	231,964,553	1,372,766,074	164,338,864	261,542,786	35,294,356	2,065,906,633
Depreciation Charge for the Year	-	41,188,695	137,304,592	9,643,154	32,738,045	9,288,243	230,162,729
Disposals/ Transfers	-	-	(1,725,000)	-	-	-	(1,725,000)
Balance as at 31st March 2024	-	273,153,248	1,508,345,666	173,982,018	294,280,831	44,582,598	2,294,344,362
Accum.Depn transferred from Merger	-	4,077,205	392,065,139	13,058,228	8,256,526	3,203,594	420,660,692
Depreciation Charge for the Year-DHC as at 31.12.2024	-	1,237,399	26,385,851	-	-	-	27,623,250
Depreciation Charge for the Year	-	107,527,804	178,711,605	20,062,015	24,280,747	11,354,337	341,936,509
Disposals/ Transfers	-	(385,995,656)	-	-	-	(4,164,990)	(390,160,646)
Balance as at 31st March 2025	-	-	2,105,508,261	207,102,261	326,818,104	54,975,539	2,694,404,167
Net Book Value							
At 31st March 2024	2,814,040,000	4,162,551,642	1,051,637,275	121,698,382	36,227,886	55,056,287	8,241,211,471
At 31st March 2025	3,438,880,000	4,452,957,500	1,302,737,751	159,259,677	25,437,641	67,008,347	9,446,280,917

Notes to the Financial Statements

9.3 Capital Work in Progress

	Group	Company
	Rs.	Rs.
As At 31st March ,2025		
Cost		
Balance as at 31st March 2023	2,604,471,397	2,592,873,347
Additions during the year	827,134,758	823,939,417
Transfers to Property, Plant & Equipment	(3,359,126,988)	(3,350,722,059)
Balance as at 31st March 2024	72,479,167	66,090,705
Net movement during the year	40,365,503	46,753,965
Balance as at 31st March 2025	112,844,670	112,844,670

9.3.1 Group Property, Plant and Equipment includes fully depreciated assets having a gross carrying value of LKR 1,796 Mn (2024-LKR 1,630 Mn)

9.4 Revaluation of Land and Buildings

The Company uses the revaluation model of measurement to account for land and buildings. In this regard the Company engaged Sunil Fernando & Associates (Private) Limited , an independent, Chartered Valuer and Surveyor to determine the fair value of its land and buildings.

Valuation is done as defined in the Sri Lanka Accounting Standards (SLFRS 13) on Fair Value Measurement. The valuation is based on 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 in the principal market or in the most advantages market at the measurement date under current market conditions.

The Carrying Value of the Assets if revaluation has not been carried out would be as follows.

As at 31st March	Group		Company	
	2025	2024	2025	2024
Description	Rs.	Rs.	Rs.	Rs.
Land	1,029,843,737	1,029,843,737	613,150,237	613,150,237
Building	5,563,221,800	5,563,221,800	4,162,551,642	4,162,551,642
Total	6,593,065,537	6,593,065,537	4,775,701,879	4,775,701,879

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

Company	Property	Location	Number of Buildings per Land	Extent	Independent Valuer	Valuation Input	Significant unobservable Input	2024 Effective date of Revaluation	Range Rs.	Fair Value Rs.
Ceylon Hospitals PLC	Land	No 03, Alfred Place, Colombo 03	01	0A-3R-30.24P	Sunil Fernando & Associates (Private) Limited	Open market based evidence	Land value per perch	31st March 2025	18,000,000 - 22,000,000	2,889,800,000
		No 05, Alfred Place, Colombo 03	01	0A-0R-32.68P	Sunil Fernando & Associates (Private) Limited	Open market based evidence	Land value per perch	31st March 2025	18,000,000 - 22,000,000	549,080,000
	Building	No 03, Alfred Place, Colombo 03		158,684 sq.ft.	Sunil Fernando & Associates (Private) Limited	Direct Capital Comparison method adopting the depreciated value of building	Rate per sq.ft.	31st March 2025	11,250 - 30,000	3,638,237,500
	Building	No 05, Alfred Place, Colombo 03		86,712 sq.ft.	Sunil Fernando & Associates (Private) Limited	Direct Capital Comparison method adopting the depreciated value of building	Rate per sq.ft.	31st March 2025	9,200 -11,040	814,740,960
Durdans Medical and Surgical Hospital (Pvt) Ltd	Land	No 04, Alfred Place, Colombo 03	01	0A-1R-26.54 - No 04, 6th Lane	Sunil Fernando & Associates (Private) Limited	Open market based evidence	Land value per perch	31st March 2025	14,000,000 -15,000,000	1,197,720,000
	Building	No 04, Alfred Place, Colombo 03		211,552 sq.ft.	Sunil Fernando & Associates (Private) Limited	Direct Capital Comparison method adopting the depreciated value of building	Rate per sq.ft.	31st March 2025	8,500 -14,875	2,662,684,500

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

Notes to the Financial Statements

9.6 Intangible Assets

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Software & License				
Cost	1,612,550	1,600,000	-	-
Less: Amortisation	(555,229)	(235,229)	-	-
	1,057,321	1,364,771	-	-

During the year, Amrak Institute of Medical Sciences (Pvt) Ltd invested approximately Rs. 247,780 in the acquisition of accounting software and a learning management system.

9.7 Right of Use Assets

9.7.1 Group

As At 31st March	Cost				Amortisation				WDV		
	Balance As At 01.04.2024	Additions	Disposal/Transfers	Balance As At 31.03.2025	Balance As At 01.04.2024	Amortisation for the Year	Disposal/Transfers	Balance As At 31.03.2025	As At 31.03.2025	As At 31.03.2024	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Leasehold Assets											
Right To Use Assets	569,199,897	54,379,467	-	623,579,364	205,628,438	55,294,409	-	260,922,847	362,656,517	363,571,459	
Total	569,199,897	54,379,467	-	623,579,364	205,628,438	55,294,409	-	260,922,847	362,656,517	363,571,459	

9.7.2 Company

As At 31st March	Cost				Amortisation				WDV		
	Balance As At 01.04.2024	Additions	Disposal/Transfers	Balance As At 31.03.2025	Balance As At 01.04.2024	Amortisation for the Year	Disposal/Transfers	Balance As At 31.03.2025	As At 31.03.2025	As At 31.03.2024	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Leasehold Assets											
Right To Use Assets	569,199,897	54,379,467	-	623,579,364	205,628,438	55,294,409	-	260,922,847	362,656,517	363,571,459	
Total	569,199,897	54,379,467	-	623,579,364	205,628,438	55,294,409	-	260,922,847	362,656,517	363,571,459	

Leased assets

Basis of Recognition

The Group applies Sri Lanka Accounting Standard (SLFRS 16) on Leases in accounting for all lease hold rights except for short term leases, which are held for use in the provision of services.

Basis of Measurement

The Group recognises right to use assets at the date of commencement of the leases, which is the present value of leases payments to be made over the lease term. Right to Use assets are measured at cost less any accumulated amortisation and impairment losses and adjusted for any re-measurement of lease liabilities. The cost of the right to use assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right to use assets are amortised on the straight line basis over the lease term.

10 INVESTMENTS IN SUBSIDIARIES

10.1 Company

As At 31st March 2025	Number of Shares	2025			2024		
		Holding %	Carrying Value Rs.	Directors Valuation Rs.	Number of Shares	Holding %	Carrying Value Rs.
Durdans Heart Centre (Pvt) Ltd	-	-	-	-	11,362,135	81.16%	130,091,410
Durdans Medical and Surgical Hospital (Pvt) Ltd	124,625,624	85.87%	1,471,772,108	1,471,772,108	120,896,033	83.30%	1,327,500,014
Ceygen Biotech (Pvt) Ltd	23,000	51.57%	229,960	229,960	23,000	51.57%	229,960
AMRAK Institutes of Medical Sciences (Pvt) Ltd	4,580,350	58.32%	36,953,551	36,953,551	3,580,350	51.87%	35,803,500
	129,228,974		1,508,955,619	1,508,955,619	135,861,518		1,493,624,884
							1,493,624,884

On 1st January 2025, Ceylon Hospitals PLC (CHPLC), the surviving entity, executed a merger with its 81.16%-owned subsidiary, Durdans Heart Centre (Pvt) Ltd (DHC). Both entities were under the ultimate common control of Durdans Management Services Ltd (DMSL). This merger is accounted for under common control and is described in detail in Note 36.

10.2 Amrak (PVT) LTD

As part of the Durdans Heart Centre business merger, direct investment in AMRAK Institutes of Medical Sciences (Pvt) Ltd by Durdans Heart Centre were transferred to Ceylon Hospitals PLC as of 1 January 2025. (1,000,000 shares were transferred).

10.3 Ceygen Biotech (PVT) LTD

During the reporting period, the Company incurred a net operating loss of Rs 21,282,881, reflecting the full impact of operational costs and expenses. Management continues to implement cost-efficiency measures and operational restructuring to mitigate these losses and enhance future performance.

10.4 Durdans Medical And Surgical Hospital (Pvt) Ltd

As part of the Durdans Heart Centre business merger, direct investment in Durdans Medical and Surgical Hospital (Pvt) Ltd by Durdans Heart Centre were transferred to Ceylon Hospitals PLC as of 1 January 2025. (3,729,591 shares were transferred).

Notes to the Financial Statements

11 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

11.1 Summary of Financial Assets and Liabilities

As at 31st March	Note	Group		Company		
		2025	2024	2025	2024	
Financial Assets						
Financial Assets at Amortised Cost						
Trade and Other Receivables	(14)	389,208,054	312,865,752	319,534,824	199,903,869	
Other Financial Assets at Amortised Cost	(11.2.1)	514,230,291	241,267,906	445,980,356	116,928,812	
Cash and Cash Equivalents	(17)	246,369,313	366,450,867	452,093,508	212,124,767	
Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)	(11.2.2)	216,057,328	215,080,333	36,151,459	666,089	
Financial Assets at Fair Value through Profit or Loss	(11.2.1)	1,063,672,599	732,249,422	-	-	
		2,429,537,586	1,867,914,278	1,253,760,147	529,623,537	
Financial Liabilities						
Financial Liabilities at Amortised Cost						
Interest Bearing Loans and Borrowings	(11.3)	1,469,777,199	2,477,676,796	1,345,733,948	2,301,839,108	
Trade Creditors	(26)	612,391,256	524,138,931	467,229,630	280,501,359	
Accrued Expenses & Sundry Payables	(26)	487,022,804	502,876,507	296,258,300	270,521,299	
		2,569,191,259	3,504,692,234	2,109,221,877	2,852,861,765	

The group's exposure to various risks associated with the financial instruments is discussed in note 34. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

11.2 FINANCIAL ASSETS

11.2.1 Financial Assets at Amortised Cost

Classification of Financial Assets at Amortised Cost

The Group classifies its Financial Assets at amortised cost only if both of the following criteria are met:

1. The asset is held within a business model whose objective is to collect the contractual cash flows, and
2. The contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, these are subsequently measured at amortised cost (gross carrying amount using the Effective Interest Rate, less provision for impairment). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the Effective Interest Rate ("EIR"). The amortisation is included in "Interest Income" while the losses arising from impairment are recognised in "impairment charges for loans and other losses" in the Income Statement.

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Financial Assets at Amortised Cost				
Refundable Deposits	58,889,757	59,193,447	58,889,757	57,900,257
Deposits in Financial Institutions	441,840,534	168,574,458	373,590,599	45,528,555
Equity Shares in Non-Listed Companies	13,500,000	13,500,000	13,500,000	13,500,000
Total Financial Assets at Amortised Cost	514,230,291	241,267,906	445,980,356	116,928,812
Financial Assets at Fair value through Profit or Loss				
Equity Shares in Listed Companies	301,893,337	230,518,639	-	-
Investments in Unit Trusts	761,779,263	501,730,782	-	-
	1,063,672,599	732,249,422	-	-

11.2.2 Financial Assets at Fair Value through Other Comprehensive Income

Classification of Financial Assets at Fair Value through Other Comprehensive Income

Upon initial recognition, the Group elects to classify irrevocably some of its equity investments held for strategic purpose, as equity instruments at FVOCI when they meet the definition of Equity under Sri Lanka Accounting Standard (LKAS 32) on Financial Instruments: Presentation and are not held for trading. These are strategic investments and the group considers this classification to be more relevant. Gains and losses on these equity instruments are never recycled to profit or loss instead directly transferred to retained earnings at the time of derecognition. Dividends are recognised in profit or loss as Finance income when the right of the payment has been established. Equity instruments at FVOCI are not subject to an impairment assessment.

These instruments comprise quoted and unquoted shares that had been previously classified as Available-for-sale under LKAS 39.

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Financial Assets at FVOCI				
Equity Shares in Listed Companies	36,151,459	22,048,963	36,151,459	666,089
Investment in Debenture and other investment	179,905,869	193,031,370	-	-
Total Financial Assets at FVOCI	216,057,328	215,080,333	36,151,459	666,089

Notes to the Financial Statements

11.2.3 Other Financial Assets

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Current Financial Assets				
Refundable Deposits	-	446,000	-	-
Deposits in Financial Institutions	440,640,534	167,374,458	373,590,599	45,528,555
Equity Shares in Listed Companies	301,893,337	230,518,639	-	-
Investments in Unit Trust	761,779,263	500,865,810	-	-
Total Current Financial Assets	1,504,313,134	899,204,908	373,590,599	45,528,555
Non-Current Financial Assets				
Refundable Deposits	58,889,757	58,747,447	58,889,757	57,900,257
Equity Shares in Listed Companies	36,151,459	22,048,963	36,151,459	666,089
Investments in Unit Trust	-	864,972	-	-
Equity Shares in Non-Listed Companies	13,500,000	13,500,000	13,500,000	13,500,000
Investment in Fixed Deposits	1,200,000	1,200,000	-	-
Investment in Debenture and other	179,905,869	193,031,370	-	-
Total Non-Current Financial Assets	289,647,085	289,392,752	108,541,216	72,066,346
Total Other Financial Assets	1,793,960,219	1,188,597,660	482,131,815	117,594,901

Risk exposure and fair value measurements

Information about the group's exposure to price risk is provided in note 34.5.3.

11.3 Interest Bearing Loans and Borrowings

Group

As At 31st March	2025			2024		
	Repayable within One Year	Repayable after One Year	Total	Repayable within One Year	Repayable after One Year	Total
Note	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Bank Loans	(11.3.1)	505,535,455	964,241,744	1,469,777,199	488,625,758	1,989,051,038
		505,535,455	964,241,744	1,469,777,199	488,625,758	1,989,051,038
						2,477,676,796

11.3.1 Bank Loans - Group

As At 31st March	Balance at the beginning of the Year	Loans Obtained	Repayment	Balance at the end of the Year	
				Rs.	Rs.
DFCC Bank	556,696,157	-	(124,842,529)	431,853,628	
Commercial Bank	1,129,616,755	-	(410,159,951)	719,456,804	
Central Finance PLC	200,000,000	-	(200,000,000)	-	
HNB	591,363,885	30,000,000	(302,897,118)	318,466,767	
	2,477,676,797	30,000,000	(1,037,899,598)	1,469,777,199	

Company

As At 31st March	2025			2024			Total
	Repayable within One Year	Repayable after One Year	Total	Repayable within One Year	Repayable after One Year		
	Note	Rs.	Rs.	Rs.	Rs.	Rs.	
Bank Loans	(11.3.2)	441,472,205	904,261,744	1,345,733,949	428,928,529	1,872,910,579	2,301,839,108
		441,472,204	904,261,744	1,345,733,949	428,928,529	1,872,910,579	2,301,839,108

11.3.2 Bank/Finance Company Loans - Company

As At 31st March	Balance at the beginning of the Year	Transferred through Merger	Loans Obtained	Repayment	Balance at the end of the Year
				Rs.	
DFCC Bank	556,696,157	-	-	(124,842,529)	431,853,628
Commercial Bank	1,085,142,951	-	-	(387,959,951)	697,183,000
HNB	460,000,000	20,138,990	-	(263,441,669)	216,697,321
Central Finance PLC	200,000,000	-	-	(200,000,000)	-
	2,301,839,108	20,138,990	-	(976,244,149)	1,345,733,949

11.3.3 Bank Loans - Group

Lender	Total Outstanding	Date Obtained	Repayment Terms	Security
DFCC Bank				
- 750 Mn	308,936,961	10th April 2018	In 72 equal monthly instalments of Rs.5,555,556 commencing after a grace period of 24 months from the date of first disbursement	Corporate Guarantee from Durdans Medical and Surgical Hospital (Pvt) Ltd for Rs. 750 Mn
- 150 Mn	122,916,667	28th February 2023	In 66 equal monthly instalments of Rs.2,727,727 commencing after a grace period of 24 months from the date of first disbursement	-
Commercial Bank				
- 1000 Mn	633,000,000	15th Jan 2021	In 71 equal monthly instalments of Rs. 13,890,000/- & a final instalment of Rs. 13,810,000/- commencing after a grace period of 24 months from the date of first disbursement	-
- 350 Mn	64,183,000	15th Mar 2021	In 59 equal monthly instalments of Rs. 5,833,000/- & a final instalment of Rs. 5,853,000/- commencing after a grace period of 06 months from the date of first disbursement	-
- 85 Mn	20,503,250	12th Nov 2021	In 45 equal monthly instalments of Rs. 1,850,000/- & a final instalment of Rs. 2,003,250/- commencing after a grace period of 06 months from the date of first disbursement	-

Notes to the Financial Statements

Lender	Total Outstanding	Date Obtained	Repayment Terms	Security
HNB				
- 300 Mn	165,100,000	27th December 2022	In 71 equal monthly instalments of Rs. 4,190,000/- & a final instalment of Rs. 2,510,000/- commencing after a grace period of 18 months from the date of first disbursement.	-
- 100 Mn	76,540,000	12th November 2021	In 45 equal monthly instalments of Rs. 1,850,000/- & a final instalment of Rs. 2,003,250/- commencing after a grace period of 06 months from the date of first disbursement	-
- 60 Mn	32,500,000	18th January 2024	In 24 equal monthly instalments of Rs. 2,500,000/- commencing after a grace period of 06 months from the date of first disbursement	-
- 25 Mn	19,097,321	31st October 2022	In 71 equal monthly instalments of Rs. 347,223/- & a final instalment of Rs. 347,167/- commencing after a grace period of 12 months from the date of first disbursement.	-
- 30 Mn	27,000,000	28-Jun-24	The facility will be repaid in 60 equal monthly instalments of Rs 500,000 each. Interest will be charged at AWPLR + 1.5 percent, commencing after a three-month grace period measured from the date of the first disbursement	Fixed Deposits for 29 Mn
Total	1,469,777,199			

11.3.4 Bank Loans - Company

Lender	Total Outstanding	Date Obtained	Repayment Terms	Security
DFCC Bank				
- 750 Mn	308,936,961	10th April 2018	In 72 equal monthly instalments of Rs. 5,555,556 commencing after a grace period of 24 months from the date of first disbursement	Corporate Guarantee from Durdans Medical and Surgical Hospital (Pvt) Ltd for Rs. 750 Mn
- 150 Mn	122,916,667	28th February 2023	In 66 equal monthly instalments of Rs.2,727,727 commencing after a grace period of 24 months from the date of first disbursement	-
Commercial Bank				
- 1000 Mn	633,000,000	15th Jan 2021	In 71 equal monthly instalments of Rs. 13,890,000/- & a final instalment of Rs. 13,810,000/- commencing after a grace period of 24 months from the date of first disbursement	-
- 350 Mn	64,183,000	15th Mar 2021	In 59 equal monthly instalments of Rs. 5,833,000/- & a final instalment of Rs. 5,853,000/- commencing after a grace period of 06 months from the date of first disbursement	-

Lender	Total Outstanding	Date Obtained	Repayment Terms	Security
HNB				
- 300 Mn	165,100,000	27th December 2022	In 71 equal monthly instalments of Rs. 4,190,000/- & a final instalment of Rs. 2,510,000/- commencing after a grace period of 18 months from the date of first disbursement	-
- 60 Mn	32,500,000	18th January 2024	In 24 equal monthly instalments of Rs. 2,500,000/- commencing after a grace period of 06 months from the date of first disbursement	-
- 25 Mn	19,097,321	31st October 2022	In 71 equal monthly instalments of Rs. 347,223/- & a final instalment of Rs. 347,167/- commencing after a grace period of 12 months from the date of first disbursement.	-
Total	1,345,733,949			

11.4 Fair Value - Group

Set out below is a comparison by class of the carrying amounts and fair values of the Group's financial instruments that are carried in the financial statements.

As At 31st March	Note	Carrying Amount 2025		Fair Value		
		Amortised Cost	Fair Value through Other Comprehensive Income	Total	Total	
As at 31st March 2025						
Financial Assets						
Trade and Other Receivables	(14)	389,208,054	-	389,208,054	389,208,054	
Prepayments	(14.1)	52,014,172	-	52,014,172	52,014,172	
Other Financial Assets	(11.2.1)	514,230,291	216,057,328	730,287,620	730,287,620	
Cash and Cash Equivalents	(17)	246,369,313	-	246,369,313	246,369,313	
		1,201,821,831	216,057,328	1,417,879,159	1,417,879,159	
Financial Liabilities						
Interest Bearing Loans and Borrowings	(11.3.1)	1,469,777,199	-	1,469,777,199	1,469,777,199	
Trade and Other Payables	(26)	1,099,414,060	-	1,099,414,060	1,099,414,060	
Bank Overdraft		564,760,011	-	564,760,011	564,760,011	
		3,133,951,270	-	3,133,951,270	3,133,951,270	

Notes to the Financial Statements

As At 31st March	Carrying Amount 2024			Fair Value	
	Amortised Cost	Fair Value through Other Comprehensive Income	Total	Total	
	Note	Rs.	Rs.	Rs.	Rs.
As at 31st March 2024					
Financial Assets					
Trade and Other Receivables	(14)	312,865,752	-	312,865,752	312,865,752
Prepayments	(14.1)	291,390,201	-	291,390,201	291,390,201
Other Financial Assets	(11.2.1)	241,267,906	215,080,333	456,348,239	456,348,239
Cash and Cash Equivalents	(17)	366,450,867	-	366,450,867	366,450,867
		1,211,974,725	215,080,333	1,427,055,058	1,427,055,058
Financial Liabilities					
Interest Bearing Loans and Borrowings	(11.3.1)	2,477,676,796	-	2,477,676,796	2,477,676,796
Trade and Other Payables	(26)	1,027,015,438	-	1,027,015,438	1,027,015,438
Bank Overdraft		542,805,070	-	542,805,070	542,805,070
		4,047,497,303	-	4,047,497,303	4,047,497,303

Fair Value - Company

Set out below is a comparison by class of the carrying amounts and fair values of the Group's financial instruments that are carried in the financial statements.

As At 31st March	Carrying Amount 2025			Fair Value	
	Amortised Cost	Fair Value through Other Comprehensive Income	Total	Total	
	Note	Rs.	Rs.	Rs.	Rs.
As at 31st March 2025					
Financial Assets					
Trade and Other Receivables	(14)	319,534,824	-	319,534,824	319,534,824
Prepayments	(14.1)	138,409,276	-	138,409,276	138,409,276
Other Financial Assets	(11.2.1)	445,980,356	36,151,459	482,131,815	482,131,815
Cash and Cash Equivalents	(17)	131,085,951	-	131,085,951	131,085,951
		1,035,010,406	36,151,459	1,071,161,865	1,071,161,865
Financial Liabilities					
Interest Bearing Loans and Borrowings	(11.3.2)	1,345,733,949	-	1,345,733,949	1,345,733,949
Trade and Other Payables	(26)	763,487,930	-	763,487,930	763,487,930
Bank Overdraft		452,093,508	-	452,093,508	452,093,508
		2,561,315,387	-	2,561,315,387	2,561,315,387

As At 31st March	Note	Carrying Amount 2024			Fair Value Total
		Amortised Cost	Fair Value through Other Comprehensive Income	Total	
		Rs.	Rs.	Rs.	Rs.
As at 31st March 2024					
Financial Assets					
Trade and Other Receivables	(14)	199,903,869	-	199,903,869	199,903,869
Prepayments	(14.1)	164,155,421	-	164,155,421	164,155,421
Other Financial Assets	(11.2.1)	71,400,257	666,089	72,066,346	72,066,346
Cash and Cash Equivalents	(17)	212,124,767	-	212,124,767	212,124,767
		647,584,315	666,089	648,250,404	648,250,404
Financial Liabilities					
Interest Bearing Loans and Borrowings	(11.3.2)	2,301,839,108	-	2,301,839,108	2,301,839,108
Trade and Other Payables	(26)	551,022,658	-	551,022,658	551,022,658
Bank Overdraft		413,049,962	-	413,049,962	413,049,962
		3,265,911,727	-	3,265,911,727	3,265,911,727

Fair Value of Financial Assets and Liabilities

The Fair values of the Financial Assets and Liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Due to Short-Term Nature Carrying Amount of Cash and Cash Equivalents, Trade Receivables and Payables and Other Current Liabilities approximate as their Fair Value Amount.

The Fair Value of Loans from banks and Other Financial Liabilities, obligations under Finance Leases, as well as other Non-Current Financial Liabilities is estimated by discounting future Cash Flows using rates currently available for Debt on similar terms, Credit Risk and remaining maturities.

Fair value of Available-for-Sale Financial Assets is derived from quoted market prices in active markets, if available.

Notes to the Financial Statements

11.5 Fair Value Hierarchy

The Judgements and Estimates made in determining the Fair Values of the Financial Instruments that are recognised and measured at Fair Value in the Financial Statements explained below. To provide an indication about the reliability of the inputs used in determining Fair Value, the Group has classified its Financial Instruments into the three levels prescribed under the Accounting Standards. An explanation of each level follows underneath the table.

Recurring Fair Value Measurement

As at 31st March 2025	Group			Total	Company			Total
	Level 01	Level 02	Level 03		Level 01	Level 02	Level 03	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Fair Value through Other Comprehensive Income								
Equity Shares in Listed Companies	36,151,459	-	-	36,151,459	36,151,459	-	-	36,151,459
Investment in Debentures and other	-	179,905,869	-	179,905,869	-	-	-	-
	36,151,459	179,905,869	-	216,057,328	36,151,459	-	-	36,151,459
Fair Value through Profit or Loss								
Equity Shares in Listed Companies	301,893,337	-	-	301,893,337	-	-	-	-
Investments in Unit Trusts	761,779,263	-	-	761,779,263	-	-	-	-
	1,063,672,599	-	-	1,063,672,599	-	-	-	-

Recurring Fair Value Measurement

As at 31st March 2024	Group			Total	Company			Total
	Level 01	Level 02	Level 03		Level 01	Level 02	Level 03	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Fair Value through Other Comprehensive Income								
Equity Shares in Listed Companies	22,048,963	-	-	22,048,963	666,089	-	-	666,089
Investment in Debentures	-	193,031,370	-	193,031,370	-	-	-	-
	22,048,963	193,031,370	-	215,080,333	666,089	-	-	666,089
Fair Value through Profit or Loss								
Equity Shares in Listed Companies	230,518,639	-	-	230,518,639	-	-	-	-
Investments in Unit Trusts	501,730,782	-	-	501,730,782	45,528,555	-	-	45,528,555
	732,249,422	-	-	732,249,422	45,528,555	-	-	45,528,555

11.6 Recognised Fair Value Measurement

The Group uses the following hierarchy for determining and disclosing the Fair Value of Financial Instruments by valuation techniques :

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market Price used for Financial Assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

*The Group has not disclosed the fair values for financial instruments such as Cash and short-term deposits, trade receivables, trade payables because their carrying amounts are a reasonable approximation of fair value.

11.7 Transfers between Levels of Fair Value Hierarchy

There were no transfers between Level 1, Level 2 and Level 3 during the Year.

11.8 Valuation Techniques used to Determine Fair Values

Specific valuation techniques used to value financial instruments include:

- The use of Quoted Market Prices or dealer quotes for similar instruments
- For Other Financial Instruments - Discounted Cash Flow Analysis

All of the resulting Fair Value estimates are included in level 1 except for unlisted equity securities, where the Fair Values have been determined based on Present Values and the Discount Rates used were adjusted for Counterparty or own Credit Risk.

11.9 Fair Value measurement using Significant Unobservable Input

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Balance at the Beginning of the Year	14,364,972	15,864,972	13,500,000	15,000,000
Acquisitions	-	(1,500,000)	-	(1,500,000)
Balance at the End of the Year	14,364,972	14,364,972	13,500,000	13,500,000

11.10 Valuation Inputs and Relationships to Fair Value

The following table summarises the quantitative information about the Significant Unobservable Inputs used in level 3 Fair Value measurements.

Description	Fair Value		Un- Observable Input	Relationship of Unobservable Input to Fair Value
	2025	2024		
	Rs.	Rs.		
Unlisted Equity Security	14,364,972	14,364,972	Earning Growth Rate	Estimated Fair value would increase/ (decrease) if net cash inflow and discount rate increase/ decrease
			Risk adjusted Discount Factor	

Notes to the Financial Statements

12. LEASE LIABILITY

	As At 31st March	Balance at the beginning of the Year	Lease Obtained	Lease Interest	Repayment	Balance at the end of the Year
					Rs.	
12.1.1	Group - Lease Liability	399,502,991	102,513,114	35,932,260	(150,620,615)	387,327,750
	Lease Creditors	399,502,991	102,513,114	35,932,260	(150,620,615)	387,327,750
12.1.2	Company - Lease Liability	399,502,991	102,513,114	35,932,260	(150,620,615)	387,327,750
	Lease Creditors	399,502,991	102,513,114	35,932,260	(150,620,615)	387,327,750

12.2 Lease Creditors

As At 31st March	Repayable within One Year	2025			2024		
		Repayable after One Year	Total	Note	Repayable within One Year	Repayable after One Year	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Group							
Lease Creditors	(12.1.1)	108,196,575	279,131,174	387,327,750	120,415,860	279,087,131	399,502,991
		108,196,575	279,131,174	387,327,750	120,415,860	279,087,131	399,502,991
Company							
Lease Creditors	(12.1.2)	108,196,575	279,131,174	387,327,750	120,415,860	279,087,131	399,502,991
		108,196,575	279,131,174	387,327,750	120,415,860	279,087,131	399,502,991

Lease Liability

At the commencement date of the lease, the Group recognises lease liabilities, measured at present value of lease payments to be made over the lease term.

The present value of lease commitments as at 31st March 2025 has been calculated using weighted average incremental borrowing rate of 10%.

13. INVENTORIES

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Drugs and Dressings	264,899,682	223,909,090	181,539,354	69,237,665
Lab Reagents and Consumables	495,430,894	562,396,347	477,016,424	543,981,877
Pantry Stocks	7,383,167	3,177,932	7,383,167	3,177,932
General Stocks	64,303,449	57,503,595	64,199,537	56,533,927
Less: Provision for slow moving and obsolete stock	(63,253,529)	(32,676,065)	(63,253,529)	(30,672,055)
	768,763,663	814,310,899	666,884,953	642,259,346

14. TRADE AND OTHER RECEIVABLES

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Trade Debtors	393,248,620	343,771,712	308,765,525	217,289,256
Other Receivables	67,345,407	33,544,932	58,703,226	23,941,166
Less : Impairment Allowance for Trade debtors	(71,385,973)	(64,450,892)	(47,933,927)	(41,326,553)
	389,208,054	312,865,752	319,534,824	199,903,869

14.1 Advances and Pre-Payments

Advances	199,984,509	215,264,052	107,673,555	120,334,958
Pre-payments	52,014,172	76,126,149	30,735,721	43,820,463
Refundable Deposits	8,256,424		-	
	260,255,105	291,390,201	138,409,276	164,155,421

Classification of Trade and Other Receivables

Trade receivables are amounts due from customers for services rendered in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the group's impairment policies and the calculation of the loss allowance are provided in note 34.3.1.

Fair Value of Trade and Other Receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

Impairment and Risk Exposure

Information about the impairment of trade receivables and the group's exposure to credit risk can be found in note 34.3.1.

Notes to the Financial Statements

15. RELATED PARTY TRANSACTIONS

15.1 Amounts due from Related Parties

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Durdans Management Services Ltd	1,021,105	5,385,050	1,021,105	1,021,105
Durdans Heart Centre (Pvt) Ltd	-	-	-	40,506,295
Durdans Medical and Surgical Hospital (Pvt) Ltd	-	-	8,074,918	10,435,671
Amrak Institute of Medical Sciences (Pvt) Ltd	-	-	39,472,065	11,503,549
Ceygen Biotech (Pvt) Ltd	-	-	4,827,535	2,905,491
	1,021,105	5,385,050	53,395,623	66,372,111

15.2 Amounts due to Related Parties

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Non- Current Liabilities				
Durdans Medical and Surgical Hospital (Pvt) Ltd	-	-	446,249,998	467,500,000
	-	-	446,249,998	467,500,000
Current Liabilities				
Durdans Management Services Ltd	37,760,255	142,793,332	27,499,561	3,072,639
Durdans Heart Centre (Pvt) Ltd	-	-	-	179,326
Durdans Medical and Surgical Hospital (Pvt) Ltd	-		512,647,337	311,612,626
Ceygen Biotech (Pvt) Ltd	-	-	13,574,904	12,254,872
	37,760,255	142,793,332	553,721,802	327,119,459

A long-term advance payment was made by DMSH to CHPLC in respect of facilities utilized by DMSH at CHPLC-owned properties. This amount has been classified under intercompany non-current liabilities, reflecting its long-term nature.

16. INCOME TAX PAYABLE/(RECOVERABLE)

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Balance at the beginning of the Year	(44,254,174)	82,436,901	(37,259,871)	35,163,756
Balance transferred from Merger	-	-	13,146,939	-
Provision for the Year	149,938,186	88,720,341	77,340,893	-
Prior year under/(Over) Provision	(22,073,921)	2,000,344	-	2,000,344
Payments during the Year	(31,671,574)	(198,040,821)	(1,323,178)	(60,607,678)
Tax credits for				
- WHT Paid	(1,741,710)	(554,413)	(1,752,450)	(554,413)
Income Tax refund	-	(18,816,526)	-	(13,261,880)
Balance at the end of the Year	50,196,808	(44,254,174)	50,152,333	(37,259,871)

17. CASH AND CASH EQUIVALENTS

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
17.1 Favourable Cash and Cash Equivalent Balances	246,369,313	366,450,867	131,085,951	212,124,767
17.2 Unfavourable Cash and Cash Equivalent Balances	564,760,011	542,805,070	452,093,508	413,049,962

18. STATED CAPITAL

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Balance at the beginning of the Year	1,142,797,779	1,142,797,779	1,142,797,779	1,142,797,779
Shares issued during the year	549,905,828	-	549,905,828	-
Shares issued with merger of Durdans Heart Center	86,098,725	-	86,098,725	-
	1,778,802,332	1,142,797,779	1,778,802,332	1,142,797,779
Number of shares	41,896,490	35,989,770	41,896,490	35,989,770

19. REVALUATION RESERVE

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Balance at the beginning of the year	2,290,344,615	2,290,344,615	1,742,663,471	1,742,663,471
Revaluation	2,540,258,531		974,862,829	
Other net movement during the year	(831,223,780)		(292,458,849)	
Closing balance	3,999,379,365	2,290,344,615	2,425,067,451	1,742,663,471

The revaluation reserve relates to revaluation of freehold land and buildings and represents the fair value changes of the freehold lands and buildings as at the date of revaluation.

Notes to the Financial Statements

20. FAIR VALUE RESERVE

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Balance at the beginning of the Year	74,340,012	76,843,290	(658,927)	6,311,959
Fair value gain on Financial Assets designated at FVTOCI	34,914,702	(2,503,278)	570,433	(6,970,886)
Reserve transferred through merger	-	-	109,245,053	-
	109,254,714	74,340,012	109,156,559	(658,927)

Fair Value Reserve represents the changes in fair value of financial investments designated as Financial Assets at Fair Value through Other Comprehensive Income.

21. ACCUMULATED PROFIT

21.1 Accumulated Profits

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Balance at the beginning of the Year	4,595,642,551	4,261,863,861	2,963,955,266	2,812,305,464
Profit for the Year	652,598,851	417,194,310	272,705,686	233,631,457
Dividend Paid				
- Ordinary Shares	(94,392,780)	(82,776,471)	(71,979,540)	(82,776,471)
Other Comprehensive Income				
- Actuarial Gain/ (Loss) from Gratuity Valuation	(109,949,297)	672,965	(109,599,533)	1,931,225
Rights Issue Expenses	(3,052,800)	(557,042)	(3,052,800)	(557,042)
Effect of Depreciation Method Adjustments	12,254,183	-	12,254,183	-
Reserve transferred through merger	274,032,317	-	111,459,087	-
Deferred Tax effect on actuarial Gain /(Loss) on Gratuity valuation	(32,984,581)	(755,072)	32,879,860	(579,367)
Balance at the end of the Year	5,294,148,444	4,595,642,551	3,208,622,209	2,963,955,266
Balance at the end of the Year	5,294,148,444	4,595,642,551	3,208,622,209	2,963,955,266

22. NON-CONTROLLING INTEREST

22.1 Proportion of Equity Interest held by Non-Controlling Interest

Company Name	Group	
	2025	2024
	%	%
Durdans Heart Centre (Pvt) Ltd	-	18.84%
Durdans Medical and Surgical Hospital (Pvt) Ltd	14.13%	14.61%
Amrak Institute of Medical Sciences (Pvt) Ltd	41.69%	24.00%
Ceygen Biotech (Pvt) Ltd	48.43%	48.43%

22.2 Accumulated Balances of Material Non-Controlling Interest

Other Comprehensive Income	Group	
	2025	2024
	Rs.	Rs.
Balance at the beginning of the Year	733,044,005	729,500,387
Profit for the year	73,412,224	36,618,105
- Revaluation Reserve	61,120,286	-
- Deferred Tax Effect on Actuarial Valuation	(17,474)	(44,902)
- Actuarial Gain/ (Loss) from Gratuity valuation	(57,554)	(264,752)
- Net Gain/ (Loss) on Available for Sale Financial Assets	-	1,037,261
Dividend Paid	(26,101,363)	(33,802,094)
Balance at the end of the Year	841,400,123	733,044,005

Notes to the Financial Statements

22.3 Material Non Controlling Interest

The Group has assessed each subsidiary that has non controlling interest based on contributions made to group revenue, profit, total assets and net assets.

	Durdans Medical & Surgical Hospital (Pvt) Ltd		Durdans Heart Centre (Pvt) Ltd	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
NCI Percentage	14.13%	14.61%	100%	18.84%
As at March	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Total Assets	7,178,518,786	5,191,862,541	-	698,150,544
Total Liabilities	1,304,103,714	918,723,494	-	322,480,699
Net Assets	5,874,415,072	4,273,139,052	-	375,669,844
Net Assets attributable to NCI	830,054,850	624,325,482	-	70,785,993
For the year ended 31st March				
Revenue	2,825,875,409	2,694,164,648	-	1,011,772,599
Profit after tax	622,436,831	462,679,292	-	11,210,543
Other comprehensive income/(loss)	1,167,503,680	(446,337)	-	5,420,396
Total comprehensive income/(loss)	1,789,940,511	462,232,955	-	16,630,939
Profit/(loss) attributable to NCI	87,950,324	67,599,596	-	2,112,359
Total comprehensive income/(loss) attributable to NCI	252,918,594	67,534,384	-	3,133,702
Dividend paid to NCI	26,101,363	27,471,218	-	6,330,876
Net cash flows generated from/(used in) operating activities	604,113,014	629,385,783	-	12,371,898
Net cash flows generated from/(used in) investing activities	(583,325,022)	(433,009,089)	-	58,534,373
Net cash flows generated from/(used in) financing activities (including dividends paid to NCI)	(38,759,999)	(234,569,554)	-	(52,916,115)
Net increase/(decrease) in cash & cash equivalents	(17,972,007)	(38,192,860)	-	17,990,156

23. DEFERRED RENT INCOME

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Balance at the beginning of the Year	-	-	28,579,838	30,470,124
Less: Amortised during the Year	-	-	-	(1,890,286)
Less: Merger Elimination	-	-	(28,579,838)	-
Balance at the end of the Year	-	-	-	28,579,838

24. RETIREMENT BENEFIT OBLIGATIONS

24.1 Retirement Benefit Obligations - Provision for the Year

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Balance at the beginning of the Year	227,264,506	205,414,218	203,792,863	182,727,178
Balance transferred from Merger with DHC	-	-	8,612,066	
Provision for the Year	54,747,098	57,627,339	50,606,061	50,803,994
Actuarial (Gain)/Loss	110,006,851	(408,213)	109,599,533	(1,931,223)
	392,018,455	262,633,344	372,610,523	231,599,949
Payments made during the Year	(25,815,638)	(35,368,838)	(21,563,227)	(27,807,086)
Balance at the end of the Year	366,202,818	227,264,506	351,047,296	203,792,863

24.2 Movement in Net Defined Benefit Obligation

The following table shows a reconciliation from the balance from the beginning of the Year to the end of the Year for Net Defined Benefit Obligations and its components.

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Balance at the beginning of the Year	227,264,506	205,414,218	203,792,863	182,727,178
Balance transferred from Merger	-	-	8,612,066	-
Expenses Recognised in Profit or Loss				
Current Service Cost	26,709,490	20,652,780	24,638,972	17,913,102
Interest Cost	28,037,608	36,974,559	25,967,089	32,890,892
	54,747,098	57,627,339	50,606,061	50,803,994
Expenses Recognised in Other Comprehensive Income				
Actuarial (Gain) / Loss	110,006,851	(408,213)	109,599,533	(1,931,223)
Other				
Benefits paid during the Year	(25,815,638)	(35,368,838)	(21,563,227)	(27,807,086)
Balance at the end of the Year	366,202,818	227,264,506	351,047,296	203,792,863

Messers Actuarial and Management Consultant (Pvt) Ltd, Actuary, carried out an actuarial valuation of defined benefit obligation for Ceylon Hospitals PLC, Durdans Medical and Surgical Hospital (Pvt) Ltd and Durdans Heart Center (Pvt) Ltd as at 31st March 2025. The Liability is not externally funded. The Actuarial valuation is performed annually.

Notes to the Financial Statements

24.3 Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

As at 31st March	Group		Company	
	2025	2024	2025	2024
Discount Rate	10%	11.60%	10%	11.60%
Salary Increase Rate	9%	8%	9%	8%
Staff Turnover Rate - Up to 54 years	27% - 30%	27% - 30%	25%	30%
Disability Rate	10%	10%	10%	10%
Retirement Age	60 years	60 years	60 years	60 years

24.4 Sensitivity Analysis

The following table demonstrates the sensitivity to reasonably possible changes at the reporting date in the key assumptions employed with all other variables held constant in the employment benefit liability measurement.

The sensitivity of the statement of financial position is the effect of the assumed changes in discount rate and salary increment rate on the employment benefit obligations for the year.

As at 31st March	Group		Company	
	2025	2024	2025	2024
Discount Rate				
1% Increase	(11,930,972)	(5,919,050)	(11,466,704)	(5,276,120)
1% Decrease	12,937,829	6,274,503	12,442,496	5,591,816
Salary Increments				
1% Increase	14,715,527	7,481,419	14,151,467	6,678,284
1% Decrease	(13,819,496)	(7,170,566)	(13,282,143)	(6,402,446)

24.5 Maturity Analysis of the Payments

The following payments are expected on employee benefit plan - gratuity in future years.

As at 31st March	Group		Company	
	2025	2025	Rs.	Rs.
Within the next 12 months		126,477,017	123,006,491	
Between 1 and 2 years		76,971,886	71,811,112	
Between 2 and 5 years		77,667,752	73,918,249	
Between 5 and 10 years		63,014,496	60,575,821	
Beyond 10 years		22,071,667	21,735,622	
Total expected payments		366,202,818	351,047,295	
Weighted average duration (years) of defined benefit obligations		3.00	3.00	

25. DEFERRED TAXATION

25.1 Deferred Tax Provision

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Balance at the beginning of the Year	1,389,826,253	1,301,996,674	1,063,004,337	1,004,120,031
Balance transfer through merger	-	-	34,921,945	-
Provision/ Reversal for the Year	738,974,514	87,829,579	324,169,884	58,884,306
Balance at the end of the Year	2,128,800,767	1,389,826,253	1,422,096,166	1,063,004,337
Deferred Tax Provision as at the end of Year is made up as follows;				
Deferred Tax Provision from:				
Temporary Difference of Property, Plant and Equipment	1,959,835,400	2,169,407,477	1,946,261,494	1,341,434,377
Temporary Difference of fair value gain on financial assets	-	49,332,590	-	-
Temporary Difference of Right of Use Assets	362,656,517	363,571,460	362,656,517	363,571,460
Temporary Difference of Retirement Benefit Obligations	(352,844,051)	(217,014,240)	(351,047,296)	(203,792,863)
Temporary Difference of Impairment on Trade Receivables	(55,643,496)	(46,533,937)	(55,643,496)	(41,326,553)
Temporary Difference of Lease Creditors	(387,327,750)	(399,502,990)	(387,327,750)	(399,502,990)
Temporary Difference of Tax losses	-	(12,609,877)	-	(12,609,880)
Temporary Difference of Impairment on Accounting Provisions	-	(9,713,580)	-	-
Temporary Difference of Revaluation of Property, Plant and Equipment	3,867,982,865	2,735,817,273	3,470,437,065	2,495,574,240
	5,394,659,485	4,632,754,177	4,985,336,534	3,543,347,790

Notes to the Financial Statements

25.2 Movement in Tax Effect of Temporary Differences - Group

As At 31st March	Balance at the Beginning of the Year	Recognised in Profit or Loss	Recognise in Other Comprehensive Income	Balance at the End of the Year
Deferred Tax Assets				
Defined benefit obligations	(66,149,353)	(12,971,030)	(33,002,055)	(112,122,438)
Impairment on Trade Receivables	(13,960,181)	(4,295,083)	-	(18,255,264)
Lease Creditors	(118,805,816)	3,652,572	-	(115,153,244)
Tax Losses	(3,782,964)	3,782,964	-	-
Accounting Provisions	(2,914,074)	-	-	(2,914,074)
	(205,612,388)	(9,830,577)	(33,002,055)	(248,445,020)
Deferred Tax Liability				
Property, Plant and Equipment	579,378,401	106,876,759	-	686,255,160
Right of use Asset	109,071,438	(274,483)	-	108,796,955
Fair value gain on financial assets	14,799,777	(14,799,777)	-	-
Revaluation Gain on Land and Building	892,189,024	-	690,004,648	1,582,193,672
	1,595,438,640	91,802,499	690,004,648	2,377,745,786
Net Deferred Tax Liability	1,389,826,253	81,971,922	657,002,592	2,128,800,767

25.3 Movement in Tax Effect of Temporary Differences - Company

As At 31st March	Balance at the Beginning of the Year	Recognised in Profit or Loss	Recognise in Other Comprehensive Income	Balance at the End of the Year
Deferred Tax Assets				
Defined Benefit Obligations	(61,137,859)	(11,296,470)	(32,879,860)	(105,314,189)
Impairment on Trade Receivables	(12,397,966)	(4,295,083)	-	(16,693,049)
Lease Creditors	(119,850,897)	3,652,572	-	(116,198,325)
Tax Losses	(3,782,964)	3,782,964	-	-
	(197,169,686)	(8,156,017)	(32,879,860)	(238,205,563)
Deferred Tax Liability				
Property, Plant and Equipment	402,430,313	107,943,341	-	510,373,654
Right of use Asset	109,071,438	(274,483)	-	108,796,955
Revaluation Gain on Land and Building	748,672,272	-	292,458,848	1,041,131,120
	1,260,174,023	107,668,858	292,458,848	1,660,301,729
Net Deferred Tax Liability	1,063,004,337	99,512,841	259,578,988	1,422,096,166

26. TRADE AND OTHER PAYABLES

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Trade Creditors	612,391,256	524,138,931	467,229,630	280,501,359
Accrued Expenses and Sundry Payables	487,022,804	502,876,507	296,258,300	270,521,299
	1,099,414,060	1,027,015,438	763,487,930	551,022,658

26.1 Courses Advance Received

Student Advance Received	26,779,175	-	-	-
	26,779,175	-	-	-

27. CAPITAL COMMITMENTS

The Vision 2022 redevelopment project has been successfully completed, with the exception of the dry finishing work at the Wellness Centre and the extended eye clinic. The Main Constructor for the Vision 2022 is M/s Tudawe Brothers (Pvt) Ltd that is a Related Party to the Company.

28. CONTINGENT LIABILITIES

Contingent Liabilities are possible obligations that may arise only on the occurrence of uncertain future events or present obligations where the transfer of economic benefit is not probable or can't be readily measured as defined in the Sri Lanka Accounting Standard -37 on "Provisions, Contingent Liabilities & Contingent Assets". Contingent Liabilities are not recognised in the Statement of Financial Position but are disclosed as a note to the financial statements unless its occurrence is remote.

28.1 Pending Litigations

Ceylon Hospitals PLC

As at 31 March 2025, the Company is facing three cases in the District Court of Colombo against Ceylon Hospitals PLC—namely Case No. DMR 2262/2021 (filed on 19 April 2021), Case No. DMS 223/23 (filed on 20 February 2023) and Case No. DMS 877/2024 (filed in 2024)—as well as Magistrate's Court case No. B/1641/2016 filed in Colombo. The Company has sought legal counsel and has been advised that the outcomes of these cases cannot be determined at this stage, and accordingly no provision is deemed necessary in respect of them as at the reporting date.

29. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There were no material events occurring after the balance sheet date that require adjustments or disclosure in the Financial Statements except for the following.

29.1 Interim Dividend Declaration

The Board of Directors of Ceylon Hospitals PLC by circulation on 12 June 2025, has resolved to pay an interim dividend of Rs. 4/- per share to voting and non-voting shareholders of the company. The payment date will be on 11 July 2025.

30. EMPLOYEE AND INDUSTRIAL RELATIONS

There were no material issues pertaining to employees and industrial relations that require disclosure in Financial Statements.

31. DIVIDENDS

This represents the interim dividends paid at the rate of Rs. 4.00 per share for the year 2024/25.

Notes to the Financial Statements

32. RELATED PARTY DISCLOSURE

A Related Party Transaction is transfer of resources, Services or Obligations between Related Parties, regardless of whether a price is charged.

The Company carries out transactions in the ordinary course of its business on an arm's length basis with parties who are defined as Related Parties in Sri Lanka Accounting Standard (LKAS 24) on Related Party Transactions.

32.1 Substantial Shareholding, Immediate and ultimate Parent Company

The Company's immediate parent company is Durdans Management Services Ltd, which holds 85.87% of the issued Ordinary Shares (Voting) of the Company as at reporting date.

32.2 Recurrent Related Party Transactions

There were recurrent related party transactions which in aggregation exceeded 10% of gross revenue of the Company as per 31st March 2025 audited Financial Statements, which are disclosed in Note 32.7 as required by CSE rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission directive issued Section 13 (C) of Securities and Exchange Commission Act.

32.3 Non-Recurrent Related Party Transactions

There were non-recurrent related party transactions which in aggregation exceeded 10% of equity or 5% of the total asset of the Company as per 31st March 2025 audited Financial Statements, which required disclosure in 2024/25 annual report under CSE rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission directive issued Section 13 (C) of Securities and Exchange Commission Act.

32.4 Key Management Personnel Information

According to Sri Lanka Accounting Standard (LKAS 24) on Related Party Disclosures, Key Management Personnel are those having authority and responsibility for planning, directing and controlling activities of the entity. Accordingly, the Board of Directors (including Executive and Non executive Directors) have been classified as Key Management Personnel of the Company.

32.5 Transactions held with Key Management Personnel (KMP)

32.5.1 Compensation for Key Management Personal

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Short-term Employee Benefits	90,041,653	75,297,011	85,632,175	71,408,534
	90,041,653	75,297,011	85,632,175	71,408,534

The short term employee benefits include emoluments paid to the Executive Directors and Director fee paid for Board attendance to all Directors.

Emoluments to the Directors' of the Company and Group are disclosed in Note 6 to the Financial Statements.

32.5.2 Loans to Directors

No loans have been given to Directors of the Company and its parent company.

Other than those disclosed above, there are no material transactions held with the Key Management Personnel of the Company and its parent company.

32.6 Transactions held with Related Entities

The Directors/ Key Management Personnel of the Company as at 31st March 2025 were Directors of following Companies as set out below and transactions included in Note 32.7.1 carried out with such companies During the Year.

Company Name	Ceylon Hospitals PLC	Durdans Management Services Ltd	Durdans Medical And Surgical Hospital (Pvt) Ltd	Commercial Marketing and Distributors (Pvt) Ltd	Tudawe Engineering Services (Pvt) Ltd.	Amrak Institute of Medical Sciences (Pvt) Ltd	Amrak Ebek (Pvt) Ltd	Ceygen Biotech (Pvt) Ltd
Mr. A. E. Tudawe	✓	✓	✓					
Mr. U. D. Tudawe	✓	✓	✓	✓	✓			✓
Dr. A. D. P. A. Wijegooneawardena	✓	✓	✓					✓
Mr. Y. N. R. Piyasena	✓							
Mr. A. D. B. Talwatte	✓							
Mr. A. S. Tudawe	✓	✓	✓			✓	✓	✓
Mr. S. Renganathan	✓							
Mr. H. M. A. Jayasinghe	✓							
Mr. R. Jayatilleke	✓							

Name of the Company	Relationship
Ceylon Hospital PLC	Company
Durdans Management Services Ltd	Immediate/ Ultimate Parent Company
Durdans Medical and Surgical Hospital (Pvt) Ltd	Subsidiary
Amrak Institute of Medical Sciences (Pvt) Ltd	Subsidiary
Amrak Ebek (Pvt) Ltd	Affiliate
Ceygen Biotech (Pvt) Ltd	Subsidiary
Tudawe Brothers (Pvt) Ltd	Affiliate
Tudawe Engineering Services (Pvt) Ltd	Affiliate
Commercial Marketing Distributors (Pvt) Ltd	Affiliate

32.7 Transactions held with Companies in which Directors of the Company hold Other Directorships

The Company has carried out transactions with entities where the Chairman or a Director of the Company is the Chairman or a Director of such entities as detailed below.

Notes to the Financial Statements

32.7.1 Transactions held between Ceylon Hospitals PLC and Related Companies

Transactions held with Immediate Parent Company

Name of the Related Party	Relationship	Transactions	Nature	Aggregate Value of Related Party Transactions
Durdans Management Services Ltd	Ultimate Parent	Management fee paid	Recurrent	83,248,617
		Dividends paid	Recurrent	43,116,580
		Total		126,365,197
Durdans Medical and Surgical Hospital (Pvt) Ltd	Subsidiary	Sales of Drugs and consumables	Recurrent	40,799,042
		Rendering of medical services	Recurrent	23,973,227
		Providing of utilities and other costs	Recurrent	494,513,635
		Purchases of Drugs and consumables	Recurrent	52,927,496
		Receiving of medical services	Recurrent	134,593,508
		Receiving of utilities and other costs	Recurrent	5,665,869
		Term Loan Interest Payment	Recurrent	51,157,522
		Dividend received	Recurrent	138,178,661
		Total		941,808,959
Amrak Institute of Medical Sciences (Pvt) Ltd	Subsidiary	Providing of utilities and other costs	Recurrent	6,604,516
		Rent received	Recurrent	23,364,000
		Total		29,968,516
Ceygen Biotech (Pvt) Ltd	Subsidiary	Providing of utilities and other cost	Recurrent	382,145
		Rent Received	Recurrent	1,539,900
		Total		1,922,045
Commercial Marketing Distributors (Pvt) Ltd	Affiliate	Purchases of Drugs and consumables	Recurrent	173,756,589
		Sales of Drugs and consumables	Recurrent	1,079,044
		Total		174,835,633
Tudawe Brothers (Pvt) Ltd	Affiliate	Building Inspections	Non Recurrent	114,864
		Total		114,864
Tudawe Engineering Services (Pvt) Ltd	Affiliate	The Vision 2022 redevelopment project Construction Cost	Non Recurrent	2,679,762
		Total		2,679,762

33. ASSETS PLEDGED AS COLLATERALS

Currently, the group has not pledged any assets as collateral.

34. FINANCIAL RISK MANAGEMENT

34.1 Overview

This note explains the group's exposure to financial risks and how these risks could affect the group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

The Group has exposure mainly to following risks from its use of Financial Instruments.

- Credit Risk
- Liquidity Risk
- Market Risk

34.2 Risk Management Framework

The Board of Directors have the overall responsibility for establishment and oversight of the Group Risk Management Framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial acumen team that advises on financial risks and the appropriate financial risk governance framework for the Group. The finance team provides assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with group policies and group risk appetite.

Risk Management Policies and systems are reviewed regularly to reflect changes in market conditions and group activities. The Group through its training and management standards and procedures, aim to develop a discipline and constructive environment in which all employee understand their roles and obligations.

34.3 Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is being exposed to the credit risk from its operating activities (primarily for trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

34.3.1 Credit Risk exposure

The Group's maximum exposure to credit risk as at the end of year based on the carrying value of Financial Assets in the statement of Financial Position is given below. There were no off Balance Sheet exposure as at the year end.

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Financial Assets at Amortised Cost				
Trade and Other Receivables	389,208,054	312,865,752	319,534,824	199,903,869
Other Financial Assets	514,230,291	241,267,906	482,131,815	71,400,257
Cash and Cash Equivalents	246,369,313	366,450,867	131,085,951	212,124,767
	1,149,807,659	920,584,525	932,752,590	483,428,893

Notes to the Financial Statements

34.3.2 Credit Risk exposure on Trade Receivables

The Group's maximum exposure to credit risk on trade receivables as at the end of year based on the carrying value in the Statement of Financial Position.

As at 31st March	Group		Company		
	Note	2025	2024	2025	2024
Trade Receivables	(14)	393,248,620	343,771,712	308,765,525	217,289,256

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers various statistics of the Group's customer base including default risk, business relationship with due attention given to past performances, stability of industry and credit worthiness.

Customer credit risk is managed by each business unit subject to the Group's established policies, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit evaluation format and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and obtaining the Letter of Guarantees from patients who are admitted to the hospital through corporate customers.

Impairment Losses

The requirement for an impairment is analysed at each reporting date on an individual basis for major clients. The group applies the SLFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of receivables over a period of 36 month before 31st March 2025 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the inflation rate of healthcare sector to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factor.

On that basis, the loss allowance as at 31st March 2025 (on adoption of SLFRS 9) was determined as follows for trade receivables.

Company	31 - 60	61 - 90	91 - 120	121-180	Over 180
Expected loss rate	2% - 20%	5% - 36%	10% - 74%	15% - 100%	24% - 100%
Loss Allowance	766,148	1,014,727	2,996,019	2,978,329	38,446,855

Group	31 - 60	61 - 90	91 - 120	121-180	Over 180
Expected loss rate	1% - 2%	2% - 5%	6% - 11%	12% - 18%	19% - 35%
Loss Allowance	4,674,608	2,496,765	3,086,873	3,994,511	42,364,088

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to make repayment after long due period.

Impairment losses on trade receivables are presented as net impairment losses within operating profit . Subsequent recoveries of amounts previously written off are credited against the same line item.

34.4 Liquidity Risk

Liquidity risk is the risk that the group will encounter difficulty in meeting its obligations with its liabilities that are settled by delivering cash or another financial asset. The group's approach to managing liquidity is to ensure that, it will have sufficient liquid assets to settle liabilities when it is due, without breaching any loan covenant and incurring undesirable losses.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, finance leases and hire purchase contracts. The Group assesses the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

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

As at 31st March	On	Less than	03 to 12	01 to 05	More than	Total
	Demand	03 Months	Months	Years	05 Years	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Year ended 31st March 2025						
Interest Bearing Loans and Borrowings	-	121,133,863	363,401,591	985,241,745	-	1,469,777,199
Lease Creditors	-	26,950,638	81,147,432	227,107,419	52,023,755	387,327,750
Trade and other Payables	-	604,677,733	494,736,327	-	-	1,099,414,060
Amounts Due to Related Parties	-	37,760,255	-	-	-	37,760,255
Bank Overdrafts	564,760,011	-	-	-	-	564,760,011
	564,760,011	790,522,490	939,285,350	1,212,349,164	52,023,755	3,559,039,275
Year ended 31st March 2024						
Interest Bearing Loans and Borrowings	-	126,591,854	381,131,113	1,910,810,972	59,142,857	2,477,676,796
Lease Creditors	-	27,038,062	78,161,028	239,452,292	54,851,609	399,502,991
Trade and other Payables	-	523,675,738	503,339,698	-	-	1,027,015,437
Amounts Due to Related Parties	-	142,793,332	-	-	-	142,793,332
Bank Overdrafts	542,805,070	-	-	-	-	542,805,070
	542,805,070	820,098,987	962,631,839	2,150,263,264	113,994,466	4,589,793,626

34.5 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument which will fluctuate because of changes in market prices. Market prices comprise two types of risk: interest rate risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, Other Financial Assets measure at fair value in Profit or Loss or Other Comprehensive Income and derivative financial instruments.

34.5.1 Foreign Exchange Risk

The Group being provided healthcare services to international patients exposed to foreign exchange risk, which is primarily in US Dollars. However, having lower value of debtor balances outstanding impact on financials is minimum.

34.5.2 Interest Rate Risk

Interest rate risk is the risk that the fluctuation of fair value or future cash flows of a financial instrument which will fluctuate because of changes in market interest rates.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates such as AWDR, AWPLR.

Notes to the Financial Statements

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings, after the impact of interest rate changes. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings as follows.

	Increase/Decrease in basic points	Effect on Profit before Tax Rs.
2025		
Interest Bearing Loans and Borrowings	+ 100 bp	(28,710,580)
	- 100 bp	28,710,580
2024		
Interest Bearing Loans and Borrowings	+ 100 bp	(32,799,809)
	- 100 bp	32,799,809

34.5.3 Price Risk

The group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet either as at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss.

The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis.

The table below summarises the impact of increases/decreases of these two indexes on the group's equity and post tax profit for the period. The analysis is based on the assumption that the equity indexes had changed by 1% with all other variables held constant, and that all the group's equity instruments moved in line with the indexes.

	Increase/Decrease in basis points	Effect on Equity
2025		
Equity Investment at Fair Value through Other Comprehensive Income	+ 100 bp	361,515
	- 100 bp	(361,515)

35. CAPITAL MANAGEMENT

Capital includes ordinary shares and other equities attributable to the equity holders of the parent.

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 Group may adjust the dividend payments 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 31st March 2025.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 25% and 40%. The Group includes within net debt, interest bearing loans and borrowings, bank overdrafts, trade and other payables less cash and cash equivalents.

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Interest Bearing Loans and Borrowings	1,469,777,199	2,477,676,796	1,345,733,948	2,301,839,108
Trade and other payables	1,099,414,060	1,027,015,438	763,487,930	551,022,658
Bank overdrafts	564,760,011	542,805,070	452,093,508	413,049,962
Less: Cash and cash equivalents	(246,369,313)	(366,450,867)	(131,085,951)	(212,124,767)
	2,887,581,957	3,681,046,437	2,430,229,435	3,053,786,961
Equity	11,110,205,738	8,103,124,957	7,450,269,434	5,848,757,589
Capital and Net Debt	13,997,787,696	11,784,171,394	9,880,498,869	8,902,544,550
Gearing ratio	21%	31%	25%	34%

36. BUSINESS COMBINATION UNDER COMMON CONTROL – CHPLC & DHC MERGER

On 1st January 2025, CHPLC (the surviving entity) merged with its 100%-owned subsidiary Durdans Heart Centre (DHC), both under ultimate common control of Durdans Management Services Ltd (DMS). The objective was to achieve synergies and cost efficiencies within the group.

The merger reserve comprises the cost of the merger with the Durdans Heart Centre (Pvt) Ltd in excess of the carrying value of the Stated Capital of the acquiree as at 31st March 2025.

Total cost of Common Control Transaction	(217,139,116)
Stated capital of the DHC	145,760,000
Balance as at 31st March 2025	(71,379,116)

Notes to the Financial Statements

Accounting Policies

The CH PLC adopted the Statement of Recommended Practice (SORP) for Merger Accounting for Common Control Combinations approved by the Council of the Institute of Chartered Accountants of Sri Lanka on 19th December, 2012, on merger accounting for common control combinations for annual periods beginning on or after 1st April 2020. The SORP is applicable for Consolidated Financial Statements. Due to the absence of clear guidance of accounting for amalgamation in the separate Financial Statements, the Group adopted the SORP for Merger Accounting for Common Control Combinations, in preparing the separate Financial Statements of the Company.

On 1st January 2025, CHPLC (the surviving entity) merged with its 100%-owned subsidiary Durdans Heart Centre (DHC), both under ultimate common control of Durdans Management Services Ltd (DMS). The objective was to achieve synergies, cost efficiencies and optimise intercompany transactions.

CH PLC used the pooling-of-interests method in merging two companies, combining their assets, liabilities, and equity at historical book values as though they had always operated as a single entity without recognising goodwill or revaluing to fair market value.

Evaluation on acquisition of NCI by CHPLC

As part of the consideration, CHPLC issued 0.29 CHPLC ordinary voting shares for each DHC share, based on CHPLC's rights issue price of LKR 112.50 per share, or shareholders elected a cash alternative of LKR 33.00 per DHC share if they opted out of share issuance.

Composition of Assets and Liabilities in the DHC. on the date of amalgamation (as at 1 January 2025)

Assets		Liabilities	
Non Current Assets			
Property, plant and equipment	217,117,456	Interest bearing loans and borrowings	19,097,209
Investment in equity accounted investee	1,150,051	Retirement benefit obligations	8,612,067
Right of use assets	28,579,838	Deferred tax liabilities	44,813,061
Other financial assets	170,639,380		
Current assets			
Inventories	61,640,158	Interest bearing loans and borrowings	28,737,063
Trade and other receivables	32,005,415	Trade and other payables	220,016,626
Advances and prepayments	13,640,047	Income tax payable	1,204,674
Other financial assets	126,842,668	Total liabilities	322,480,700
Cash and cash equivalents	46,535,531	Equity (NCI -Nil)	375,669,844
Total assets	698,150,544		

Elimination of the investment in subsidiary was a significant adjustment. CHPLC's investment in DHC has been eliminated against DHC's equity, with any resulting difference recorded in a merger reserve. No other significant accounting adjustments were made to the net assets or net profit (or loss) of any entity to achieve consistency in accounting policies as part of the common-control combination.

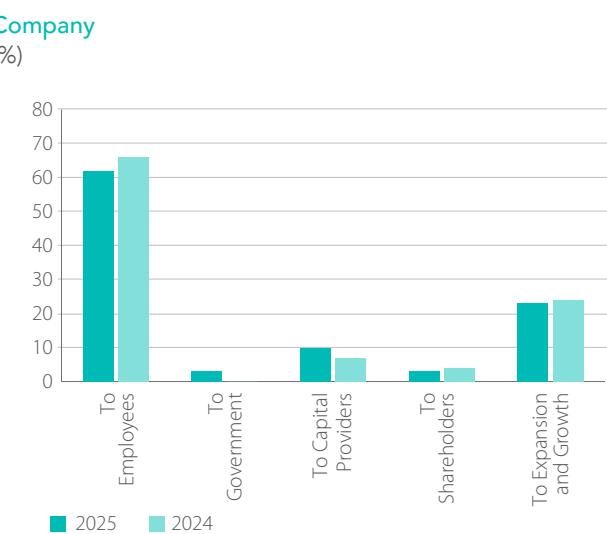
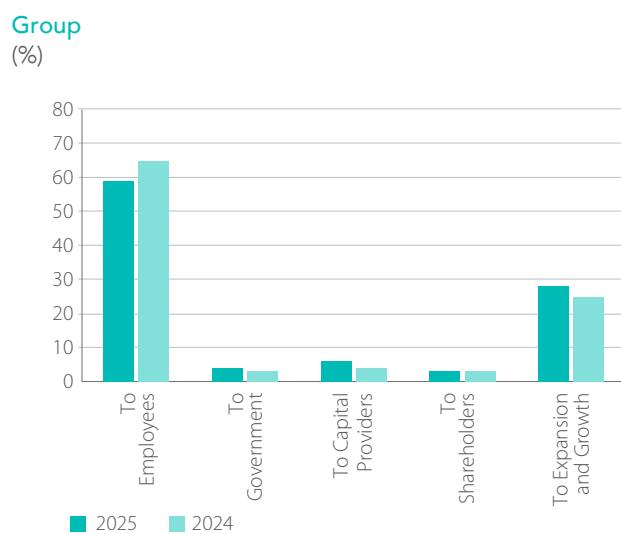
Supplementary Information

- 180 Value Added Statement
- 181 Ten Year Summary
- 182 Share Information
- 186 Notes
- 188 Notice of Meeting
- 189 Form of Proxy - Voting Shareholders
- 191 Form of Proxy - Non-Voting Shareholders

Value Added Statement

	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Value Added				
Turnover	9,750,619,853	9,152,568,499	6,807,998,130	5,369,409,393
Cost of Material and Services	(5,999,997,581)	(6,023,322,839)	(4,234,465,830)	(3,484,844,407)
Other Income	336,603,304	305,063,488	278,258,129	250,382,676
	4,087,225,577	3,434,309,148	2,851,790,429	2,134,947,663
Distribution of Value Added				
To Employees				
Salaries and Others	2,418,595,605	2,216,611,836	1,761,172,010	1,398,593,202
To Government				
Income Tax	149,938,186	88,681,431	77,340,893	-
To Capital Providers				
Interest on Loans	251,516,841	144,668,678	295,207,285	147,983,528
To Shareholders				
Dividend	120,494,143	116,578,565	71,979,540	82,776,471
To Expansion and Growth				
Depreciation	614,576,095	567,152,893	445,364,556	354,739,475
Retained Profit	532,104,707	300,615,745	200,726,146	150,854,986
	4,087,225,577	3,434,309,148	2,851,790,429	2,134,947,663

	Group		Company	
	2025	2024	2025	2024
To Employees	59%	65%	62%	66%
To Government	4%	3%	3%	0%
To Capital Providers	6%	4%	10%	7%
To Shareholders	3%	3%	3%	4%
To Expansion and Growth	28%	25%	23%	24%



Ten Year Summary

	Group									
	2024/25 Rs. Mn	2023/24 Rs. Mn	2022/23 Rs. Mn	2021/22 Rs. Mn	2020/21 Rs. Mn	2019/20 Rs. Mn	2018/19 Rs. Mn	2017/18 Rs. Mn	2016/17 Rs. Mn	2015/16 Rs. Mn
Operating Results										
Total Income	9,751	9,153	7,905	7,840	5,546	5,976	5,806	5,733	5,289	4,728
Other Income	285	205	111	25	63	53	56	35	34	38
Finance Cost	252	145	88	80	97	141	136	122	98	86
Profit Before Tax	958	659	1060	1388	696	576	549	603	525	557
Income Tax	232	205	409	279	96	109	173	115	136	57
Profit After Tax	726	454	652	1109	600	467	376	488	389	500
Dividend (Company)	94	83	169	108	75	122	122	122	122	91
Balance Sheet										
Assets										
Property, Plant and Equipment	14,146	11,583	7,706	7,295	7,083	7,220	6,682	6,500	6,077	4,128
WIP - Building & Other	113	72	2,604	1,186	631	474	276	39	368	158
Intangible Assets	1	1	-	-	-	-	-	-	-	-
Other Financial Assets	1,794	1,189	1,075	1,724	1,272	830	736	666	572	380
Right-of-Use Assets	363	364	261	289	215	191	-	-	-	-
Investment in an Equity Accounted Investee	0	0	-	109	7	5	5	4	3	
Inventories	769	814	1,020	835	536	380	309	305	319	256
Receivables	650	610	1,009	561	397	544	365	358	461	275
Tax refund Due	0	44	14	13	-	19	21	17	-	-
Cash and Cash Equivalents	246	366	421	898	640	149	403	203	138	166
	18,082	15,043	14,110	12,802	10,883	9,814	8,797	8,093	7,939	5,366
Equity and Liabilities										
Stated Capital	1,779	1,143	1,143	916	916	916	916	916	916	916
Reserves	9,331	6,961	6,629	6,631	5,712	4,989	4,227	4,093	4,282	2,171
Non Controlling Interest	841	733	730	734	593	588	565	561	529	408
Interest-Bearing Borrowings	1,470	2,478	2,657	2,008	1,652	1,005	815	708	855	878
Provisions and Other Liabilities	4,096	3,185	2,469	2,266	1,789	1,702	1,519	1,375	987	707
Overdrafts	565	543	483	247	221	614	755	440	370	286
	18,082	15,043	14,110	12,802	10,883	9,814	8,797	8,093	7,939	5,366

	Company									
	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2014/15
Financial Indices										
Earnings Per Share (Rs.)	6.84	6.49	8.83	22.75	13.17	6.42	6.25	4.76	6.25	4.52
Dividend Per Share (Rs.)	4.00	2.00	2.30	5.00	3.20	2.20	3.60	3.60	3.60	2.70
Dividend Payout Ratio (%)	34.61	35.44	26.05	21.98	24.30	34.28	57.62	75.57	57.60	59.73
Net Assets Per Share (Rs.)	177.83	162.51	158.49	169.66	148.72	130.95	117.59	115.46	125.97	78.24
Return On Equity (%)	4.10	4.00	8.38	13.41	9.05	7.91	7.31	9.74	7.48	8.07
Return On Assets (%)	2.20	2.01	2.79	8.20	5.59	4.76	4.30	6.03	4.90	4.54

Share Information

VOTING SHARES

Distribution of Shareholders

Shareholding	Resident			Non-Resident		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1 - 1,000	2010	439,289	1.38%	14	3,865	0.01%
1,001 - 10,000	319	992,303	3.12%	10	46,622	0.15%
10,001 - 100,000	68	1,720,345	5.42%	2	86,016	0.27%
100,001 - 1,000,000	18	5,860,697	18.45%	-	0	0.00%
Over 1,000,000	2	22,613,586	71.20%	-	0	0.00%
Total	2,417	31,626,220	99.57%	26	136,503	0.44%

Categories of Shareholders

	No. of Shareholders	No. of Shares
Individual	2,349	7,985,241
Institutional	94	23,777,482
Total	2,443	31,762,723

NON-VOTING SHARES

Distribution of Shareholders

Shareholding	Resident			Non-Resident		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1 - 1,000	871	202,580	2.00%	4	640	0.01%
1,001 - 10,000	355	1,106,727	10.92%	9	38,453	0.38%
10,001 - 100,000	72	2,257,023	22.27%	6	210,620	2.08%
100,001 - 1,000,000	6	1,575,218	15.54%	-	0	0.00%
Over 1,000,000	2	4,742,504	46.80%	-	0	0.00%
Total	1,306	9,884,052	97.54%	19	249,713	2.46%

Categories of Shareholders

	No. of Shareholders	No. of Shares
Individual	1,250	3,217,374
Institutional	75	6,916,391
Total	1,325	10,133,765

PUBLIC SHAREHOLDING

	2025		2024	
	Voting	Non-Voting	Voting	Non-Voting
Number of Shareholders	2,377	1,299	2,304	1,259
Holding Percentage (%)	21.54	50.16	24.80	34.34
Market Capitalisation (Rs. Mn)	4,050	1,074	3,248	818
Float Adjusted Market Capitalisation (Rs. Mn)	872	-	699	-
Float Adjusted Market Capitalisation Option	Less than Rs. 2.5 Bn (Option 5)		Less than Rs. 2.5 Bn (Option 5)	

INVESTOR RATIOS

	2025	2024
Earnings Per Share (Rs.)	6.84	6.49
Dividend Per Share (Rs.)	2.37	2.30
Net Assets Per Share (Rs.)	177.83	162.51
Dividend Payout Ratio (%)	35	35

MARKET ACTIVITIES

Market Value Per Share

	2025			2024		
	Highest Traded Price	Lowest Traded Price	Last Traded	Highest Traded Price	Lowest Traded Price	Last Traded Price
	Price	Rs.	Rs.	Rs.	Rs.	Rs.
Voting	138.50	112.25	127.50	141.75	110.00	119.75
	18th February 2025	05th August 2024	28th March 2025	18th October 2023	16th June 2023	28th March 2024
Non-Voting	112.00	94.50	106.00	121.00	92.20	101.75
	14th February 2025	13th September 2024	28th March 2025	13th October 2023	06th March 2024	28th March 2024

PUBLIC SHAREHOLDING

	2025		2024	
	Voting	Non-Voting	Voting	Non-Voting
Number of Shareholders	2,377	1,299	2,304	1,259
Holding Percentage (%)	21.54	50.16	24.80	34.34
Market Capitalisation (Rs. Mn)	4,050	1,074	3,248	818
Float Adjusted Market Capitalisation (Rs. Mn)	872	-	699	-
Float Adjusted Market Capitalisation Option	Less than Rs. 2.5 Bn (Option 5)		Less than Rs. 2.5 Bn (Option 5)	

Share Information

TOP 20 SHAREHOLDERS LISTED AS AT 31ST MARCH 2025

Voting Shareholders

Name of the Shareholder	Country of Residence	As at 31st March 2025	
		Number of Shares	Holding %
Durdans Management Services Ltd	Sri Lanka	21,574,963	67.93
Mr. D.G. Wijemanna	do	1,038,623	3.27
Mr. R.P. Weerasooriya	do	906,442	2.85
Mr. Y. N. R. Piyasena	do	581,490	1.83
Galle Face Capital Partners PLC	do	518,791	1.63
Mr. A. E. Tudawe	do	455,162	1.43
Mr. Merill J. Fernando (Deceased)	do	390,500	1.23
Mr. U. D. Tudawe	do	385,013	1.21
Cargo Boat Development Company PLC	do	370,945	1.17
MJF Holdings (Pvt) Ltd	do	287,917	0.91
Mr. H. L. Tudawe	do	283,047	0.89
Dr. A. D. P. A. Wijegoonewardene	do	276,831	0.87
Mr. P.V. Tudawe	do	249,340	0.79
Tudawe Engineering Services (Pvt) Ltd	do	240,000	0.76
Mr. A. D. Tudawe (Joint Account)	do	196,694	0.62
Mr. A. D. Tudawe (Joint Account)	do	177,268	0.56
Mr. G. A. Tudawe	do	165,036	0.52
Mr. E. H. Tudawe	do	138,616	0.44
Mr. R. Y. Tudawe	do	136,245	0.43
Mr. W.N. Tudawe	do	108,940	0.34
Total		28,481,863	89.67

TOP 20 SHAREHOLDERS LISTED AS AT 31ST MARCH 2025

Non-Voting Shareholders

Name of the Shareholder	Country of Residence	As at 31st March 2025	
		Number of Shares	Holding %
Durdans Management Services Ltd	Sri Lanka	3,588,133	35.41
Employees' Provident Fund	do	1,154,371	11.39
MJF Holdings (Pvt) Ltd	do	636,061	6.28
E. W. Balasuriya & Co. (Pvt) Ltd	do	401,465	3.96
Mr. D. Ratnayake	do	156,045	1.54
Mr. L.J.M.A. Jayasundara	do	150,500	1.49
Tudawe Engineering Services (Pvt) Ltd	do	111,697	1.10
Mr. D. A. Cabraal	do	100,178	0.99
Mr. A. H. Munasinghe	do	98,141	0.97
Mr. S. S. Sithambaranathan	do	94,357	0.93
Mr. A. D. Tudawe	do	86,396	0.85
Ms. T. T. Weerasinghe	do	80,554	0.79
Mr. D. G. Wijemanna	do	77,728	0.77
Mr. P. S. De Mel	do	75,248	0.74
Peoples Leasing & Finance PLC /Mr. P. A. I. S. Perera	do	72,857	0.72
Saman Villas Limited	do	70,988	0.70
Commercial Bank of Ceylon PLC A/C No. 04	do	64,918	0.64
Mr. G. D. M. Ranasinghe	do	63,284	0.62
Mr. D.P. L. De Mel	do	62,589	0.62
Mr. A. H. Munasinghe	do	61,269	0.60
Total		7,206,779	71.12

Notes

Notice of Meeting

Notice is hereby given that the 79th Annual General Meeting of the Shareholders of Ceylon Hospitals PLC will be held on 09th September 2025 at 9.30 a.m at the "Auditorium of the Company at No. 3, Alfred Place, Colombo 03.

The business to be brought forward before the meeting will be:

1. TABLING OF STATEMENT OF ACCOUNTS

To lay before the meeting, the Annual Report of the Directors and the Financial Statement of the Company for the year ended 31st March 2025 together with the Report of the Auditors thereon.

2. RE-ELECTION OF DIRECTORS

To re-elect Mr. H.M.A. Jayasinghe , who retires by rotation in terms of Article No. 78. of the Articles of Association and being eligible offers himself for re-election. (Resolution 1)

3. RE-APPOINTMENT OF DIRECTORS

a) To re-appoint Mr. A.E. Tudawe, Director who vacates office in terms of Section 210 of the Companies Act No. 07 of 2007 and for this purpose to pass the following resolution as an Ordinary Resolution.

"Resolved that the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. A. E. Tudawe who is more than 70 years, and that he be appointed a Director of the Board in terms of Section 211 of the Companies Act No. 07 of 2007". (Resolution 2)

b) To re-appoint Dr. A. D. P. A. Wijegoonewardene, Director who vacates office in terms of Section 210 of the Companies Act No. 07 of 2007 and for this purpose to pass the following resolution as an Ordinary Resolution.

"Resolved that the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Dr. A. D. P. A. Wijegoonewardene who is more than 70 years, and that he be appointed a Director of the Board in terms of Section 211 of the Companies Act No. 07 of 2007." (Resolution 3)

c) To re-appoint Mr. Y. N. R. Piyasena, Director who vacates office in terms of Section 210 of the Companies Act No. 07 of 2007 and for this purpose to pass the following resolution as an Ordinary Resolution.

"Resolved that the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. Y. N. R. Piyasena who is more than 70 years, and that he be appointed a Director of the Board in terms of Section 211 of the Companies Act No. 07 of 2007." (Resolution 4)

d) To re-appoint Mr. A.D.B. Talwatte, Director who vacates office in terms of Section 210 of the Companies Act No. 07 of 2007 and for this purpose to pass the following resolution as an Ordinary Resolution.

"Resolved that the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. A.D.B. Talwatte who is more than 70 years, and that he be appointed a Director of the Board in terms of Section 211 of the Companies Act No. 07 of 2007." (Resolution 5)

4. DECLARATION OF DIVIDENDS

An Interim dividend of Rs. 4.00 per share was paid in July 2025 and no further dividends have been recommended by the Board.

5. RE-APPOINTMENT OF AUDITORS

To re-appoint Messrs. B. R. De Silva & Co. Chartered Accountants, the retiring Auditors who have expressed their willingness to continue in office as Company's Auditors for the ensuing year and to authorise the Board of Directors to determine their remuneration. (Resolution 6)

6. DONATIONS

To authorise the Directors to determine donations for the year 2025/26. (Resolutions 7)

By Order of the Board

Nexia Corporate Consultants (Pvt) Ltd

Secretaries

07th August 2025

1. A shareholder entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote at the virtual meeting on him/ her.
2. A Proxy need not be a shareholder of the Company.
3. A Form of Proxy accompanies this notice.

Form of Proxy Voting Shareholders

I/ We, Mr./ Mrs./ Miss of

..... (address)
being a member of Ceylon Hospitals PLC, hereby appoint

Mr. A. E. Tudawe	or failing him
Mr. A. V. R. De S. Jayatilleke	or failing him
Dr. A. D. P. A. Wijegoonewardene	or failing him
Mr. U. D. Tudawe	or failing him
Mr. Y. N. R. Piyasena	or failing him
Mr. A. D. B. Talwatte	or failing him
Mr. A. S. Tudawe	or failing him
Mr. S. Ranganathan	or failing him
Mr. H.M.A. Jayasinghe	or failing him

Mr./ Mrs./ Miss of

..... (address)
as my/ our proxy to attend (and vote for me/ us) on my/ our behalf at the 79th Annual General Meeting of the Company to be held on 09th September 2025 and at any adjournment thereof.

NOTE

If the Proxy Form is signed by an Attorney, the relative Power of Attorney should also accompany the completed Form of Proxy, if it has not already been registered with the Company.

To lay before the meeting, Financial Statements for the year ended 31st March 2025

AGENDA ITEMS / RESOLUTIONS	FOR	AGAINST
To re-elect Mr. H.M.A. Jayasinghe (R1)	<input type="checkbox"/>	<input type="checkbox"/>
To re-appoint Mr. A.E. Tudawe (R2)	<input type="checkbox"/>	<input type="checkbox"/>
To re-appoint Dr. A. D. P. A. Wijegoonewardene ((R3)	<input type="checkbox"/>	<input type="checkbox"/>
To re-appoint Mr. Y. N. R. Piyasena (R4)	<input type="checkbox"/>	<input type="checkbox"/>
To re-appoint Mr. A.D.B. Talwatte (R5)	<input type="checkbox"/>	<input type="checkbox"/>
To re-appoint Auditors (R6)	<input type="checkbox"/>	<input type="checkbox"/>
To authorise the Board of Directors to determine donations (R7)	<input type="checkbox"/>	<input type="checkbox"/>

Mark your preference with "X"

Signed on this day of 2025

.....
Signature

Form of Proxy- Voting Shareholders

INSTRUCTIONS TO COMPLETE THE FORM OF PROXY

1. Kindly perfect the Form of Proxy after filling legibly your full name and address, by signing in the space provided and dating same.
2. If the Proxy Form is signed by an Attorney, the relative Power of Attorney should also accompany the completed form of proxy, if it has not already been registered with the Company.
3. The completed Form of Proxy should be deposited at the Registered Office of the Company at No. 3, Alfred Place. Colombo 03. (not less than 48 hours before the time appointed for the holding of the meeting).
4. A member is entitled to appoint a proxy to attend instead of himself and a proxy need not be a member of the Company.

Form of Proxy

Non-Voting Shareholders

I/ We, Mr./ Mrs./ Miss of

..... (address)
being a member of Ceylon Hospitals PLC, hereby appoint

Mr. A. E. Tudawe	or failing him
Mr. A. V. R. De S. Jayatileke	or failing him
Dr. A. D. P. A. Wijegoonewardene	or failing him
Mr. U. D. Tudawe	or failing him
Mr. Y. N. R. Piyasena	or failing him
Mr. A. D. B. Talwatte	or failing him
Mr. A. S. Tudawe	or failing him
Mr. S. Renganathan	or failing him
Mr. H.M.A. Jayasinghe	or failing him

Mr./ Mrs./ Miss of

..... (address)
as my/ our proxy to attend on my/ our behalf at the 79th Annual General Meeting of the Company to be held on 09th September 2025 and
at any adjournment thereof.

NOTE

If the Proxy Form is signed by an Attorney, the relative Power of Attorney should also accompany the completed Form of Proxy, if it has not
already been registered with the Company.

Signed on this day of 2025

.....
Signature

Form of Proxy- Non-Voting Shareholders

INSTRUCTIONS TO COMPLETE THE FORM OF PROXY

1. Kindly perfect the Form of Proxy after filling legibly your full name and address, by signing in the space provided and dating same.
2. If the Proxy Form is signed by an Attorney, the relative Power of Attorney should also accompany the completed form of proxy, if it has not already been registered with the Company.
3. The completed Form of Proxy should be deposited at the Registered Office of the Company at No. 3, Alfred Place. Colombo 03. (not less than 48 hours before the time appointed for the holding of the meeting).
4. A member is entitled to appoint a proxy to attend instead of himself and a proxy need not be a member of the Company.

Corporate Information

NAME OF COMPANY

Ceylon Hospitals PLC

BRAND NAME

DURDANS

LEGAL FORM

A quoted public company with limited liability incorporated in Sri Lanka under the Companies Ordinance No. 51 of 1938 and registered under the Companies Act No. 07 of 2007

COMPANY REGISTRATION NUMBER

PQ 113

STOCK EXCHANGE LISTING

The Ordinary Shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka

REGISTERED OFFICE

No. 03, Alfred Place, Colombo 03

BANKERS

Commercial Bank of Ceylon PLC
Bank of Ceylon
DFCC Bank PLC
Union Bank PLC
National Development Bank PLC
Nations Trust Bank PLC
Seylan Bank PLC
Sampath Bank PLC
Hatton National Bank PLC
People's Bank

AUDITORS

B. R. De Silva & Co. Chartered Accountants
No. 22/4, Vijaya Kumaranatunga Mawatha
Colombo 05

LAWYERS

Mr. D. F. R. Jayamaha
Hector Jayamaha Law Office
No. 228, Thimbirigasyaya Road
Colombo 05

SECRETARIES

Nexia Corporate Consultants (Private) Limited
No. 130, Level 02, Nawala Road, Narahenpita,
Colombo 05

REGISTRARS

SSP Corporate Services (Pvt) Ltd
No. 546, Galle Road
Colombo 03



**DURDANS
HOSPITAL**

CEYLON HOSPITALS PLC

No. 03, Alfred Place, Colombo 03

T +94 (0) 11 214 0000 **F** +94 (0) 11 257 5302, +94 (0) 11 237 2632 **E** contactus@durdans.com