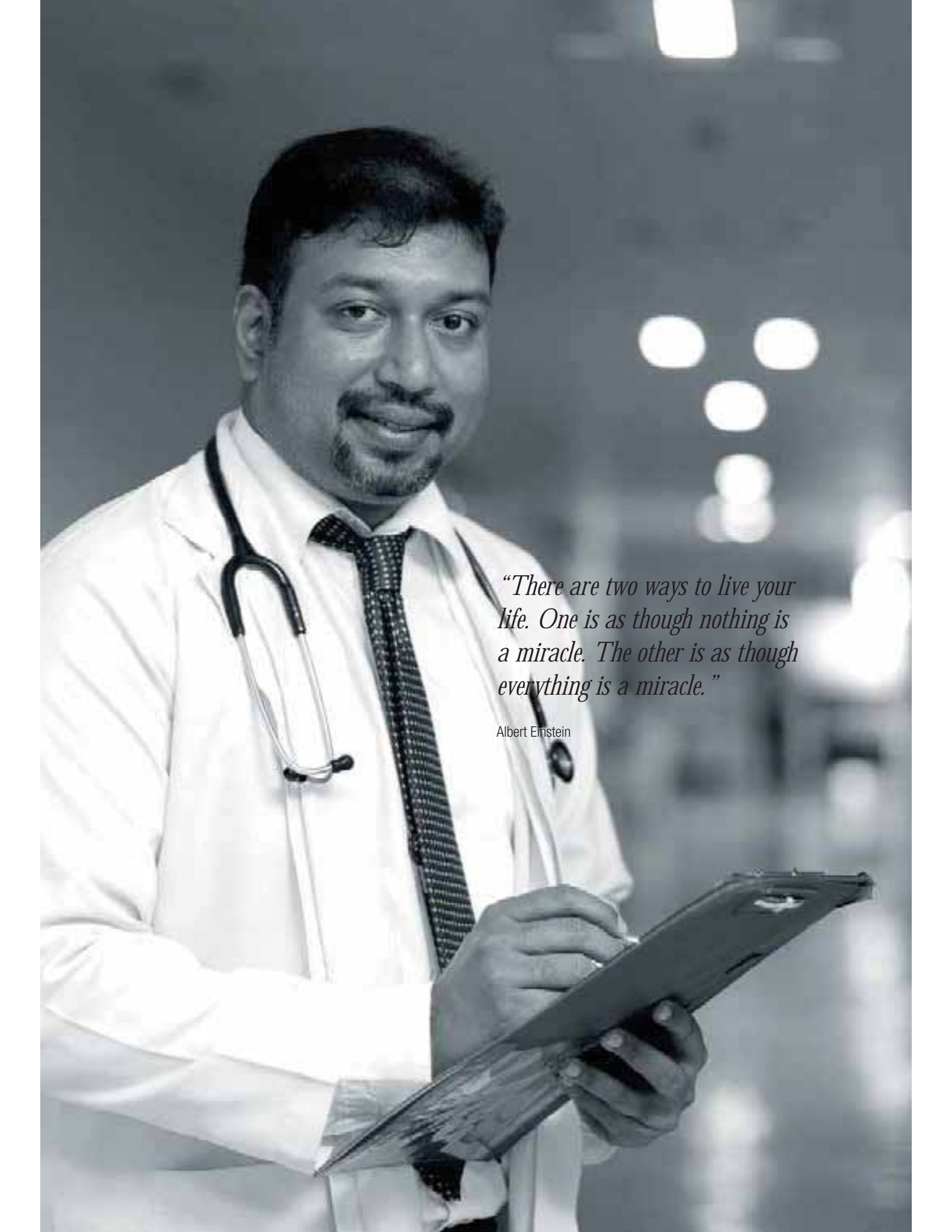




The Asiri Advantage

Asiri Hospital Holdings PLC | Annual Report 2012/13

ASIRI
HOSPITAL HOLDINGS PLC



“There are two ways to live your life. One is as though nothing is a miracle. The other is as though everything is a miracle.”

Albert Einstein

For over thirty years, Asiri Hospitals has been bringing excellence in tertiary healthcare to patients from all over Sri Lanka and beyond. Today we are one of the nation's top ranked, multi-speciality private hospitals with state-of-the-art clinical and medical technology and a reputation for fine healthcare services that is second to none.

Yet what we are most proud of is something much greater than our services or expertise. It is in the values we have cherished; of uncompromising quality, warm and compassionate care, responsible service and real integrity in all we do. This is what has won us the trust of the thousands of patients who come to us. It's what we call the Asiri Advantage.

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Mission

To care for and improve the quality of human life, through the provision of ethical healthcare solutions together with professional and compassionate staff.

Vision

To be a leading health care provider in South Asia with highest quality of clinical performance and customer care with cutting-edge technology.

Values

- Caring with a human touch
- Respect for all stakeholders
- Innovation and forward focus

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Financial Highlights

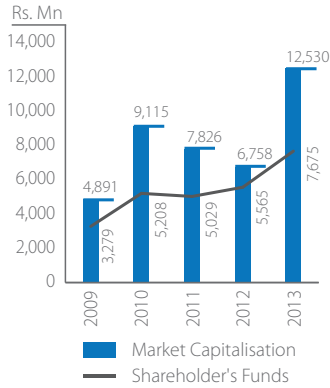
Year Ended 31st March		2013 Rs. '000	2012 Rs. '000	% Change
Operating Results				
Revenue	Rs' 000	7,003,292	6,096,766	15%
Profit before Interest and Tax	Rs' 000	1,717,614	1,610,734	7%
Profit after Tax	Rs' 000	898,277	851,360	6%
Gross Profit Attributable to Equity Holders of the Parent	Rs' 000	696,472	609,332	14%
Highlights of the Statement of Financial Position				
Total Assets	Rs' 000	15,346,199	13,455,314	14%
Total Equity	Rs' 000	7,674,528	5,564,583	38%
Debt to Equity	%	83.80	125.00	-33%
Shareholder Information				
Return on Total Equity	%	11.70	15.30	-23%
Earnings per Share	Rs	0.69	0.69	-
Net Asset per Share	Rs	4.96	3.78	31%
Price Earnings Ratio (PE)	Times	16.52	11.01	50%
Market Price as at 31st March	Rs	11.40	7.60	50%

Rs. **7,003**Mn Turnover
2012-Rs.6,097 Mn

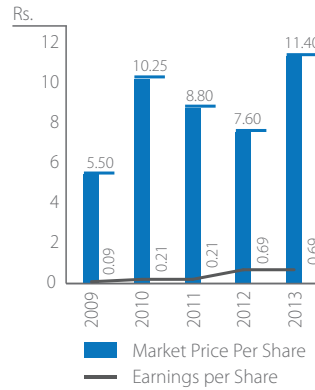
Rs. **4.96** Net Assets per Share
2012-Rs.3.78

Rs. **898**Mn Profit after Tax
2012-Rs.851 Mn

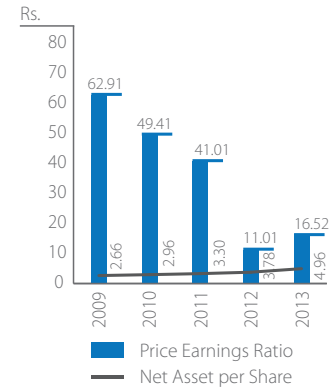
Market Capitalisation to Total Equity



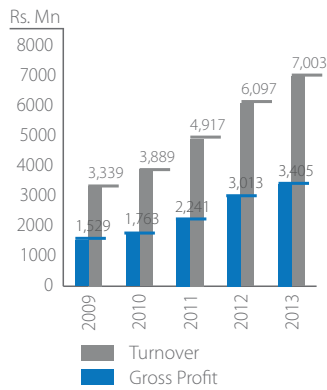
MPS to EPS



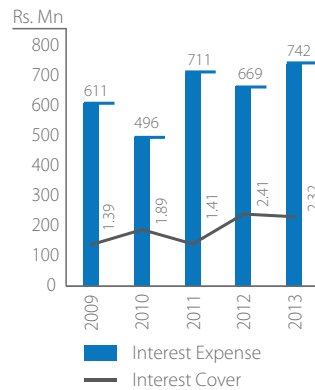
PE Ratio to Net Assets Per Share



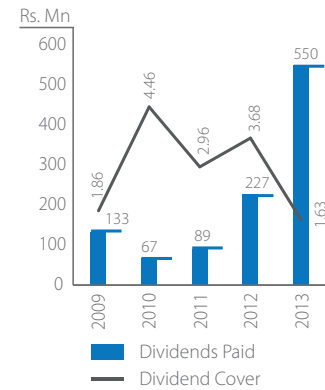
Turnover to Gross Profit



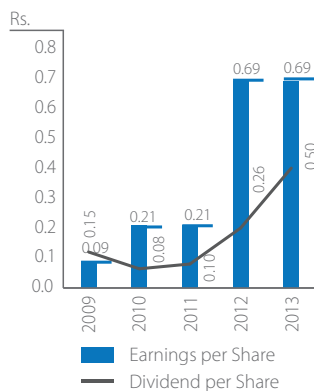
Interest Expense to Interest Cover



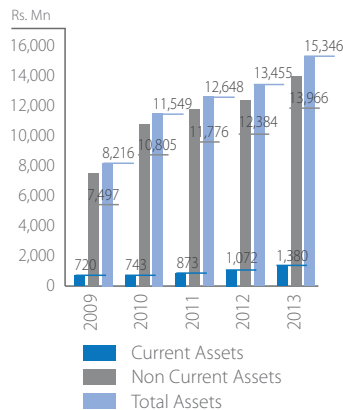
Dividend Paid to Dividend Cover



EPS to DPS



Asset Structure



Financial Highlights

Year Ended 31st March		2013 Rs. '000	2012 Rs. '000	2011 Rs. '000	2010 Rs. '000	2009 Rs. '000
Operating Results						
Turnover	Rs' 000	7,003,292	6,096,766	4,917,092	3,889,031	3,338,907
Gross Profit	Rs' 000	3,405,410	3,012,998	2,241,293	1,763,315	1,529,182
Profit before Interest and Tax	Rs' 000	1,717,614	1,610,734	1,002,698	935,486	847,011
Interest Expense	Rs' 000	741,809	668,744	710,526	495,578	610,504
Profit after Tax	Rs' 000	898,277	851,360	263,135	317,298	198,130
Profit Attributable to Equity Holders of the Parent	Rs' 000	696,472	609,332	190,796	184,458	77,745
Highlights of the Statement of Financial Position						
Non Current Assets	Rs' 000	13,966,426	12,383,748	11,775,750	10,805,456	7,496,952
Current Assets	Rs' 000	1,379,774	1,071,566	872,675	742,434	719,520
Total Assets	Rs' 000	15,346,199	13,455,314	12,648,425	11,549,069	8,216,472
Shareholders' Funds	Rs' 000	7,674,528	5,564,583	5,028,682	5,207,664	3,278,570
Total Debt	Rs' 000	6,431,292	6,954,696	6,639,332	5,515,025	4,348,038
Debt to Equity	%	83.80	124.98	132.03	105.90	132.62
Shareholder Information						
Return on Equity	%	11.70	15.30	5.23	6.09	6.04
Earnings per Share	Rs	0.69	0.69	0.21	0.21	0.09
Dividend per Share	Rs	0.50	0.26	0.10	0.08	0.15
Net Asset per Share	Rs	4.96	3.78	3.30	2.96	2.66
Market Price Per Share	Rs	11.40	7.60	8.80	10.25	5.50
Price Earnings Ratio	Time	16.52	11.01	41.01	49.41	62.91
Number of Issued Shares	000	1,099,092	889,263	889,263	889,263	889,263
Market Capitalisation	RS '000	12,529,652	6,758,399	7,825,514	9,114,946	4,890,947
Interest Cover	Times	2.32	2.41	1.41	1.89	1.39
Dividend Cover	Times	1.63	3.68	2.96	4.46	1.86



Management Information

Uncompromising Quality

Board of Directors





Front row seated left to right

Mr. G.L.H. Premaratne

Dr. S. Selliah - *Deputy Chairman*

Mr. A.K. Pathirage - *Chairman/ Managing Director*

Dr. Manjula Karunaratne - *Director/ Deputy Chief Executive Officer*

Back row standing left to right

Mr. V.T. Mahadevia

Mr. S.A.B Rajapaksa

Mr. A.H.E. Rodrigo

Directors Profile

Mr. A.K. Pathirage

Chairman/ Managing Director

Mr. Ashok Pathirage co-founded Softlogic in 1991 and has served the Softlogic Group as the Managing Director from the inception. He was appointed as the Chairman of the Group in 2000. He is the Chairman / Managing Director of Asiri group of hospitals. He is also the Chairman of Softlogic Capital PLC, Asian Alliance Insurance PLC and Softlogic Finance PLC besides being the Chairman of many other Group Companies that operate in Leisure, Retail, Automobile and ICT sectors.

He also serves as the Deputy Chairman of National Development Bank PLC and the Chairman of NDB Capital Holdings PLC.

He started his career at a leading blue chip company in Sri Lanka and has over 25 years of experience in senior managerial capacity in the Information Technology industry and in the business world.

Dr. S. Selliah

(MB BS, M.Phil)

Deputy Chairman

Dr. Sivakumar Selliah is the Deputy Chairman of Asiri Hospital Holdings PLC. Dr. Selliah holds a MBBS degree and a Master's Degree (M.Phil). He has over 21 years of experience in various fields.

He is currently the Deputy Chairman of Asiri Surgical Hospital PLC and Central Hospital Limited.

He is also the Deputy Chairman of Lanka Floor Tiles PLC. Dr.Selliah is a Director of Softlogic Holdings PLC, Lanka Walltiles PLC, Expolanka Holdings PLC, Lanka Ceramic PLC, Horana Plantation PLC, Swisstek (Ceylon) PLC, Swisstek Aluminium Pvt Ltd, and Unidil Packaging Ltd. Dr.Selliah is the Chairman of Cleanco Lanka Pvt Ltd.

Dr.Selliah serves on the Remuneration Committee and Audit Committee of some of the companies listed above.

Dr. Manjula Karunaratne

MBBS, M.Sc (Trinity, Dublin), MSOrth Med. (Eng)

Director (Medical)/Deputy Chief Executive Officer

Appointed to the Board of Asiri Hospital Holdings PLC and Asiri Surgical Hospital PLC in 2006.

Had previously also held the post of Medical Director of Asiri Hospital Holdings PLC. A Specialist in Sports/Orthopedic Medicine, with over 25 years professional experience is responsible for the overall medical policy of the Group. He also serves on the Boards of Central Hospital Limited, Asiri Central Hospital PLC, Asiri Hospital Matara (Pvt) Ltd, Asiri Diagnostic Services (Pvt) Ltd. And Asiri Hospital Kandy (Pvt) Ltd.

Mr. G.L.H. Premaratne

Director

Was appointed to the Board in March 2008 after 40 years of banking experience with Commercial Bank. Mr. Premaratne is specialised in Corporate Banking, and is an Associate of the Chartered Institute of Bankers of London. He served as the Managing Director of Sampath Bank from 2009 to December 2011.

He held the position of Chairman of Sri Lanka Banks' Association. He also serves on the Board of Asiri Hospital Holdings PLC and Central Hospital Limited.

He functions as the Chairman of the Remuneration Committee and also a member of the Audit Committee of all three Hospitals.

Mr. S.A.B. Rajapaksa

Director

Mr. Rajapaksa is a Fellow member of the Institute of Chartered Accountants of Sri Lanka, The Chartered Institute of Management Accountants of UK, and a Member of the Chartered Institute of Marketing of UK. He also holds an MBA from the University of Sri Jayewardenepura.

Mr. Rajapaksa began his career at Ernst & Young. He went on to serve as Director/GM at Informatics International, Director/Chief Executive Officer at CF Venture Fund, Group Director of Central Finance Co. PLC, Senior Project Manager at AT&T Inc. USA and Group Director of Kshatriya Holdings PLC. Mr. Rajapaksa was also a Group Director of the Softlogic Group and Director/ Chief Executive Officer of Softlogic Communications Ltd. He also served as the Chairman of Softlogic Credit Ltd. while also serving on the Boards of Softlogic Capital PLC and Softlogic Finance PLC. Mr. Rajapaksa currently serves as the Group Managing Director of Associated Motorways (Private) Limited.

Mr. A.H.E. Rodrigo

Director

Asanka is a Director at Actis and leads new investments in South Asia working out of its Mumbai office. He joined Actis in 2000 and has worked across its offices in London, South and East Africa and India. Asanka has been involved in Actis's investments in the Industrials, Business Services, Financial Services and Healthcare sub sectors including investments such as in Endurance Technologies, Anhelio Healthcare, Dalmia Cement, Ceylon Oxygen, SAGT, Flamingo, BCR Bank and The Junction.

He currently serves on the board of Actis investee companies Endurance Technologies and Dalmia Cement in India.

Asanka holds an MBA from Sir John Cass Business School, London and is a CFA Charterholder.

Mr. V.T. Mahadevia

Director

Viraj is an Investment Principal at Actis and works out of the Mumbai office. He has been with Actis since 2008 and has been involved in Actis's investments in the Healthcare, Industrials and Consumer sectors including investments and portfolio management in companies such as Endurance Technologies and Sterling Hospitals. With a focus on the healthcare sector, Viraj plays a key role in identifying and developing investment themes in the South Asian region. Prior to joining Actis, Viraj worked in Investment Banking in London and India with a focus on the healthcare sector. Viraj holds an MBA from the Indian School of Business, Hyderabad, and a BS in Electrical Engineering from the University of Michigan, Ann Arbor.

Consultant Medical Team



- | | |
|---|---|
| 1. Dr. S.D. Athukorala - <i>Consultant Clinical Bacteriologist</i> | 9. Dr. Chrisantha Mendis - <i>Consultant Anaesthesiologist</i> |
| 2. Dr. Maya Atapattu - <i>Consultant Mycologist</i> | 10. Dr. Dinesh De Silva - <i>Consultant Eye Surgeon</i> |
| 3. Dr. Anil Perera - <i>Consultant/ Head Dept. of Anaesthesiology</i> | 11. Dr. Lushantha Padmasiri - <i>Consultant Anaesthesiologist</i> |
| 4. Dr. Darshani Amarasinghe - <i>Consultant Anaesthesiologist</i> | 12. Dr. Lakmali Paranehewa - <i>Consultant Interventional Radiologist</i> |
| 5. Dr. Gulpa Subasinghe - <i>Consultant Radiologist</i> | 13. Dr. Saman Perera - <i>Consultant Radiologist</i> |
| 6. Prof. L.R. Amarasekara - <i>Consultant Histopathologist</i> | 14. Dr. Gayani Senanayake - <i>Consultant Anaesthesiologist</i> |
| 7. Dr. Shantha Hettiarachchi - <i>Consultant Radiologist</i> | 15. Dr. Narme Wickramasinghe - <i>Consultant Occupational Physician</i> |
| 8. Dr. Rangika Goonaratne - <i>Consultant Eye Surgeon</i> | |



- 16. Dr. Vivek Gupta - *Senior Consultant Cardiothoracic Surgeon*
- 17. Dr. Natasha Pieris - *Resident Physician*
- 18. Dr. Kantha Samarawickrama - *Consultant Radiologist*
- 19. Dr. Thurul Attygalle - *Physician - Stroke Unit*
- 20. Dr. Thushara Fernando - *Consultant Anaesthesiologist*
- 21. Dr. Stella Fernando - *Consultant Anaesthesiologist*
- 22. Dr. Aruna Ratnasooriya - *Consultant- Dental Surgeon*
- 23. Dr. Gamini Jayaweera - *Consultant Transfusion Medicine*
- 24. Dr. Menik Goonewardhena - *Consultant Neonatologist*

Absent

Prof. Vajira Dissanayake - *Consultant Medical Geneticist*

Senior Management Team



1. Dr. (Mrs) Shiranie Gunawardena - Medical Director
2. Mrs. Thelani Weerasinghe - Director Nursing
3. Mr. N.P. John - Director Laboratory Services
4. Mr. Kosala Dissanayake - Director Administration
5. Mr. Nipuna Madiwake - Chief Financial Officer
6. Mrs. Hasanthi De Saram Karandagaspitiya - Group Head, Human Resources and Human Resources Development
7. Mr. Nalin Pasqual - General Manager, Asiri Hospital Matara
8. Mr. Samitha Premaratne - Group IT Manager
9. Mr. Deepthi Wijeratne - Group Maintenance Manager
10. Mr. Upul Wijekoon - Group Head, Food & Beverage
11. Ms. Hemanthi Vithanage - Group Manager Supply Chain
12. Mr. Sudath Dabare - Group Security Consultant
13. Mr. K.S.L. Hewage - Group Pharmacy Manager
14. Mr. Kasun Rupasinghe - Group Internal Auditor
15. Mr. Salinda De Silva - Finance Manager
16. Mr. Dasarath Hettiarachchi - Marketing Manager
17. Ms. Asoka Perera - Chief Nursing Officer
18. Mr. Kamal Wijethilake - Group Marketing Manager, Laboratory Services
19. Dr. (Mrs) L. Fernando - Chief Medical Officer
20. Mr. Jerom Christiansz - House Keeping Manager

Chairman's Statement



“Asiri Hospital forged ahead during the year under review as the premier private healthcare provider in the country, adding value to patients’ lives through new technology, superior nursing care and medical excellence.”

I am pleased to place before you the Annual Report and Audited Accounts of Asiri Hospital Holdings PLC for the year 2012/13. The company has posted yet another year of record performance both financially and operationally. Asiri Hospital forged ahead during the year under review as the premier private healthcare provider in the country, adding value to patients lives through new technology, superior nursing care and medical excellence. We reaped rich rewards from the investments made into advanced medical know how and superior facilities, thus making us the most preferred private healthcare provider in the country.

Impressive Financial Performance

The financial year 2012/13 proved favourable for the Company and the Asiri Group witnessed revenue growth by 15% to reach Rs.7,003 million compared with Rs.6,097 million in the previous financial year. The main contributor to this exceptional performance was the increase in revenues of The Central Hospital, which also contributed to the Group's net profit. Dividend to shareholders was Rs.0.50 per share.

Restructuring

Asiri Hospital Holdings PLC further increased its stake in subsidiaries during the year as part of its restructuring process. During the period under review, ACTIS, a valued partner with global expertise in investments, holds 26.17% equity in Asiri Hospital Holdings PLC.

Achievements

The year under consideration was eventful for the Company and also for the Group with many planned projects coming into fruition thus enhancing our capacity, while setting industry benchmarks in healthcare. The expansion of our Asiri Laboratory network continued during the year, while the Anuradhapura and Batticaloa Satellite laboratories operated efficiently, offering convenience for residents in the area. The Asiri Collection Centres in Homagama and Wellampitiya were also opened during the year, thereby eliminating the need for patients to travel to Colombo. This outreach is also taking the Asiri brand

Chairman's Statement

closer to people in smaller cities and townships, thereby driving brand equity higher.

As a testimony reflecting adherence to international standards and best practices, the Asiri laboratory, which obtained ISO 15189:2007 in 2011, was successfully re-certified for ISO 9001:2008 in 2013 once again. Asiri Hospital Holdings also received ISO 14001:2004 Accreditation Certificate for its advanced Environmental Management System. Furthermore, in the healthcare category, Asiri Hospital won the Silver award in the Annual Report competition 2012 organised by the Institute of Chartered Accountants of Sri Lanka.

Our Group subsidiary, The Central Hospital, recently installed a Biplaner digital subtraction angiography unit, the first of its kind in Sri Lanka, to offer Interventional Radiology, a sophisticated medical procedure, which was only available overseas until now. The high standard of accuracy in imaging facilitated by the Biplane DSA unit offers promising prospect of successfully treating stroke patients. In addition, Biplane Digital imaging also enables perfect delivery of chemotherapy with pinpoint precision in treating various cancers thereby minimising collateral damage and potentially adverse side effects stemming from such treatment. With this technology, the Group could leverage itself as a medical destination for tourists.

Future Plans

Our laboratory expansion efforts will continue going forward and currently there are plans to build a new state of the art Laboratory complex adjoining Asiri Hospital. We are expanding our laboratory presence in Panadura with a Satellite lab complex and will enhance capacity at the Kadawatha and Gallewala Collection centres. The Asiri Hospital building complex will also receive a face-lift. Plans are also afoot to set up a Stroke Unit and Bone Marrow transplant unit for the first time ever in Sri Lanka, which will be located at The Central Hospital. Our flagship Asiri Surgical Hospital will also witness a new cancer treatment unit in the months ahead.

Acknowledgements

It is heartening to note the strong achievements registered by the Asiri Hospitals Group. I have no doubt that the Group will reach the pinnacle of medical excellence, which we shall sustain over the years. Our journey has been made possible by an extremely supportive Board of Directors, dedicated doctors, nurses and medical staff. The Asiri team deserve praise for embodying the Hippocratic principle in their practice and service.

(Sgd.)

Mr Ashok Pathirage

Chairman/ Managing Director

Governance & Risk Management

Responsible Service



Corporate Governance

Corporate Governance is the system by which companies are directed, managed and controlled.

The Board manages the Company on behalf of the shareholders and is responsible to the shareholders for creating and delivering sustainable shareholder value through the management of the Group's business. The Directors exercise their good-faith business judgment with respect to the best interests of the Company.

Board of Directors

The Board comprises of two executive Directors and five non-executive Directors. Their profiles appear on page 8 of the Annual Report.

The Board of Executive Directors generally has a responsibility for making and implementing operational decisions and running the Group's business. The non-executive Directors support the skills and experience of the executive Directors, contributing to the formulation of policy and decision-making through their knowledge and experience of other business sectors.

Board Meetings

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

The Chairman and Managing Director

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

Appraisal of the Managing Director

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

Time commitment

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

Appointment to the Board

New appointments to the Board are based on collective decisions of the Board. In making new appointments, the Board considers the composition of the Board in order to assess whether they have the right mix of skills and experience to be better prepared for the managing of the Company. The Board aims to appoint Independent non-executive Directors who have the skills and experience needed for a comprehensive understanding of the Group's activities.

Re-election of Directors

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

Independence of the Directors

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

As per the Rules issued by the Colombo Stock Exchange, Dr. S Selliah, Mr. G L H Premaratne and Mr. S A B Rajapaksa meet all the criteria of independence except one.

Dr. S Selliah, Mr. G L H Premaratne and Mr. S A B Rajapaksa are Directors of Asiri Surgical Hospital PLC in which a majority of other Directors of Asiri Hospital Holdings PLC are employed and Directors.

The Board having evaluated all the factors, concluded that their independence has not been impaired due to them serving on the Boards of other companies in which a majority of other Directors of Asiri Hospital Holdings PLC are employed or Directors.

Access to independent professional advice

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

Remuneration of the Directors

The remuneration of the Directors is determined by the Board and disclosed on page 53 of the Annual Report.

Company Secretary

Messrs Softlogic Corporate Services (Pvt) Ltd acts as the Company Secretary. The role of the Secretary is dealing with Directors at Board meetings and with shareholders. The Company Secretary attends Board Meetings and ensures that Minutes are kept of all proceedings at the Board Meetings. The Company Secretary advises the Board and ensures that proper procedures and applicable rules and regulations are followed by the Board.

Board Committees

Certain responsibilities of the Board are delegated to Board Committees to assist the Board in carrying out its functions. The two principal Board Committees are:-

Audit Committee

Mr. S A B Rajapaksa - Chairman
Mr. G L H Premaratne
Mr. A H E Rodrigo
Mr. V T Mahadevia

The Audit Committee meets at least four times a year with the Chief Financial Officer and the external auditors to review, inter alia, the Group's annual and interim financial statements, internal audit, compliance reports and reviews the effectiveness of the Group's system of internal control. Periodically, it also approves and reviews

the appointment and retirement of external Auditors, as well as their relationship with the Group.

Remuneration Committee

Mr. G L H Premaratne - Chairman
Dr. S Selliah
Mr. A H E Rodrigo

The Remuneration Committee regularly takes advice from external consultants acknowledged as experts in their fields. The Remuneration Committee usually meets at least once a year. Its role is to make recommendations to the Board on the following.

- remuneration policy for executive directors
- remuneration policy and specific packages for certain senior executives
- employee benefits and long terms incentive schemes

The Group's remuneration policy is based on the following principles.

- To deliver improved shareholder value by ensuring that individual performance and reward reflect and reinforce the business objectives of the Group.
- To support the recruitment, motivation and retention of high quality senior executives
- To ensure that performance is the key factor in determining individual reward
- To communicate the reward structure clearly and effectively to executives and shareholders

The Committee is not responsible for setting the level of remuneration of non-executive Directors, which is determined by the Board.

Responsibilities

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

Corporate Governance

- Exercise leadership, enterprise, integrity and judgement in directing the Company so as to achieve continuing prosperity in a manner based on transparency, accountability and responsibility
- Ensure a managed and effective process of Board appointments
- Determine the Company's purpose, values and strategy and ensure that procedures and practices are in place
- Monitor and evaluate the implementation of strategies and policies for better management performance
- Ensure compliance with the relevant laws, regulations and codes of best practice
- Communicate with shareholders effectively and serve the legitimate interest of the shareholders
- Periodic and timely reporting to shareholders of the progress and performance of the Company
- Review processes and procedures regularly and ensure that internal control is effective
- Identify key risk areas and ensure that these risks are addressed and managed effectively
- Appoint and evaluate the performance of the Managing Director
- Approve the Annual Budget

- Authorise Directors' conflicts or possible conflicts of interest
- Determine of independence of non-executive Directors
- Ensure the continuation of the Company as a going concern

Investor relations

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

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

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

Section	Criteria	Compliance
7.10.1	Non-executive Directors	Complied with. Out of 7 Directors 5 are non-executive Directors.
7.10.2	Independent Directors	Complied with. There are three independent Directors on the Board. Please refer page 16.
7.10.3	Disclosures relating to Directors	Dr. S Selliah, Mr. G L H Premaratne & Mr. S A B Rajapaksa meet all the criteria except one. Please refer to page 16.
7.10.5	Remuneration Committee	Complied with. Comprises of three non-executive Directors including two independent Directors. The names of the Members of the Committee are given in the page 17 of the Annual Report.
7.10.6	Audit Committee	Audit Committee ("AC") should comprise of non-executive Directors, a majority of whom shall be independent. AC will be re-constituted. Comprises of four non-executive Directors including two independent Directors. The report of the Committee is given on page 32. The Chief Financial Officer attends all the meetings.

Risk Management Report

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

Service Quality and Reputation Risk

The Company has systems to ensure the provision of a quality service to its patients so that they are satisfied and retained. In today's world, good reputation has become an organisation's most valuable asset. "Asiri" has developed into a leading household brand name. The Company has recognised the need to protect itself from loss of reputation and against sanctions arising from noncompliance with laws, regulations and ethical standards.

Though adequate insurance cover is available, losses could arise by patients who resort to legal action for professional negligence.

Clinical Risk

Hospitals retain a significant amount of risk – whether they intend to or not – and clinical risk is usually their largest and most volatile area of exposure. There is no foolproof way to identify risks but the continuum of care tool may assist in thinking systematically about the areas where clinical risk may occur. The Company has taken the following steps to mitigate such risks.

- Disclosure of Adverse Patient Outcomes
- Defensible Documentation
- Emergency Medical Treatment
- Guidelines for the Preparation of an Incident Report
- Informed Consent
- Malpractice Prevention

Operational Risk

The Company has a satisfactory system of internal controls in place to mitigate operational risk. Periodic checks are carried out to ensure that the system of internal controls in place is of the highest quality

and also cost effective. Regular reviews are undertaken to ensure that appropriate infrastructure and adequate insurance cover is available to safeguard the Company's assets and minimise any financial losses.

Credit Risk

The Company admits any patient on placement of a deposit or in an emergency, even without a deposit. Further, it admits patients of corporate clients. There is a risk of a patient not having adequate funds to settle his / her bills at the time of discharge. In order to mitigate such risk, the Company issues interim bills to the patients requesting periodic bill settlement. Further there is a risk of corporate clients' payments being delayed or non-payment of a bill.

The Company evaluates credit worthiness of companies before granting credit facilities to corporate clients. Regular reviews are done to ensure that the systems introduced function effectively and the impact, if any, on the performance of the assets of the Company.

Interest Rate Risk

Interest rate risk is the Company's exposure to adverse movement in interest rates. The Company has obtained multiple facilities from various banks for working capital, capital expenditure and investment at varying terms and conditions.

Compliance with Laws and Regulations

Legal risks are those risks resulting from legal consequences of transactions, with inadequate documentation, legal or regulatory issues and other factors that may result in contracts with counter parties becoming unenforceable causing unexpected financial losses.

In addition to complying with the Colombo Stock Exchange, Securities and Exchange Commission and Companies Act disclosure requirements, the Company also complies with Sri Lanka Accounting Standards.

Risk Management Report

Foreign Exchange Risk

Foreign Exchange Risk is the Company's exposure to adverse movement in Foreign currency against the Lankan Rupee. The Company has obtained a Foreign loan from the International Finance Corporation (IMF) and obtained facilities from Commercial banks to hedge against a major part of the loan.

Technological Obsolescence

The health industry is a sector where frequent innovations are made. The non-availability of state-of-the-art technology can have an impact on the company's performance. The Company makes regular investments in cutting-edge technology and staff are trained for optional application of existing technology.

Investment Risk

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

Information Security and Loss of Data

The environment that the Company operates is getting more and more computerised. Loss of important data or inability to access systems due to technical failures is another risk that we need to be mindful of. Regular maintenance of equipment, daily backups, offsite storage and round-the-clock IT support are some of the strategies adopted to mitigate such risk. The hospital maintains a lot of confidential data of its patients. Employees are made aware of the importance of the security of such information. The Company has introduced a password policy in this regard.

Ethic Committee Report

The Ethics Committee of the Asiri Group of Hospitals was constituted to serve as an advisory body on matters relating to conduct of research and clinical trials within the Asiri Group of Hospitals. The committee is entrusted with the task of accepting proposals for research, conducting scientific and ethical reviews of such proposals, granting or refusing ethics clearances and monitoring of same. The Committee has so far reviewed experimental therapy and clinical trial protocols submitted to it by clinicians at Asiri. These include protocols on experimental stem cell therapy for Parkinson Disease and spinal cord transaction and a phase II trial for rheumatoid arthritis using an anti TNF alpha antibody. The committee is constituted and operates according to International Committee on Harmonisation of Good Clinical Practice Guidelines (ICH GCP) and is a member of the Forum for Ethics Review Committees in Sri Lanka.

Members:

Prof. Rohan W Jayasekara, (Chairperson)

Professor of Anatomy / The Dean, Faculty of Medicine, University of Colombo.

Dr. Malik Fernando

Member of Ethics Review Committee of Sri Lanka Medical Association and also Faculty of Medicine, University of Colombo.

Mr. Arittha Wickramanayake

Attorney at Law/ Precedent Partner, Nithya Partners

Dr. Siva Selliah

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

Dr. Fred Perera

Consultant Neurosurgeon

Prof. Kemal I Deen

Professor of Surgery, Department of Surgery, Faculty of Medicine, University of Kelaniya, (Ragama.)

Mrs. Varuni Amunugama Fernando

Attorney-at-Law./ Co-founder and Jt. Managing Director of Triad Pvt Ltd and their Group of subsidiary companies

Dr. Indrani Amarasinghe

Consultant Oncologist

(Sgd.)

Prof. Rohan Jayasekara

Chairperson – Ethics Committee
29 July 2013

Remuneration Committee Report

The Remuneration Committee is a sub-committee of the Board constituted under the Company's Corporate Governance policies for the purpose of recommending the remuneration of Senior Management. The members, of the Committee comprise of 3 Non-Executive Directors including two independent Non-Executive Directors. The names of the Committee members are stated in the Corporate Governance Report on page 17.

The Directors' emoluments are disclosed on page 53.

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

(Sgd.)

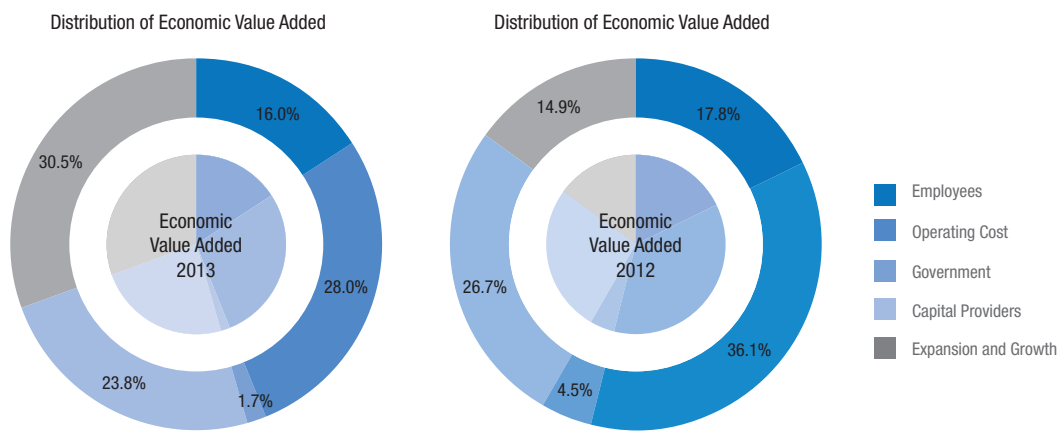
G.L.H. Premaratne

Chairman – Remuneration Committee

Economic Value Added Statement

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

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



	31-Mar-2013 Rs. '000	%	31-Mar-2012 Rs. '000	%
Direct Economic Value Generated				
Turnover	2,120,675	59%	1,890,390	89.4%
Finance Income	119,777	3%	27,321	1.3%
Other Income	1,330,357	37%	197,985	9.4%
	3,570,809	100%	2,115,696	100.0%
Employees				
Employee Wages & Benefits	571,604	16.0%	376,083	17.8%
Economic Vale Distributed				
Operating Cost	1,001,024	28.0%	764,128	36.1%
Government				
Taxes Paid	62,094	1.7%	94,971	4.5%
Capital Providers				
To Lenders as interest	308,784	8.6%	207,930	9.8%
To Shareholders as dividends	549,546	15.4%	226,762	10.7%
Currency Fluctuation	(7,169)	-0.2%	131,100	6.2%
Expansion and Growth				
Depreciation	85,797	2.4%	82,456	3.9%
Retained Earnings	1,002,382	28.1%	212,470	10.1%
Provision for Fluctuation of Shares	(3,253)	-0.1%	19,796	0.9%
	3,570,809	100.0%	2,115,696	100.0%

Corporate Social Responsibility

Compassionate Care



Annual Report of the Board of Directors

The Directors of Asiri Hospital Holdings PLC have pleasure in presenting to the members their report together with the audited financial statements of the Company and the audited consolidated financial statements of the group for the year ended 31st March 2013.

Principal Activities and Nature

The principal activity of the Company continues to be carrying out Health Care and Hospital Services.

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

Review of Operations

A review of the operations of the Group and its performance during the year is contained in the Chairman's Review on pages 13 and 14 of the Annual Report. This review together with the Financial Statements reflects the state of affairs of the Company and the Group. These reports form an integral part of the Directors' Report.

Financial Statements

Section 168 (b) of the Companies Act requires that the Annual Report of the Directors includes financial statements of the Company, in accordance with Section 151 of the Act and Group financial statements for the accounting period, in accordance with section 152 of the Act. The requisite financial statements of the Company are given on pages 35 to 86 of the Annual Report.

Directors' Responsibility for Financial Reporting

The Directors are responsible for the preparation of the Financial Statements of the Company to reflect a true and fair view of the state of affairs. The Directors are of the view that these financial statements have been prepared in conformity with the requirements of the Companies Act No. 7 of 2007 and the Sri Lanka Financial Reporting Standards. A statement in this regard is given on page 27.

Auditor's Report

The Auditor's Report on the financial statements is given on page 34.

Accounting Policies

The accounting policies adopted in the preparation of the financial statements are given on pages 40 to 46. There was no change in the accounting policies adopted.

Internal Control

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

Directorate

The following Directors held Office during the year under review.

Dr. D S Rajapaksa - Chairman (resigned w.e.f. 28th September 2012)

Dr. S Selliah - Deputy Chairman

Mr. A K Pathirage - Managing Director

Dr. K M P Karunaratne

Mrs. D Wimalasundera (resigned w.e.f. 5th November 2012)

Mr. P P Subasinghe (resigned w.e.f. 28th September 2012)

Mr. G L H Premaratne

Mr. S A B Rajapaksa

Mr. T M Wijesinghe (resigned w.e.f. 1st October 2012)

Mr. A H E Rodrigo (appointed w.e.f. 1st October 2012)

Mr. V Mahadevia (appointed w.e.f. 1st October 2012)

In terms of Article 24(6) of the Articles of Association of the Company, Mr. G L H Premaratne retires by rotation and being eligible offer himself for re-election.

In terms of Article 24(2) of the Articles of Association of the Company, Messrs A H E Rodrigo and V Mahadevia retire and being eligible offers themselves for re-election.

Mr. A K Pathirage, Managing Director was appointed as the Chairman of the Board with effect from 8th February 2013.

Directors' Shareholding

Directors' interest in shares of the Company as at 31st March 2013 were as follows.

Name of Director	No. of shares
Mr. A K Pathirage	368,120
Dr. S Selliah	-
Dr. K M P Karunaratne	1,850
Mr. G L H Premaratne	-
Mr. S A B Rajapaksa	-
Mr. A H E Rodrigo	-
Mr. V Mahadevia	-

Interest Register

The Interest Register is maintained by the Company as per the Companies Act No. 7 of 2007. All Directors have disclosed their interests pursuant to Section 192(2) of the said Act.

Directors' interests in contracts and proposed contracts with the Company

Directors' interests in contracts, both direct and indirect are referred to in Note 32 to the Financial Statements. The Directors have no direct or indirect interest in any other contract or proposed contract with the Company.

Directors' Remuneration

Directors' remuneration in respect of the Company and the Group for the financial year 2012/2013 is given in Note 7 to the Financial Statements on page 53.

Donations

The donations made by the Company during the year amounted to Rs.9,714,770 (2011/2012 - Rs.3,124,000/-).

Auditors

Messers Ernst & Young, Chartered Accountants, are willing to continue as Auditors of the Company and a resolution proposing their reappointment will be tabled at the Annual General Meeting.

As far as the Directors are aware the Auditors Messers Ernst & Young do not have any relationship (other than that of an auditor) with the Company. The Auditors also does not have any interest in the Company or in the subsidiary companies.

Dividends

The Directors recommend to the shareholders that the interim dividend of Rs.0.50 (cents 50) per share paid on 28th March 2013 be considered as the final dividend for the year ended 31st March 2013.

Capital Expenditure

The capital expenditure of the Group and the Company during the year amounted to Rs.569 Mn, 69 Mn respectively (2011/2012 – Group Rs.427 Mn & Company – Rs.93 Mn) details of which are given in note 11 to the financial statements.

Property, Plant & Equipment

The movement in Property, Plant and Equipment during the year under review is set out in Note 11 to the financial statements.

Stated Capital

The stated capital of the Company as at 31st March 2013 was Rs.3,902,399,998. The stated capital of the Company as at 31st March 2012 has increased to Rs.3,902,399,998 from Rs.1,636,244,012 during the year under review, subsequent to the private placement of shares. 209,829,258 shares at Rs.10.80 per share were issued to Actis Investment Holdings SL Limited at the private placement which was concluded on 1st October 2012.

Reserves

The total reserves of the Group and the Company as at 31st March 2013 amounted to Rs.7,675 Mn and Rs.6,345 Mn respectively. The composition of reserves is shown in the Statement of Changes in Equity in the financial statements.

Shareholders' Information

The distribution of shareholders is indicated on pages 87 and 88 in the Annual Report. There were 4,837 registered shareholders as at 31st March 2013.

Annual Report of the Board of Directors

Share Information

Information on share trading is given on page 88 of the Annual Report.

Events after the date of the Statement of Financial Position

No circumstances have arisen and no material events have occurred since after the date of Statement of Financial Position, which would require adjustments to, or disclosure in the accounts.

Statutory Payments

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

Going Concern

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

Annual General Meeting

The Thirty Third Annual general Meeting of the Company will be held at Hotel Janaki, Fife Road, Colombo 05 on Thursday the 26th day of September 2013 at 11.40 a.m. The Notice of the 33rd Annual General Meeting is on page 90 of the Annual Report.

For and on behalf of the Board

(Sgd.)
Director

(Sgd.)
Director

(Sgd.)
Secretaries
Softlogic Corporate
Services (Pvt) Ltd

29 July 2013
Colombo

Statement of Directors' Responsibility

The responsibility of the Directors, in relation to the financial statements of the Company differs from the responsibilities of the Auditors, which are set out in the Report of the Auditors on page 34.

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

In preparing those financial statements set out on pages 35 to 86 the directors are required to:

- select appropriate accounting policies and then maintain consistency
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements

The Directors confirm that they have complied with the above requirements in preparing both the Company financial statements and the consolidated financial statements. The Directors also confirm that the Company and the Group have adequate resources to continue in business for the foreseeable future and have applied going concern basis in preparing these financial statements.

The Directors are responsible for keeping proper accounting records, which disclose reasonable accuracy, at any time, the financial position of the Company and the Group and to enable them to ensure the financial statements comply with the Companies Act No. 7 of 2007.

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

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

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

Compliance Report

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

For and on behalf of the Board

(Sgd.)

**SOFTLOGIC CORPORATE SERVICES (PVT) LTD
SECRETARIES**

29 July 2013
Colombo

Corporate Social Responsibility Policy

CSR (Corporate Social Responsibility) Policy

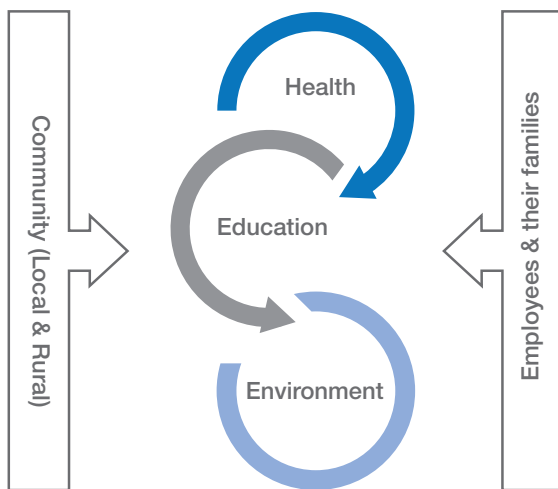
Asiri Group of Hospitals is committed to operate its business aligning with the legal obligations, ethical standards, local and international norms and the codes of practice prevailing in the Country. Our commitment to CSR is reflected in all our standards and procedures especially Human Resources, Purchasing and Environmental Policies along with the contributions we make to the stakeholders and to the local communities where we operate in.

The advantage of being in the health care sector is that, we are very close to the hearts and minds of the public and the local communities. Our organisation CSR has been looked at as an opportunity not as a responsibility.

The endearing motive and aspiration in our organisation is to ensure that the society as a whole is provided with the best standards of health care facilities consistent with that of the developed world and that our staff, are willing and able to provide the care needed. This propagates our stability and recognition in the Health care industry in Sri Lanka and this brings about the long term success that the stakeholders demand. "Healthy return on their investment".

CSR also helps improve brand recognition and perception of the Group among the staff, particularly in community activities.

To make a way of life through our daily activities and events and contribute to the betterment of our societies in order to aim for a knowledge based, healthier nation, while ensuring our customers, employees, environment and other stakeholders are protected by all our goals and actions.



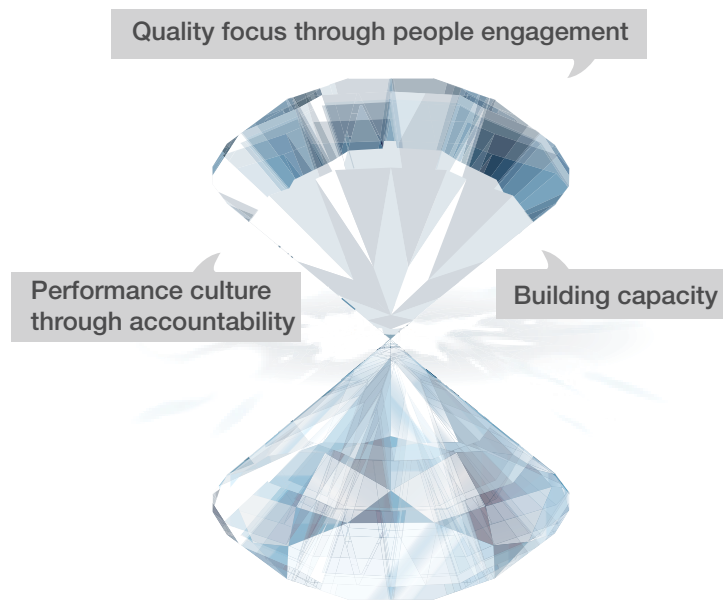
Our CSR Model

While keeping our main focus on health related activities, we are concentrating on various stakeholder groups in assisting and advocating them to upgrade their health standards and address concerns. In line with our objective we operate on the following model;

Some of our CSR activities are mentioned below;

- Free Heart Surgeries for Underprivileged Children
- Free health camps for school children, teachers and general public conducted regularly
- Free Laboratory testing facilities carried out regularly for underprivileged patients
- Rs.10 Mn cash donation to CCC Foundation of Sri Lanka through the National Health Development Fund for the construction of a Transit Home at the National Cancer Hospital, Maharagama
- Conducting Free regular Health Camps for the public in areas such as Kandy, Matara, Kalutara, Jaffna, Trincomalee, Negombo, Anuradhpura, Ampara and Pamunugama in collaboration with the social organisations in the area
- Platinum sponsor for the "BEAP Project" (Batticaloa Teaching Hospital Emergency & Accident Project) which was introduced to empower doctors in Sri Lankan Teaching Hospitals to improve health care services by providing them with adequate medical resources, training and support to build the necessary infrastructure within the hospital. The long term aim of this Hospital would be to enhance the National Trauma Service from Karapitiya to Batticaloa and beyond.

HR Activities



Our People's Strategy

We continuously look for innovative solutions to develop, recognise and retain our most important asset – 'People'

Our People's strategy is built to focus on three main areas;

Quality focus through people management

We have obtained several Quality accreditations, namely ISO 9001: 2008 Quality Management Systems, ISO 14001 Environment Management System, OHSAS 18001 Occupational Health & Safety, ISO 15189 Laboratory accreditation, ISO 22000 Food Safety Management and have progressed in TQM along with 5S, Kaizen and Quality Circles. We have also embarked on JCI (Joint Commission International) which is the highest standard a hospital could obtain. These initiatives have been introduced through various schemes and competitions to attain the highest level of employee engagement to make this journey easy, enjoyable and beneficial to our staff.

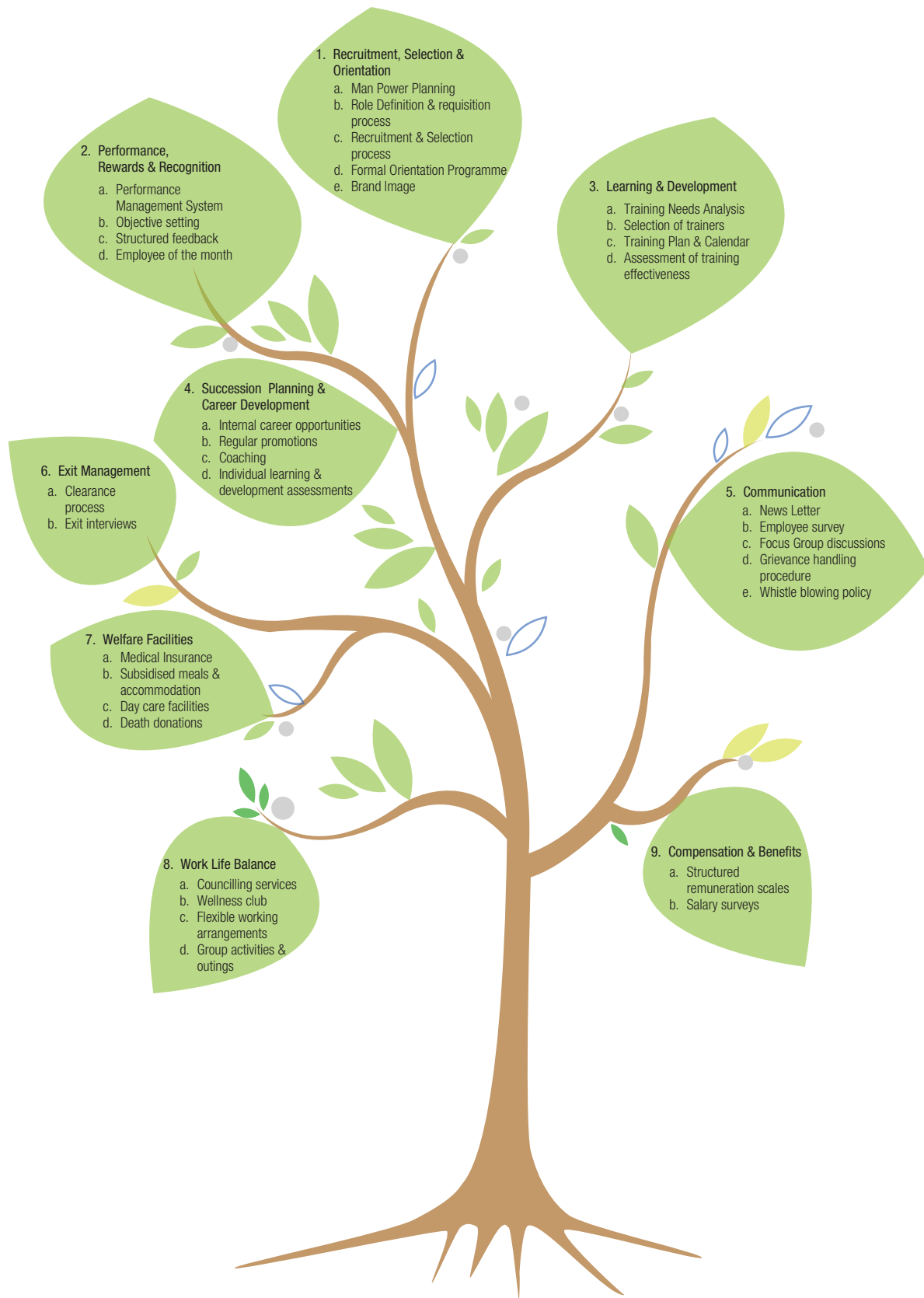
Performance culture through accountability

A good performance management system emphasises on Accountability. Therefore, during the year 2012/13 a Group-wide

workshop on setting goals and objectives was conducted for the management team of Asiri Group of Hospitals. The Vision, Mission, Corporate Values and Objectives were re-visited in the context of the current healthcare market to determine our future focus. Cascading from the Corporate Objectives, all Heads of Divisions formulated respective divisional goals and objectives. The individual's responsibilities were assigned accordingly.

Building Capacity

The objective of the Learning and Development Policy of Asiri Group of Hospitals is to build capacity of staff through a focused training plan in order to achieve the business goals. We mainly concentrate on enhancing knowledge and skills of our staff to achieve service excellence through a focused effort to address the learning needs with the aim of achieving a higher level of patient care, personal development and camaraderie among our staff members. The learning needs could be categorised into three main areas; Learning for delivering quality services, learning for competency development and learning for career development.



Audit Committee Report

The Audit Committee is appointed by the Board of Directors and comprises of four Non-Executive Directors out of which two are Independent Directors. The Names of the Committee members are stated in the Corporate Governance Report on Page 17.

The Audit Committee examines any matters relating to the financial reporting system, the system of internal control over financial reporting, the audit process and the Company's process for monitoring compliance with laws and regulations. As and when required it requests additional information from the Management in order to satisfy itself on the adequacy of the controls in place. The Audit Committee also recommends to the Board, the appointment and fees of external auditors.

The Audit Committee met on six occasions during the year to examine the effectiveness of the Company's internal control system and the system for monitoring compliance with laws and regulations.

The Audit committee also reviewed and approved the Annual and Interim financial statements prior to the final approval by the Board and also assessed major business and control risks of the company.

The Audit Committee recommend to the Board of Directors the M/s Ernst & Young be re-appointed as the auditors of the Company for the financial year ending 31st March 2014, subject to the approval of the shareholders at the Annual General Meeting.

(Sgd.)

Samantha Rajapaksa

Chairman – Audit Committee

29 July 2013



Financial Information

Real Integrity

34. Independent Auditors' Report | 35. Income Statement | 36. Statement of Other Comprehensive Income | 37. Statement of Financial Position | 38. Statement of Changes in Equity | 39. Statement of Cash Flows | 40. Accounting Policies | 47. Notes to the Financial Statements

Independent Auditors' Report To the Shareholders of Asiri Hospital Holdings PLC



Ernst & Young
Chartered Accountants
201 De Soeren Place
P.O. Box 302
Colombo 10
Sri Lanka

Tel : +94 11 2460500
Fax Gen : +94 11 2697369
Tax : +94 11 55 93100
Eys: EY.lk@ey.com
EY.COM

Report on the financial statements

We have audited the accompanying financial statements of Asiri Hospital Holdings PLC ("Company"), the Consolidated Financial Statements of the Company and its Subsidiaries, which comprise the Statements of Financial Position as at 31 March 2013, and the Income Statements, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Scope of audit and basis of opinion

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended 31 March 2013 and the financial statements give a true and fair view of the Company's financial position as at 31 March 2013 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

In our opinion, the consolidated financial statements give a true and fair view of the financial position as at 31 March 2013 and the financial performance and cash flows for the year then ended, in accordance with Sri Lanka Accounting Standards, of the Company and its subsidiaries dealt with thereby, so far as concerns the shareholders of the Company.

Report on other legal and regulatory requirements

These financial statements also comply with the requirements of Sections 151(2) and 153(2) to 153(7) of the Companies Act No. 07 of 2007.

29 July 2013
Colombo

Income Statement

Year Ended 31 March 2013

	Note	GROUP		COMPANY	
		2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
Revenue		7,003,291,714	6,096,765,686	2,120,675,032	1,890,390,056
Cost of Services		(3,597,881,287)	(3,083,768,273)	(1,097,642,835)	(975,651,601)
Gross Profit		3,405,410,427	3,012,997,413	1,023,032,197	914,738,455
Net Trading Income/(Loss)	3	(147,484,238)	147,269,774	(85,378,384)	81,364,100
Other Income	4	106,674,369	104,111,192	1,330,355,835	197,985,444
Administrative Expenses		(1,682,487,637)	(1,443,417,912)	(458,723,946)	(339,605,664)
Selling and Distribution Costs		(47,205,537)	(18,151,428)	(13,425,349)	(8,569,954)
Finance Cost	5.1	(741,808,920)	(668,743,619)	(308,783,583)	(207,929,720)
Finance Income	5.2	88,840,480	-	119,777,212	27,321,369
Net Exchange Gain/ (Loss)	6	21,397,153	(397,456,714)	7,168,980	(131,100,264)
Changes in Fair Value of the Investment Property	13	61,309,000	205,380,500	-	-
Profit Before Tax		1,064,645,097	941,989,206	1,614,022,962	534,203,766
Income Tax Expense	8	(166,368,105)	(90,630,099)	(62,094,436)	(94,971,218)
Profit for the Year		898,276,992	851,359,107	1,551,928,526	439,232,548
Attributable to:					
Equity Holders of the Parent Company		696,471,997	609,332,609		
Minority Interest		201,804,995	242,026,498		
		898,276,992	851,359,107		
Earnings Per Share-Basic	9	0.69	0.69	1.53	0.49
Dividend Per Share - Ordinary Shares	10	0.50	0.26	0.50	0.26

The Accounting Policies and Notes on pages 40 through 86 form an integral part of these Financial Statements.

Statement of Other Comprehensive Income

Year Ended 31 March 2013

	Note	Group		Company	
		2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
Profit for the year		898,276,992	851,359,107	1,551,928,526	439,232,548
Other Comprehensive Income / (Expenses)					
Gain/(Loss) on fair valuation of Financial Assets - Available for Sale	16.1	101,623,340	(5,665,647)	101,623,340	(5,665,647)
Revaluation of Land and Building		1,490,917,516	136,278,164	98,967,973	-
Deferred Tax Impact on Revaluation of Buildings		(156,081,827)	(38,157,886)	(370,113)	-
Other Comprehensive Income / (Expenses), net of tax		1,436,459,029	92,454,631	200,221,200	(5,665,647)
Total Comprehensive Income / (Expenses), net of tax		2,334,736,021	943,813,738	1,752,149,726	433,566,901
Total Comprehensive Income / (Expenses) Attributable to:					
Equity Holders of the Parent Company		1,778,741,966	673,255,391		
Minority Interest		555,994,055	270,558,347		
		2,334,736,021	943,813,738		

The Accounting Policies and Notes on pages 40 through 86 form an integral part of these Financial Statements.

Statement of Financial Position

As at 31 March 2013

	Note	2013 Rs.	GROUP 2012 Rs.	2011 Rs.	2013 Rs.	COMPANY 2012 Rs.	2011 Rs.
ASSETS							
Non-current Assets							
Property, Plant and Equipment	11	10,406,325,982	8,982,121,415	10,833,290,720	1,250,734,422	1,168,641,397	1,158,232,280
Leasehold Property	12	300,249,624	289,988,199	230,763,887	-	-	-
Investment Property	13	2,100,945,500	2,039,636,500	-	-	-	-
Goodwill	14	548,706,564	548,706,564	548,706,564	-	-	-
Deferred Tax Assets	24	212,587,196	227,376,149	161,051,337	13,987,657	13,514,488	27,477,775
Investment in Subsidiaries	15	-	-	-	7,122,844,797	3,684,215,457	3,525,217,353
Financial Assets - Available for Sale	16.1	397,610,730	295,918,773	1,937,587	397,342,440	295,719,100	1,384,747
		13,966,425,596	12,383,747,600	11,775,750,095	8,784,909,316	5,162,090,442	4,712,312,155
Current Assets							
Inventories	17	329,704,629	297,522,714	286,648,295	102,006,394	97,879,719	98,442,385
Trade and Other Receivables	18.1	297,326,676	393,046,764	295,042,649	418,257,894	451,895,359	274,255,102
Advances and Prepayments	18.2	179,011,394	232,437,823	199,100,867	34,560,818	105,625,849	154,232,497
Financial Assets - Held for Trading	16.2	31,940,916	28,687,500	47,500,000	31,940,916	28,687,500	47,500,000
Loans Granted to Related Parties	19	370,794,761	-	-	586,035,476	31,080,000	158,400,000
Cash and Cash Equivalents	28.1	170,995,342	119,871,093	44,383,579	66,613,049	60,130,088	11,698,942
		1,379,773,718	1,071,565,894	872,675,390	1,239,414,547	775,298,515	744,528,926
Total Assets		15,346,199,314	13,455,313,494	12,648,425,485	10,024,323,863	5,937,388,957	5,456,841,081
EQUITY AND LIABILITIES							
Capital and Reserves							
Stated Capital	20	3,902,399,998	1,636,244,012	1,636,244,012	3,902,399,998	1,636,244,012	1,636,244,012
Revaluation Reserve	21	1,210,910,400	427,991,747	358,403,318	457,001,178	358,403,318	358,403,318
Available for Sale Reserve		95,957,693	(5,665,647)	-	95,957,693	(5,665,647)	-
Retained Earnings		247,695,589	1,302,363,986	942,463,500	1,889,575,782	944,233,195	731,762,725
Share Holders' Fund		5,456,963,680	3,360,934,098	2,937,110,830	6,344,934,651	2,933,214,878	2,726,410,055
Minority Interest		2,217,564,268	2,203,648,594	2,091,571,492	-	-	-
Total Equity		7,674,527,948	5,564,582,692	5,028,682,322	6,344,934,651	2,933,214,878	2,726,410,055
Non-current Liabilities							
Interest Bearing Loans and Borrowings	22	4,285,988,151	5,001,344,215	1,895,395,759	1,187,544,765	1,554,677,944	605,490,972
Amount due on Leasehold Property	23.1	42,416,667	46,488,666	50,560,667	-	-	-
Deferred Tax Liabilities	24	378,857,764	177,383,630	131,448,917	65,908,096	66,456,815	103,725,651
Retirement Benefit Liability	25	214,322,560	200,335,178	170,369,983	116,563,812	112,620,740	97,946,233
		4,921,585,142	5,425,551,689	2,247,775,326	1,370,016,673	1,733,755,499	807,162,856
Current Liabilities							
Trade and Other Payables	26.1	273,885,320	472,793,512	545,086,390	1,195,556,754	492,833,610	160,159,798
Other Payables	26.2	332,282,235	47,575,420	47,580,610	82,745,517	47,575,423	47,580,610
Dividend Payable		28,899,702	26,712,194	25,845,680	27,345,257	25,536,134	24,670,558
Interest Bearing Loans and Borrowings	22	2,098,815,406	1,902,791,197	4,688,262,773	988,528,127	677,461,371	1,632,701,223
Amount due on Leasehold Property	23.1	4,072,000	4,072,000	5,113,277	-	-	-
Income Tax Payable	27	12,131,561	11,234,790	60,079,107	15,196,884	27,012,042	58,155,981
		2,750,086,224	2,465,179,113	5,371,967,837	2,309,372,539	1,270,418,580	1,923,268,170
Total Equity and Liabilities		15,346,199,314	13,455,313,494	12,648,425,485	10,024,323,863	5,937,388,957	5,456,841,081

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

(Sgd.)
Chief Financial Officer

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

(Sgd.)
Director

(Sgd.)
Director

The Accounting Policies and Notes on pages 40 through 86 form an integral part of these Financial Statements.

29 July 2013
Colombo

Statement of Changes in Equity

Year Ended 31 March 2013

GROUP	Note	Stated Capital Rs.	Available for Sale Reserve Rs.	Revaluation Reserve Rs.	Retained Earnings Rs.	Minority Interest Rs.	Total Rs.
As at 01 April 2011		1,636,244,012	-	358,403,318	942,463,500	2,091,571,492	5,028,682,322
Profit for the Year		-	-	-	609,332,609	242,026,498	851,359,107
Other Comprehensive Income		-	(5,665,647)	69,588,429	-	28,531,849	92,454,631
Total Comprehensive Income		-	(5,665,647)	69,588,429	609,332,609	270,558,347	943,813,738
Acquisitions, Disposal and Changes in Holding		-	-	-	(22,670,045)	(80,400,814)	(103,070,859)
Interim Dividends 2011/12	10	-	-	-	(226,762,078)	-	(226,762,078)
Subsidiaries Dividend to Minority Shareholders		-	-	-	-	(78,080,431)	(78,080,431)
As at 31 March 2012		1,636,244,012	(5,665,647)	427,991,747	1,302,363,986	2,203,648,594	5,564,582,692
Profit for the Year		-	-	-	696,471,997	201,804,995	898,276,992
Other Comprehensive Income		-	101,623,340	980,646,629	-	354,189,060	1,436,459,029
Total Comprehensive Income		-	101,623,340	980,646,629	696,471,997	555,994,055	2,334,736,021
Acquisitions, Disposal and Changes in Holdings		-	-	(197,727,976)	(1,144,554,455)	(398,813,605)	(1,741,096,036)
Issue of Shares for Cash Consideration	20	2,266,155,986	-	-	-	-	2,266,155,986
Direct Transaction Costs relating to Issue of Shares	20	-	-	-	(57,039,785)	-	(57,039,785)
Interim Dividends 2012/13	10	-	-	-	(549,546,154)	-	(549,546,154)
Subsidiaries Dividend to Minority Shareholders		-	-	-	-	(143,264,776)	(143,264,776)
As at 31 March 2013		3,902,399,998	95,957,693	1,210,910,400	247,695,589	2,217,564,268	7,674,527,948

COMPANY	Note	Stated Capital Rs.	Available for Sale Reserve Rs.	Revaluation Reserve Rs.	Retained Earnings Rs.	Total Rs.
As at 01 April 2011		1,636,244,012	-	358,403,318	731,762,725	2,726,410,055
Profit for the Year		-	-	-	439,232,548	439,232,548
Other Comprehensive Income		-	(5,665,647)	-	-	(5,665,647)
Total Comprehensive Income		-	(5,665,647)	-	439,232,548	433,566,901
Interim Dividends 2011/12	10	-	-	-	(226,762,078)	(226,762,078)
As at 31 March 2012		1,636,244,012	(5,665,647)	358,403,318	944,233,195	2,933,214,878
Profit for the Year		-	-	-	1,551,928,526	1,551,928,526
Other Comprehensive Income		-	101,623,340	98,597,860	-	200,221,200
Total Comprehensive Income		-	101,623,340	98,597,860	1,551,928,526	1,752,149,726
Issue of Shares for Cash Consideration	20	2,266,155,986	-	-	-	2,266,155,986
Direct Transaction Costs relating to Issue of Shares	20	-	-	-	(57,039,785)	(57,039,785)
Interim Dividends 2012/13	10	-	-	-	(549,546,154)	(549,546,154)
As at 31 March 2013		3,902,399,998	95,957,693	457,001,178	1,889,575,782	6,344,934,651

The Accounting Policies and Notes on pages 40 through 86 form an integral part of these Financial Statements.

Statement of Cash Flows

Year Ended 31 March 2013

	Note	2013 Rs.	GROUP 2012 Rs.	2013 Rs.	COMPANY 2012 Rs.
Cash Flows From Operating Activities					
Profit Before Income Tax Expense		1,064,645,097	941,989,206	1,614,022,962	534,203,766
Adjustments for					
Depreciation	11	624,132,845	562,035,124	85,796,554	82,455,818
Amortization of Leasehold Assets		5,538,363	5,775,688	-	-
Net Profit on Sale of Property, Plant and Equipment	11,4	(600,645)	(1,408,021)	-	-
Adjustment for Fair value of Trading Securities	16	(3,322,033)	18,812,500	(3,253,416)	18,812,500
Gain on Preference Share Redemption		-	-	(852,600,000)	-
Provision for Bad and doubtful Debts		1,842,552	5,310,882	(217,501)	410,615
Provision for Sundry Debtors		3,072,091	-	3,072,091	-
Provision for Retirement Gratuity	25.1	31,605,459	39,139,747	13,255,420	19,304,330
Finance Expense	5.1	741,808,920	668,743,619	305,330,395	204,043,437
Investment Income	4, 5, 2	(100,639,576)	(25,785,658)	(509,941,193)	(153,629,737)
Unrealised Exchange Loss	6	21,397,153	397,456,714	(7,168,980)	134,740,264
Guarantee Income /Expenses		-	-	(14,693,289)	(15,872,230)
Changes in Fair Value of the Investment Property	13	(61,309,000)	(205,380,500)	-	-
Operating Profit Before Working Capital Changes		2,328,171,226	2,406,689,301	633,603,043	824,468,763
Changes in Working Capital					
Increase /(Decrease) in Inventories		(32,181,915)	(10,874,419)	(4,126,675)	562,666
Increase /(Decrease) in Trade and Other Receivables		90,805,445	(103,314,997)	30,782,879	(178,050,872)
Increase /(Decrease) in Advances and Prepayments		53,426,429	(33,336,956)	71,065,031	48,606,648
Increase /(Decrease) Amounts Due from Related Parties		(370,794,761)	-	(554,955,476)	127,320,000
Increase /(Decrease) in Trade and Other Payables		(198,908,192)	(72,292,878)	702,723,144	332,673,812
Increase /(Decrease) in Other Payables		284,706,815	(5,190)	35,170,094	(5,187)
Cash Generated From Operations		2,155,225,047	2,186,864,861	914,262,040	1,155,575,830
ESC/Income Tax Paid		(104,943,465)	(197,967,336)	(75,301,598)	(149,420,708)
Defined Benefit Plan Costs Paid		(17,618,077)	(9,174,552)	(9,312,348)	(4,629,823)
Finance Cost Paid		(741,808,920)	(668,743,619)	(305,330,395)	(204,043,437)
Net Cash From Operating Activities		1,290,854,585	1,310,979,354	524,317,699	797,481,862
Cash Flows From/(Used in) Investing Activities					
Acquisition of Property, Plant and Equipment	11.1.4	(568,654,007)	(401,695,416)	(68,921,606)	(92,864,933)
Cash Paid for the Leasehold Improvement During the Year		(15,799,788)	-	-	-
Receipt Form the Redemption of Preference Shares		-	-	1,482,600,000	-
Advance Paid for Land		-	(65,000,000)	-	-
Investment in Quoted Securities		-	(299,646,833)	-	(300,000,000)
Capital Work-in-Progress		-	(10,180,771)	-	-
Investment in Subsidiaries		(1,741,442,643)	(103,125,924)	(4,053,936,052)	(143,125,874)
Proceeds from Disposal of Property, Plant and Equipment		11,834,756	4,440,552	-	-
Interest/Dividend Received		100,639,576	25,785,658	509,941,193	153,629,737
Net Cash Flows Used in Investing Activities		(2,213,422,106)	(849,422,734)	(2,130,316,465)	(382,361,070)
Cash Flows from /(Used in) Financing Activities					
Proceeds from the Share Issue		2,209,116,201	-	2,209,116,201	-
Dividends Paid	10	(547,358,647)	(225,895,564)	(547,737,032)	(225,896,503)
Dividends Paid to Minority by Subsidiaries		(143,264,776)	(78,080,431)	-	-
Proceeds from Term Loans		1,033,389,913	2,685,520,199	-	733,378,716
Repayment of Term Loans		(1,888,243,708)	(2,853,564,003)	(268,594,081)	(808,109,771)
Repayment of Lease Obligations		(5,680,669)	(727,466)	-	(614,876)
Repayment of Amount due on Leasehold Property		(4,071,999)	(5,113,278)	-	-
Net Cash Flows From/ (Used in) Financing Activities		653,886,315	(477,860,543)	1,392,785,088	(301,242,434)
Net Increase/(Decrease) in Cash and Cash Equivalents		(268,681,206)	(16,303,923)	(213,213,678)	113,878,358
Cash and Cash Equivalents at the Beginning of the Year		(792,484,556)	(776,180,633)	(383,138,039)	(497,016,398)
Cash and Cash Equivalents at the End of the Year	28	(1,061,165,762)	(792,484,556)	(596,351,717)	(383,138,040)

The Accounting Policies and Notes on pages 40 through 86 form an integral part of these Financial Statements.

Notes to the Financial Statements

Year Ended 31 March 2013

1. CORPORATE INFORMATION

1.1 General

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

1.2 Principal Activities and Nature of Operations

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

The principal activities of the Subsidiaries are disclosed in Note 2.3 to the Financial Statements.

1.3 Parent Enterprise and Ultimate Parent Enterprise

The Company's parent undertaking is Softlogic Holdings PLC.

1.4 Date of Authorisation for Issue

The Financial Statements of Asiri Hospital Holdings PLC and its Subsidiaries for year ended 31 March 2013 was authorised for issue in accordance with a resolution of the Board of Directors dated July 29, 2013.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance

The Consolidated Financial Statements of the Group have been prepared in accordance with the Sri Lanka Accounting Standards ("SLFRS") as issued by the Institute of Chartered Accountants of Sri Lanka.

The preparation and presentation of these financial statements is in compliance with the requirements of the Companies Act No.07 of 2007.

2.2 Basis of preparation and adoption of SLAS (SLFRS and LKAS) effective for the financial period beginning on or after 01 April 2011

The Financial Statements of the Company and the Group have been prepared in accordance with Sri Lanka Accounting Standards comprising SLFRS and LKAS (hereafter "SLFRS"), as issued by the Institute of Chartered Accountants of Sri Lanka.

For all periods up to and including the year ended 31 March 2012, the Group prepared its Financial Statements in accordance with previous SLASs.

These Financial Statements for the year ended 31 March 2013 are the first, the Group has prepared in accordance with SLFRS effective for the periods beginning on or after 01 April 2011. (Refer Note 2.7 for an explanation of the transition).

The Company/Group has consistently applied the accounting policies used in preparation of its opening SLFRS Statement of Financial Position as at 01 April 2011 through all periods presented, as if these policies had always been in effect.

Note 2.7 discloses the impact of the transition to SLFRS on the Company's and Group's reported financial position and performance

including the nature and effect of significant changes in accounting policies from those used in the Company's and Group's Financial Statements for the year ended 31 March 2012 prepared under previous SLAS.

The financial statements of the Company and the Group have been prepared on a historical cost basis, except otherwise indicated.

2.3 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2013. The financial statements of the Subsidiaries are prepared in compliance with the Group's accounting policies unless stated otherwise.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries

Subsidiaries are those enterprises controlled by the parent. Control exists when the parent holds more than 50% of the voting rights or otherwise has a controlling interest.

The Financial Statements of the following subsidiary companies are included in the Consolidated Financial Statements.

	Company	Effective Holding 2013	Effective Holding 2012	Principal Activities
1.	Asiri Central Hospitals PLC	98.6%	70.92%	The principal activities of the Company were providing medical services. With the cessation of the medical services business operations, the Company now operates as an investment company.
2.	Asiri Hospital Matara (Pvt) Ltd.	100%	100%	The principal activities of the Company were to operate a hospital and provide healthcare services.
3.	Asiri Diagnostic Services (Pvt) Ltd.	66.5%	66.5%	The principal activities of the Company were to carry out Diagnostic Laboratory Services.

	Company	Effective Holding 2013	Effective Holding 2012	Principal Activities
4.	Asiri Hospital Kandy (Pvt) Ltd.	100%	100%	The principal activities of the Company were to provide healthcare services. However, the company has not yet commenced its operations.
5.	Asiri Surgical Hospital PLC	73.67%	46.91%	The principal activities of the Company were to operate a two tier hospital, provide healthcare services and managing and holding of investments in the healthcare industry.
6.	Central Hospital Ltd	52.39%	38.99%	The principal activities of the Company were to operate a hospital and provide healthcare services.

The Asiri Surgical Hospital PLC and Central Hospital Limited, with equity control of less than 50%, have been consolidated as Subsidiaries based on the power to govern the financial and operating policies of those entities in the previous financial year ended 31 March 2012. During the current financial year Parent obtained the control over 50% of the voting rights for Asiri Surgical Hospital PLC and Central Hospital Limited.

The total profits and losses for the year of the Company and of its Subsidiaries included in consolidation and all assets and liabilities of the Company and of its Subsidiaries included in consolidation are shown in the consolidated Income Statement, Statement of Other Comprehensive Income and Statement of Financial Position respectively.

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

The Consolidated Cash Flow Statement includes the cash flows of the Company and its Subsidiaries.

2.4 Significant Accounting Policies

2.4.1 Foreign Currency Translation

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

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

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

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 was determined. The gain or loss arising on translation of non-monetary measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item. (i.e., the translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income (OCI) or profit or loss are also recognised in OCI or profit or loss, respectively).

2.4.2 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

a) Rendering of Services

Revenue from rendering of services is recognised in the accounting period in which the services are rendered or performed.

b) Net Trading Income

Net trading income comprises of results arising from trading activities and gains and losses arising from changes in fair value of foreign exchange forward contracts.

c) Dividend Income

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

d) Interest

For all financial instruments interest income is recorded using effective interest rate, the rate that exactly discounts the estimated future receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the Income Statement.

e) Other Income

Other income is recognised on an accrual basis.

2.4.3 Taxation

Current Taxes

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

Asiri Surgical Hospital PLC

Pursuant to the agreement dated 29 March 2000 entered into with the Board of Investment under section 17 of the Board of Investment Law, the Inland Revenue Act relating to the imposition, payment and

Notes to the Financial Statements

Year Ended 31 March 2013

recovery of income tax shall not apply to the business of operating a two tier hospital and providing healthcare services, for a period of 10 years commencing from 31 March 2004. This exemption expires on 31 March 2014.

The Company is liable to pay tax on other income earned at the prevailing tax rate.

Asiri Central Hospitals PLC

Pursuant to the agreement dated 8 September 1992, entered into by the Company under the Greater Colombo Economic Commission Law No. 4 of 1978 and as per the Board of Investment letter dated 30 August 1999, tax exemption period of the enterprise commenced from the year of assessment 1999/2000 and ended in the year of assessment 2005/2006 subject to the fulfilment of all conditions stipulated in clause 10 (vii) of the Board of Investment agreement.

Subsequent to the expiration of aforesaid tax exemption period, the Company opted for the concessionary tax period of 15 years at the rate of 2% on its turnover, which is deemed to be the profit and income of the Company.

However, with the cessation of medical services business operations, income tax wholly represents tax on other income.

The Company is liable to pay tax on other income earned at the prevailing tax rate.

Central Hospital Ltd.

Pursuant to the agreement dated 9 November 2007 and supplementary agreement dated 14 February 2009 entered into with the Board of Investment under section 17 of the Board of Investment Law No.4 of 1978, the Inland Revenue Act relating to the imposition, payment and recovery of income tax shall not apply to the business operating a hospital and providing healthcare services, for a period of 8 years commencing from the year the Company makes profits or any year of assessment not later than two years from the date on which the company commences commercial operations, whichever is earlier. Accordingly, the exemption is for a period of eight years commencing from financial year ended 31st March 2013. This exemption will expire on 31st March 2020. Immediately following the afore mentioned tax exemption period, the Company's income tax on operating profit shall be charged at a concessionary tax rate of 15%.

The Company is liable to pay tax on other income earned at the prevailing tax rate.

Asiri Hospital Matara (Pvt) Ltd.

Pursuant to the agreement dated 25 May 2007 entered into with the Board of Investment under section 17 of the Board of Investment Law No.4 of 1978, the Inland Revenue Act relating to the imposition, payment and recovery of income tax shall not apply to the business operating a hospital and providing healthcare services, for a period of eight years commencing from the year the Company makes profits or any year of assessment not later than two years from the date on which the company commences commercial operations, whichever is earlier. Accordingly, the exemption is for a period of eight years commencing from 31 March 2008. This exemption will expire on 31 March 2016.

Further to the legal merger of Asiri Hospital Matara (Private) Limited and Matara Medi House (Private) Limited on 22 June 2012 Board of Investment exemption has been waived off and the Company is liable to pay tax on business and other income earned at the prevailing tax rates from the financial year ended 31 March 2013.

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

- Asiri Hospital Holdings PLC.
- Asiri Diagnostic Services (Pvt) Ltd.
- Asiri Hospital Kandy (Pvt) Ltd.
- Asiri Hospital Matara (Pvt) Ltd.

Deferred Taxation

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

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

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

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

Deferred tax relating to items recognised outside income statement is recognised outside income statement. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in Equity.

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

2.4.4 Property, Plant and Equipment

Property, Plant and Equipment is initially stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the Property, Plant

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

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

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

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

Free hold land and building is subsequently measured at fair value.

Valuations are performed every 3-5 years (or frequently enough) to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recognised in Other Comprehensive Income and credited to the asset Revaluation Reserve in Equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in the Income Statement, in which case the increase is recognised in the Income Statement. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset Revaluation Reserve.

2.4.5 Leases

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

Group as a lessee

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

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership

by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

2.4.6 Borrowing Costs

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

2.4.7 Financial instruments - Initial recognition and subsequent measurement

i) *Financial Assets*

Initial Recognition and Measurement

Financial assets within the scope of LKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, in the case of assets not at fair value through profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets excluding derivatives include cash and bank balances, trade and other receivables, financial assets held for trading and available-for-sale financial assets and other financial assets.

Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as described below:

Financial Assets Held for Trading

Financial assets are classified as held-for-trading if they are acquired for the purpose of selling in the near term.

Available-for-sale Financial Investments

Available-for-sale financial investments include equity securities. Equity investments classified as available-for-sale are those, neither classified as held-for-trading nor designated at fair value through profit or loss.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as Other Comprehensive Income in the available-for-sale reserve until the investment is derecognised, at which time, the cumulative gain or loss is recognised in other operating income, or determined to be impaired, at which time the cumulative loss is reclassified to the Income Statement in finance costs and removed from the available-for-sale reserve.

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Trade and Other Receivables

Trade and Other Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. The losses arising from impairment are recognised in the Income Statement.

Derecognition

Financial Assets

A financial asset is derecognised when the rights to receive cash flows from the asset have expired or Group has transferred substantially all the risks and rewards of the asset.

Impairment of Financial Assets

The Group assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial Assets Carried at Amortised Cost

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Income Statement. The assets are written off when there is no realistic prospect of future recovery. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write off is later recovered, the recovery is credited to the Income Statement.

Available-for-Sale Financial Instruments

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair values has been below its original cost. Where there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment

previously recognised in the Income Statement is removed from Other Comprehensive Income and recognised in the Income Statement. Impairment losses on equity investments are not reversed through the Income Statement; increases in their fair value after impairment are recognised directly in Other Comprehensive Income.

ii) Financial Liabilities

Initial Recognition and Measurement

Financial liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

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

Financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Interest Bearing Loans and Borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the Income Statement when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Financial Guarantee Contracts

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

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

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, 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.

Derivative Financial Instruments - Forward Foreign Exchange Contracts

The company uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks. Forward Foreign Exchange Contracts are contractual agreements with banks to exchange two currencies at an agreed rate on an agreed date in the future. These transactions are exposed to market risks due to fluctuation of market rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each date that a statement of financial position is prepared.

Forward Foreign Exchange Contracts are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on forward contracts are taken directly to the income statement as "Net Trading Income".

2.4.8 Inventories

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

The cost incurred in bringing inventories to its present location and conditions are accounted for using the following cost formula:-

- Pharmaceuticals - At actual cost on first-in first-out basis
- Surgical and Other Consumables - At actual cost on first-in first-out basis

2.4.9 Impairment of Non-Financial Assets

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

2.4.10 Cash and Cash Equivalents

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

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

2.4.11 Investment Properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the cost of day to day servicing of an investment property.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the Income Statement in the period in which they arise.

2.4.12 Provisions

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

2.4.13 Post employment benefits

a) Defined Benefit Plan – Gratuity

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

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

b) Defined Contribution Plans:

Employees' Provident Fund and Employee' Trust Fund

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

2.5 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements of the Group require the management to make judgments, estimates and assumptions, which may affect the amounts of income, expenditure, assets, liabilities and the disclosure of contingent liabilities, at the end of the reporting period. In the process of applying the Group's accounting policies, the key assumptions made relating to the future and the sources of estimation at the reporting date together with the related judgments

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that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Fair value of Property, Plant and Equipment and Investment Properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the Income Statement. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognised in Other Comprehensive Income. The Group engaged an independent valuation specialist to assess fair value of such assets as at 31 March 2013. Investment properties, Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

Deferred Tax Assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. (Refer Note 24.2)

Defined Benefit Plans

The cost of the retirement benefit plan of employees is determined using an actuarial valuation. The actuarial valuation is based on assumptions concerning the rate of interest, rate of salary increase, staff turnover, retirement age and going concern of the Group. Due to the long term nature of the plan, such estimates are subject to significant uncertainty. (Refer Note 25.1)

Impairment of Non Financial Assets

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

Impairment of Trade & Other Receivable

The Group reviews at each reporting date all receivables to assess whether impairment should be recorded in the Income Statement. Management uses judgment in estimating such allowance considering the duration of outstanding and any other factors management is aware of that indicates uncertainty in recoverability.

2.6 Effect of Sri Lanka Accounting Standards Issued but not yet Effective

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

a) SLFRS 9 - Financial Instruments : Classification and Measurement

SLFRS 9, as issued reflects the first phase of work on replacement of LKAS 39 and applies to classification and measurement of financial assets and liabilities.

b) SLFRS 13 - Fair Value Measurement

SLFRS 13 establishes a single source of guidance under SLFRS for all fair value measurements.

SLFRS 9 will be effective for financial periods beginning on or after 1 January 2015 whilst SLFRS 13 will be effective for financial periods beginning on or after 01 January 2014.

In addition to the above, following standards have also been issued and will be effective from 01 January 2014.

SLFRS 10- Consolidated Financial Statements

SLFRS 11- Joint Arrangements

SLFRS 12- Disclosure of Interest in Other Entities

Pending a detailed review, the financial impact is not reasonably estimatable as at the date of financial statements.

2.7 FIRST TIME ADOPTION OF SLFRSs (Continued.)
 2.7.1 Group/company reconciliation of statement of financial position as at 01-04-2011

	Note	Previous SLAS		Group		SLAS		Company		SLAS
		Rs.	Rs.	Rs.	Re Classifications	Rs.	Rs.	Re Classifications	Rs.	
Non-current Assets										
Property, Plant and Equipment	E	10,726,433,380	106,857,340	-	10,833,290,720	-	1,139,114,290	19,117,990	-	1,158,232,280
Leasehold Property	K	130,681,709	100,082,178	-	230,763,887	-	-	-	-	-
Goodwill	K	564,610,315	(15,903,751)	-	548,706,564	-	-	-	-	-
Deferred Tax Assets	G	152,630,844	8,420,493	-	161,051,337	-	27,477,774	-	-	27,477,774
Investment in Subsidiaries	-	-	-	-	-	-	3,525,217,353	-	-	3,525,217,353
Investment in Equity Securities	A	1,541,497	-	(1,541,497)	-	-	1,384,747	-	(1,384,747)	-
Financial Assets - Available for Sale	A	-	396,090	1,541,497	1,937,587	-	-	-	1,384,747	1,384,747
		11,575,897,745	199,852,350	-	11,775,750,095	-	4,693,194,164	19,117,990	-	4,712,312,154
Current Assets										
Inventories		286,648,295	-	-	286,648,295	-	98,442,385	-	-	98,442,385
Trade Receivables	B	494,246,036	-	(199,203,387)	295,042,649	-	428,487,600	-	(154,232,497)	274,255,103
Advances and Prepayments	B	-	-	199,100,867	199,100,867	-	-	-	154,232,497	154,232,497
Financial Assets - Held for Trading	C	-	-	47,500,000	47,500,000	-	-	-	47,500,000	47,500,000
Investments in Short Term Marketable Securities	C	47,500,000	-	(47,500,000)	-	-	47,500,000	-	(47,500,000)	-
Loans Granted to Related Parties	-	-	-	-	-	-	158,400,000	-	-	158,400,000
Cash and Cash Equivalents		44,383,579	-	-	44,383,579	-	11,698,942	-	-	11,698,942
		872,777,910	-	(102,520)	872,675,390	-	744,528,927	-	-	744,528,927
Total Assets		12,448,675,655	199,852,350	(102,520)	12,648,425,485	-	5,437,723,091	19,117,990	-	5,456,841,081
EQUITY AND LIABILITIES										
Capital and Reserves										
Stated Capital		1,636,244,012	-	-	1,636,244,012	-	1,636,244,012	-	-	1,636,244,012
Revaluation Reserves		358,403,318	-	-	358,403,318	-	358,403,318	-	-	358,403,318
Available for Sale Reserve		-	-	-	-	-	-	-	-	-
Retained Earnings	E,K,G	735,906,591	206,556,909	-	942,463,500	-	716,587,808	15,174,917	-	731,762,725
Share Holders' Fund		2,730,553,921	206,556,909	-	2,937,110,830	-	2,711,235,138	15,174,917	-	2,726,410,055
Minority Interest		2,091,571,492	-	-	2,091,571,492	-	-	-	-	-
Total Equity		4,822,125,413	206,556,909	-	5,028,682,322	-	2,711,235,138	15,174,917	-	2,726,410,055
Non-current Liabilities										
Interest Bearing Loans and Borrowings		1,895,395,759	-	-	1,895,395,759	-	605,490,972	-	-	605,490,972
Amount due on Leasehold Property		50,560,667	-	-	47,580,610	-	-	-	-	-
Deferred Tax Liabilities	G	127,505,844	3,943,073	-	131,448,917	-	99,782,578	3,943,073	-	103,725,651
Retirement Benefit Liability		170,369,983	-	-	170,369,983	-	97,946,233	-	-	97,946,233
		2,243,832,253	3,943,073	-	2,247,775,326	-	803,219,783	3,943,073	-	807,162,856
Current Liabilities										
Trade Payables	H,I	593,946,406	-	(48,860,016)	545,086,390	-	207,740,408	-	(47,580,610)	160,159,798
Other Payables	H	-	-	47,580,610	47,580,610	-	-	-	47,580,610	47,580,610
Dividend Payable		25,845,680	-	-	25,845,680	-	24,670,558	-	-	24,670,558
Interest Bearing Loans and Borrowings	I	4,686,983,367	-	1,279,406	4,688,262,773	-	1,632,701,223	-	-	1,632,701,223
Amount due on Leasehold Property		-	-	-	5,113,277	-	-	-	-	-
Income Tax Payable	B	70,829,259	(10,852,672)	102,520	60,079,107	-	58,155,981	-	-	58,155,981
		5,382,717,989	(10,852,672)	102,520	5,371,967,837	-	1,923,268,170	-	-	1,923,268,170
Total Equity and Liabilities		12,448,675,655	199,647,310	102,520	12,648,425,485	-	5,437,723,091	19,117,990	-	5,456,841,081

Notes to the Financial Statements

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2.7 FIRST TIME ADOPTION OF SLFRSs (Contd...) 2.7.2 GROUP/COMPANY RECONCILIATION OF STATEMENT OF FINANCIAL POSITION AS AT 31-03-2012

	Note	Previous SLAS		Group Remeasurements		Group Re Classifications		SLAS		Company Remeasurements		Company Re Classifications		SLAS	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS															
Non-current Assets															
Property, Plant and Equipment	E	8,863,591,664	118,529,752	-	8,982,121,416	-	-	-	8,982,121,416	E	1,115,367,306	53,274,090	-	-	1,168,641,396
Leasehold Property	K	189,906,021	100,082,178	-	289,988,199	-	-	-	289,988,199	-	-	-	-	-	
Investment Property	K	2,039,636,500	-	-	2,039,636,500	-	-	-	2,039,636,500	-	-	-	-	-	
Goodwill	K	564,610,315	(15,903,751)	-	548,706,564	-	-	-	548,706,564	-	-	-	-	-	
Deferred Tax Assets	G	216,211,486	11,164,663	-	227,376,149	-	-	-	227,376,149	-	-	-	-	13,514,488	
Investment in Subsidiaries	A	295,875,851	-	(295,875,851)	-	-	-	-	-	H	3,669,483,939	14,731,518	-	3,684,215,457	
Investment in Equity Securities	A	-	42,922	295,875,851	295,918,773	-	-	-	295,918,773	A	295,719,100	-	(295,719,100)	-	
Available for Sale Financial Assets	A	-	-	-	-	-	-	-	-	A	295,719,100	-	295,719,100	295,719,100	
		12,169,831,837	213,915,764	-	12,383,747,601	-	-	-	12,383,747,601		5,094,084,833	68,005,608	-	5,162,090,441	
Current Assets															
Inventories		297,522,714	-	-	297,522,714	-	-	-	297,522,714		97,879,719	-	-	97,879,719	
Trade Receivables	B,D	632,338,070	(6,497,182)	(232,794,124)	393,046,764	-	-	-	393,046,764	B,D	564,018,389	(6,497,182)	(105,625,849)	451,895,358	
Advances and Prepayments	B	-	-	232,437,823	232,437,823	-	-	-	232,437,823	B	-	-	105,625,849	105,625,849	
Financial Assets - Held for Trading	C	-	-	28,687,500	28,687,500	-	-	-	28,687,500	C	-	-	-	28,687,500	
Investments in Short Term Marketable Securities	C	28,687,500	-	(28,687,500)	-	-	-	-	-	C	28,687,500	-	(28,687,500)	-	
Loans Granted to Related Parties		119,871,093	-	-	119,871,093	-	-	-	119,871,093		31,080,000	-	-	31,080,000	
Cash and Cash Equivalents		1,078,419,377	(6,497,182)	(356,301)	1,071,565,894	(356,301)	(356,301)	13,455,313,495	1,071,565,894		781,795,696	(6,497,182)	-	775,298,514	
		13,248,251,214	207,418,582	(356,301)	13,455,313,495	(356,301)	(356,301)	13,455,313,495	13,455,313,495		5,875,880,529	61,508,426	-	5,937,388,955	
Total Assets															
EQUITY AND LIABILITIES															
Capital and Reserves															
Stated Capital		1,636,244,012	-	-	1,636,244,012	-	-	-	1,636,244,012		1,636,244,012	-	-	1,636,244,012	
Revaluation Reserves		427,991,747	-	-	427,991,747	-	-	-	427,991,747		358,403,318	-	-	358,403,318	
Retained Earnings	G,E,D,K,J	1,080,825,828	215,872,511	5,665,647	1,302,363,986	(5,665,647)	(5,665,647)	5,665,647	1,302,363,986	E,F,I,D	882,007,913	56,559,633	5,665,647	944,233,193	
Available for Sale Reserve		-	-	-	-	-	-	-	-	A	-	-	(5,665,647)	(5,665,647)	
Share Holders' Fund		3,145,061,587	215,872,511	-	3,360,934,098	-	-	2,876,655,243	3,360,934,098		2,876,655,243	56,559,633	-	2,933,214,876	
Minority Interest		2,203,159,179	489,415	-	2,203,648,594	-	-	-	2,203,648,594		-	-	-	-	
Total Equity		5,348,220,766	216,361,926	-	5,564,582,692	-	-	2,876,655,243	5,564,582,692		2,876,655,243	56,559,633	-	2,933,214,876	
Non-current Liabilities															
Interest Bearing Loans and Borrowings		5,001,344,215	-	-	5,001,344,215	-	-	-	5,001,344,215		1,554,677,944	-	-	1,554,677,944	
Amount due on Leasehold Property		46,488,666	-	-	46,488,666	-	-	-	46,488,666		-	-	-	-	
Deferred Tax Liabilities	G	172,434,837	4,948,793	-	177,383,630	-	-	-	177,383,630	I,E	61,508,022	4,948,793	-	66,456,815	
Retirement Benefit Liability	J	196,477,091	3,858,087	-	200,335,178	-	-	-	200,335,178		112,620,740	-	-	112,620,740	
		5,416,744,809	8,806,880	-	5,425,551,689	-	-	-	5,425,551,689		1,728,806,706	4,948,793	-	1,733,755,499	
Current Liabilities															
Trade Payables	H,I	541,345,104	-	-	541,345,104	(68,551,592)	(68,551,592)	472,793,512	472,793,512	G	555,178,268	-	-	555,178,268	
Other Payables	H	-	-	-	-	47,575,421	47,575,421	47,575,421	47,575,421	G,J	-	-	(62,344,658)	492,833,610	
Dividend Payable	I	26,712,194	-	-	26,712,194	-	-	-	26,712,194		25,536,134	-	-	25,536,134	
Interest Bearing Loans and Borrowings	I	1,881,815,028	-	-	1,881,815,028	20,976,169	20,976,169	1,902,791,197	1,902,791,197	J	662,692,136	-	14,769,235	677,461,371	
Amount due on Leasehold Property		4,072,000	-	-	4,072,000	-	-	-	4,072,000		-	-	-	-	
Income Tax Payable	FB	29,341,313	(17,750,224)	(356,299)	11,234,790	(356,299)	(356,299)	11,234,790	11,234,790		27,012,042	-	-	27,012,042	
		2,483,285,639	(17,750,224)	(356,301)	2,465,179,114	(356,301)	(356,301)	13,455,313,495	2,465,179,114		1,270,418,580	-	-	1,270,418,580	
Total Equity and Liabilities		13,248,251,214	207,418,582	(356,301)	13,455,313,495	(356,301)	(356,301)	13,455,313,495	13,455,313,495		5,875,880,529	61,508,426	-	5,937,388,955	

Year ended 31 March 2013

2.7 FIRST TIME ADOPTION OF SLFRSS (CONTD...)

2.7.3 Reconciliation of Total Comprehensive Income for the year ended 31 March 2012

	Note	Previous SLAS		Group		SLAS		Company		SLAS
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Revenue		6,124,581,099	-	(27,815,413)	6,096,765,686	1,890,390,056	-	-	-	1,890,390,056
Cost of Services	J,E	(3,090,262,068)	(6,415,018)	12,908,813	(3,083,768,273)	(1,005,874,799)	30,223,198	-	-	(975,651,601)
Gross Profit		3,034,319,031	(6,415,018)	(14,906,600)	3,012,997,413	884,515,257	30,223,198	-	-	914,738,455
Net Trading Income/(loss)		-	-	147,269,774	147,269,774	-	-	81,364,100	-	81,364,100
Other Income	C,F	104,111,192	-	-	104,111,192	197,985,444	-	-	-	197,985,444
Administrative Expenses	A,C,E	(1,454,064,718)	6,591,452	4,055,354	(1,443,417,912)	(355,697,041)	(3,704,991)	19,796,368	(339,605,664)	(339,605,664)
Selling and Distribution Costs	D	(19,292,140)	1,140,712	-	(18,151,428)	(8,569,954)	-	-	-	(8,569,954)
Finance Cost	F	(697,842,610)	-	29,098,991	(668,743,619)	(204,043,437)	(3,886,283)	-	(207,929,720)	(207,929,720)
Finance Income		-	-	-	-	7,562,856	19,758,512	-	-	27,321,368
Net Exchange Loss	F	(231,374,440)	-	(166,082,274)	(397,456,714)	(30,923,664)	-	(100,176,600)	-	(131,100,264)
Changes in Fair Value of the Investment Property		205,380,500	-	-	205,380,500	-	-	-	-	-
Profit Before Tax		941,236,815	1,317,146	(564,755)	941,989,206	490,829,461	42,390,436	983,868	534,203,765	983,868
Income Tax Expense		(99,471,139)	8,841,040	-	(90,630,099)	(93,965,498)	(1,005,720)	-	-	(94,971,218)
Profit for the Year		841,765,676	10,158,186	(564,755)	851,359,107	396,863,963	41,384,716	983,868	439,232,547	983,868
Other Comprehensive Income										
Net Gain on Available - for - Sale Financial Assets	A	(4,681,780)	-	(983,867)	(5,665,647)	(4,681,780)	-	(983,868)	-	(5,665,648)
Revaluation of Land and Building		136,278,164	-	-	136,278,164	-	-	-	-	-
Deferred Tax Impact on Revaluation of Buildings		(38,157,886)	-	-	(38,157,886)	-	-	-	-	-
Other Comprehensive Income for the year, net of tax		93,438,498	-	(983,867)	92,454,631	(4,681,780)	-	(983,868)	(5,665,648)	(983,868)
Total Comprehensive Income for the year, net of tax		935,204,174	10,158,186	(1,548,622)	943,813,738	392,182,183	41,384,716	-	433,566,899	-
Total Comprehensive Income / (Expenses) Attributable to:										
Equity Holders of the Parent Company		665,135,242	8,722,621	(602,472)	673,255,391	-	-	-	-	-
Minority Interest		270,068,932	1,435,565	(946,150)	270,558,347	-	-	-	-	-
		935,204,174	10,158,186	(1,548,622)	943,813,738	-	-	-	-	-

Notes to the Financial Statements

Year Ended 31 March 2013

2.7 FIRST TIME ADOPTION OF SLFRSs (Contd...)

2.7.4 Notes to the reconciliation of equity as at 01 April 2011, 31 March 2012 and Total Comprehensive Income for the year ended 31 March 2012 - Company

- A The investment in quoted equity shares of National Development Bank PLC has been reclassified as Financial Assets Available for Sale amounting to Rs. 1,384,747/- and Rs. 295,719,100/- as at 01 April 2011 and 31 March 2012 in line with LKAS 39 and were valued at fair value. Changes in fair values was recognized in Other Comprehensive Income and transferred to Available for Sale Reserve. Accordingly Loss on fair valuation amounting to Rs. 983,868/- for the financial year ended 31 March 2012 has been reclassified from Administrative Expenses to Other Comprehensive Income.
- B Advances and Prepayments do not fall within the definition of Financial Assets as defined in LKAS 39. Hence such amounts are been classified separately in the Statement of Financial Position amounting to Rs. 154,232,497/- and Rs. 105,625,849/- as at 01 April 2011 and 31 March 2012 respectively.
- C The Investment in ordinary shares of Hatton National Bank PLC has been reclassified as Financial Assets - Held for Trading amounting to Rs. 47,500,000/- and Rs.28,687,500/- as at 01 April 2011 and 31 March 2013. Accordingly loss on fair valuation amounting to Rs. 18,812,500/- for the financial year ended 31 March 2012 has been reclassified from Administrative Expenses to Net Trading Income.
- D Receivable balance amounting to Rs. 6,497,182/- has been impaired as of 31 March 2012.
- E The Company has elected to write off certain items of Property, Plant and Equipment that were fully depreciated but have been continued to depreciate event after the lapse of useful life as at the date of transition. Accordingly an amount of Rs.19,117,990/- was write back to Property, Plant and Equipment as at the date of transition. This amount has been recognised against Retained Earnings. As a result of this, write back adjustment of depreciation and write off of Property Plant and Equipment a balance amounting to Rs. 34,156,100/- was made to the income statement for the year ended 31 March 2012 and adjusted to Property Plant and Equipment. The resulting deferred tax amounting to Rs. 3,943,073/- and Rs. 1,005,720/- have been adjusted as at 01 April 2011 and 31 March 2012.
- F Gain on fair valuation of Foreign Exchange Forward Contracts amounting to Rs. 100,176,600/- has been reclassified as Net Trading Income from Foreign Exchange Gain/Loss for the financial year ended 31 March 2012 as per LKAS 39.

G Sundry Creditors including accrued expenses amounting to Rs. 47,580,610/- and Rs. 62,344,658/- have been reclassified from Trade Payables as at 01 April 2011 and 31 March 2012 respectively.

H Financial guarantee contracts are recognized initially as a liability at fair value. Accordingly a guarantee income of Rs.15,872,230/- has been recognized for the financial year ended 31 March 2012. Further on behalf of the guarantees obtained from subsidiaries an expenses of Rs. 3,886,283/- has been recognized for the financial year ended 31 March 2012.

I This represents the effect on taxes arising on adjustments following the adoption of Sri Lanka Accounting Standards. Pending the issue of tax guidelines, such impact of taxes has been assessed based on the currently applicable tax laws and regulations. Accordingly deferred tax liability amounting to Rs. 3,943,073/- and Rs. 1,005,720/- have been recognised as at 01 April 2011 and 31 March 2012 due to write back of Property Plant and Equipment.

J As per LKAS 39, an interest payable balance on interest bearing loans and borrowings amounting to Rs. 14,769,235/- has been reclassified from other payables to interest bearing loans as at 31 March 2012.

2.7.5 Notes to the reconciliation of equity as at 01 April 2011, 31 March 2012 and Total Comprehensive Income for the year ended 31 March 2012 - Group

- A The investment in quoted equity shares of National Development Bank PLC has been reclassified as Financial Assets Available for Sale amounting to Rs. 1,541,497/- and Rs. 295,875,851/- as at 01 April 2011 and 31 March 2012 in line with LKAS 39. Changes in fair values was recognized in Other Comprehensive Income. Accordingly Loss on fair valuation amounting to Rs. 983,868/- for the financial year ended 31 March 2012 has been reclassified from Administrative Expenses to Other Comprehensive Income.
- B Advances and Prepayments do not fall within the definition of Financial Assets as defined in LKAS 39.Hence classified separately in the Statement of Financial Position amounting to Rs. 199,100,867/- and Rs. 232,437,824/- as at 01 April 2011 and 31 March 2012 respectively. Further income tax receivable Rs.102,520/- and Rs. 356,302/- has been reclassified as Income Tax receivable as at 01 April 2011 and 31 March 2012 respectively.
- C Investment in ordinary shares of Hatton National Bank PLC has been reclassified as Financial Assets - Held for Trading amounting to Rs. 47,500,000/- and Rs.28,687,500/- as at 01 April 2011 and 31 March 2012 respectively. Accordingly Loss on fair valuation amounting

to Rs. 18,812,500/- for the financial year ended 31 March 2012 has been reclassified from Administrative Expenses to Net Trading Income.

- D Receivable balance amounting to Rs. 6,497,182/- has been impaired as of 31 March 2012.
- E The group has elected to write off certain items of property, plant and equipment that were fully depreciated but have been continued to depreciate event after the lapse of useful life as at the date of transition. Accordingly an amount of Rs. 106,857,340/- was write back to property, plant and equipment as at the date of transition. This amount has been recognised against retained earnings. As a result of this adjustment of depreciation and write off of Property Plant and Equipment amounting to Rs. 11,672,412/- was made to income statement for the year ended 31 March 2012.
- F Gain on fair valuation of Foreign Exchange Forward Contracts amounting to Rs. 166,082,274/- has been reclassified as Net Trading Income from Foreign Exchange Gain/Loss for the financial year ended 31 March 2012 as per LKAS 39.
- G This represents the effect on taxes arising on adjustments following the adoption of Sri Lanka Accounting Standards. Pending the issue of tax guidelines, such impact of taxes has been assessed based on the currently applicable tax laws and regulations. Accordingly Deferred tax Assets and Liabilities has been restated as at 01 April 2011 and 31 March 2012.
- H Trade and other payables amounting to Rs.48,860,016/- and Rs.68,551,592/- has been reclassified as other payables as at 01 April 2011 and 31 March 2012.
- I As per LKAS 39, an interest payable balance on interest bearing loans and borrowings amounting to Rs. 1,279,406/- and Rs. 20,976,169/- has been reclassified from other payables to interest bearing loans as at 31 March 2011 and 31 March 2012 respectively.
- J The retirement benefit obligation of Central Hospital Limited which had been computed using the gratuity formula method has been recomputed using the actuarial valuation method as at 31 March 2012 amounting to Rs. 3,858,087/-
- K The effect of adaption of SLFRS 03, Business Combinations, has been adjusted as at the date of the transition, 01 April 2011.

Notes to the Financial Statements

Year Ended 31 March 2013

3. NET TRADING INCOME/(LOSS)

	GROUP		COMPANY	
	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
Gain /(Loss) from the Financial Assets Held for Trading	3,253,416	(18,812,500)	3,253,416	(18,812,500)
Gain /(Loss) from the Foreign Exchange Forward Contracts	(150,737,654)	166,082,274	(88,631,800)	100,176,600
	(147,484,238)	147,269,774	(85,378,384)	81,364,100

4. OTHER INCOME

	GROUP		COMPANY	
	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
Car Park Rental / Parking Fees	7,330,870	6,865,940	2,530,870	2,065,940
Dialog Antenna Rental	1,599,103	1,607,143	-	-
Rental Income	19,397,504	16,415,124	1,025,000	900,000
Management Fee	-	-	3,555,000	2,400,000
Other Laboratory Income	58,373,461	46,137,949	58,373,461	46,137,949
Profit on Sale of Property, Plant and Equipment	600,645	1,408,021	-	-
Dividend Income	11,799,096	25,785,658	408,310,458	146,066,881
Mobitel Antenna Income	720,000	720,000	-	-
Sundry Income	6,853,690	5,171,357	3,961,046	414,674
Gain on Preference Shares Redemption (Note 15.1 b)	-	-	852,600,000	-
	106,674,369	104,111,192	1,330,355,835	197,985,444

5. FINANCE COST AND INCOME

	GROUP		COMPANY	
	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
5.1 Finance Cost				
Interest Expense on Borrowings	741,808,920	668,743,619	227,395,342	202,908,789
Interest Expense on Inter Company Borrowings	-	-	77,935,053	1,134,648
Guarantee Expenses	-	-	3,453,188	3,886,283
	741,808,920	668,743,619	308,783,583	207,929,720
5.2 Finance Income				
Guarantee Income	-	-	14,693,289	15,872,230
Interest Income	88,840,480	-	101,630,735	7,562,856
Dividend Income (Guarantees)	-	-	3,453,188	3,886,283
	88,840,480	-	119,777,212	27,321,369

6. NET EXCHANGE LOSS/ (GAIN)

	GROUP		COMPANY	
	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
Unrealised Exchange Loss/(Gain) on foreign currency borrowings	21,397,153	(397,456,714)	7,168,980	(131,100,264)

7. PROFIT BEFORE TAX
Stated after Charging

	GROUP		COMPANY	
	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
Included in Cost of Sales				
Depreciation	317,296,334	286,787,391	57,424,932	55,075,581
Employee benefits including the following	1,001,349,876	955,400,994	419,769,265	368,124,792
- Defined Contribution Plan Costs - EPF and ETF	68,866,523	86,275,733	37,949,692	33,513,279
Included in Administrative Expenses				
Depreciation	331,466,375	562,035,124	28,371,622	27,380,237
Employee Benefits including the following	515,440,991	293,975,430	151,835,133	77,909,575
- Defined Benefit Plan Costs - Gratuity	17,652,214	39,139,747	13,255,420	19,304,330
- Defined Contribution Plan Costs - EPF and ETF	16,311,129	24,557,953	4,216,632	3,723,697
Directors' Fees and Remuneration	32,039,035	27,826,500	18,941,185	15,744,500
Impairment/Reversal of Trade Debtors	(217,501)	4,789,438	(217,501)	410,615
Amortisation of Leasehold Property	1,036,933	5,775,688	-	-
Donations	13,099,301	6,072,419	9,714,770	3,124,000
Legal Fees	3,096,733	3,627,765	1,153,463	1,228,701
Audit Fees and Reimbursable expense	4,412,826	2,299,288	1,763,221	465,625
Loss on Disposal of Property, Plant and Equipment	-	1,029,840	-	-
Repair and Maintenance	36,272,392	23,031,323	17,573,447	12,015,349
Included in Selling and Distribution Costs				
Advertising Costs	16,607,257	12,719,992	10,839,334	6,614,457
Provision for Bad Debt	1,842,552	5,310,882	(217,501)	410,615

8. INCOME TAX
The Major Components of Income Tax Expense for the year Ended 31 March are as follows:

	GROUP		COMPANY	
	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
Current Income Tax				
Current Income Tax charge	108,497,942	136,610,708	63,116,325	118,276,769
(Over)/ Under Provision in respect of Previous Years	(2,657,706)	5,152,796	-	-
10 % Withholding Tax on Inter Company Dividends	-	7,414,580	-	-
Deferred Income Tax				
Deferred Taxation Charge/(Reversal)	60,527,869	(58,547,985)	(1,021,889)	(23,305,551)
Income tax expense reported in the Income Statement	166,368,105	90,630,099	62,094,436	94,971,218
Deferred Income Tax				
Deferred Taxation Charge/(Reversal)	(156,081,827)	(38,157,886)	(370,113)	-
Income tax expense reported in the Statement of Other Comprehensive Income	(156,081,827)	(38,157,886)	(370,113)	-

A Reconciliation between Tax Expense

	GROUP		COMPANY	
	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
Accounting Profit Before Tax	1,064,645,097	941,236,815	1,614,022,962	490,829,461
Disallowable Expenses	145,391,206	211,313,447	135,132,123	171,789,705
Deductible Expenses	(113,184,519)	(373,846,824)	(111,600,599)	(94,135,254)
Income Not Liable for Tax	(852,600,000)	(169,577,789)	(852,600,000)	(146,066,881)
Profit Exempt from Tax	(2,165,821,316)	(8,661,473)	(408,310,458)	-
Taxable Profit	(1,921,569,532)	600,464,176	376,644,028	422,417,031
Statutory Tax Rate				
Income Tax Rate	12%	28% and 10%	12%	28%
Income Tax Rate on Other Income	28%	28%	28%	28%
Income Tax -2013-12% (2012- 28% and 10%)	42,990,824	129,972,598	31,559,583	118,276,769
Income Tax - 2013- 28% (2012- 28%)	65,507,117	13,740,700	31,556,742	-
Current Income Tax charge	108,497,941	143,713,298	63,116,325	118,276,769

Notes to the Financial Statements

Year Ended 31 March 2013

9. EARNINGS PER SHARE

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

	GROUP		COMPANY	
	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
Profit Attributable to Ordinary Shareholders for Basic Earnings Per Share	696,471,997	609,332,609	1,551,928,526	439,232,548
	696,471,997	609,332,609	1,551,928,526	439,232,548

Number of Ordinary Shares used as the Denominator

	GROUP/COMPANY	
	2013 Rs.	2012 Rs.
Weighted Average Number of Ordinary Shares in Issue Applicable to Basic Earnings Per Share	1,011,663,451	889,263,050

10. DIVIDENDS PAID AND PROPOSED

Declared and paid during the year

	GROUP/COMPANY	
	2013 Rs.	2012 Rs.
Equity Dividends on Ordinary Shares :		
- 1st Interim Dividend for 2012/2013 : Rs.0.5-per share (2011/2012 : Rs.0.125-per share)	549,546,154	111,157,881
- 2nd Interim Dividend for 2011/2012 : Rs.0.13-per share	-	115,604,197
	549,546,154	226,762,078

11. PROPERTY, PLANT AND EQUIPMENT

11.1 Group

11.1.1 Gross Carrying Amounts

	Balance As at 01.04.2011 Rs.	Additions/ Transfers Rs.	Revaluation Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2012 Rs.	Additions/ Transfers Rs.	Revaluation Rs.	Disposals/ Transfers Rs.	As at 31.03.2013 Rs.
At Cost or Valuation									
Land and Building	8,061,887,274	88,651,783	136,278,164	(1,917,679,434)	6,389,137,787	14,658,609	1,197,511,925	-	7,581,308,321
Plant and Machinery	3,208,970	-	-	-	3,208,970	-	-	-	3,208,970
Medical Equipment	2,762,911,153	223,918,054	-	(6,804)	2,986,829,207	464,400,057	-	-	3,451,229,264
Furniture and Fittings	982,870,033	15,582,875	-	(6,804)	998,446,104	24,502,949	-	(178,900)	1,022,770,153
Office Equipment	62,268,808	7,478,932	-	-	69,747,740	10,663,134	-	(829,362)	79,581,512
Sundry Equipment	198,420,701	162,436	-	-	198,583,137	12,122,964	-	(651,927)	210,154,174
Kitchen Equipment	17,616,363	3,718,851	-	-	21,335,214	2,621,457	-	-	23,956,671
Televisions and Cassette Recorder	1,771,173	455,920	-	-	2,227,093	2,363,470	-	-	4,590,563
Tools and Equipment	60,571,566	277,642	-	-	60,849,208	7,849,109	-	-	68,698,317
Push Cycle	21,344	-	-	-	21,344	-	-	-	21,344
Generator	42,146,574	-	-	-	42,146,574	-	-	-	42,146,574
Water Pump	243,501	-	-	-	243,501	-	-	-	243,501
Motor Vehicles	72,472,959	22,374,270	-	556,556	95,403,785	15,437,411	-	-	110,841,196
Computers	25,972,649	5,852,119	-	(10,456)	31,814,312	7,868,996	-	-	39,683,308
Air Conditioners	75,914,901	47,713,194	-	-	123,628,095	3,958,764	-	(5,046,234)	122,540,625
House Keeping Equipment	39,486,739	467,510	-	-	39,954,249	398,971	-	-	40,353,220
Laundry Equipment	7,757,263	-	-	-	7,757,263	-	-	-	7,757,263
Linen, Mattress and General Accessories	11,967,004	336,963	-	-	12,303,967	61,668	-	-	12,365,635
Elevators	43,482,682	-	-	-	43,482,682	-	-	-	43,482,682
	12,470,991,657	416,990,549	136,278,164	(1,917,140,138)	11,107,120,232	566,907,559	1,197,511,925	(6,606,423)	12,864,933,293
In the Course of Construction									
Buildings Work-in-Progress	18,817,904	4,965,931	-	(8,060,293)	15,723,542	1,746,448	-	-	17,469,990
Buildings Work-in-Progress on Leasehold Land	2,020,000	5,214,840	-	(7,234,840)	-	-	-	-	-
	20,837,904	10,180,771	-	(15,295,133)	15,723,542	1,746,448	-	-	17,469,990
Assets on Finance Leases									
Motor Vehicles	5,966,291	-	-	(2,511,987)	3,454,304	-	-	(3,454,304)	-
Medical Equipment	5,265,085	-	-	-	5,265,085	-	-	(5,265,085)	-
Sundry Equipment	1,800,000	-	-	-	1,800,000	-	-	(1,800,000)	-
	13,031,376	-	-	(2,511,987)	10,519,389	-	-	(10,519,389)	-
Total Value of Depreciable Assets	12,504,860,937	427,171,320	136,278,164	(1,934,947,258)	11,133,363,163	568,654,007	1,197,511,925	(17,125,811)	12,882,403,283

Notes to the Financial Statements

Year Ended 31 March 2013

11. PROPERTY, PLANT AND EQUIPMENT (Contd.)

11.1 Group

11.1.2 Accumulated Depreciation and Impairment

	Balance As at 01.04.2011		Charge for the 2012		Revaluation		Disposals/Transfers		Balance As at 31.03.2012		Charge for the 2013		Revaluation		Disposals/Transfers		Balance As at 31.03.2013	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Buildings	252,142,674		101,708,508		-	(82,363,594)		271,487,588		119,206,266	(293,405,591)							97,288,263
Plant and Machinery	3,208,970		-		-	-	3,208,970											3,208,970
Medical Equipment	889,620,414		286,787,391		-	-	1,176,407,805			317,296,334								1,493,704,139
Furniture and Fittings	207,713,379		105,204,751		-	-	312,918,130			97,680,153								412,535,777
Office Equipment	36,695,939		15,229,479		-	-	51,925,418			7,810,434								58,906,490
Sundry Equipment	86,235,912		1,355,184		-	-	87,591,096			39,521,528								127,099,614
Kitchen Equipment	3,741,221		2,586,215		-	-	6,327,436			2,244,168								8,571,604
Televisions and Cassette Recorders	1,314,608		289,244		-	-	1,603,852			590,777								2,194,629
Tools and Equipment	47,006,784		5,902,116		-	-	52,908,900			4,097,428								57,006,328
Push Cycle	8,932		2,134		-	-	11,066			2,134								13,200
Generator	12,069,918		4,214,658		-	-	16,284,576			4,214,658								20,499,234
Water Pump	229,582		13,919		-	-	243,501											243,501
Motor Vehicles	15,749,244		11,580,037		-	1,528,125	28,857,406			10,658,157								41,648,399
Computers	19,439,654		1,038,663		-	(914,413)	19,563,904			5,063,808								24,627,712
Air Conditioners	50,377,498		13,682,055		-	-	64,059,553			10,447,172								69,460,492
House Keeping Equipment	15,148,274		1,621,712		-	-	16,769,986			4,008,157								20,778,143
Laundry Equipment	-		-		-	-	-			-								-
Linen, Mattress and General Accessories	5,213,341		6,098,957		-	-	11,312,298			948,958								12,261,256
Elevators	22,549,259		3,252,721		-	-	25,801,980			227,570								26,029,550
	1,668,465,603		560,567,744		-	(81,749,882)	2,147,283,465			624,017,702	(293,405,591)							2,476,077,301
Assets on Finance Leases																		
Motor Vehicles	2,622,313		923,505		-	(1,528,125)	2,017,693			115,143								-
Medical Equipment	482,301		1,458,288		-	-	1,940,589			-								-
Sundry Equipment	-		-		-	-	-			-								-
	3,104,614		2,381,793		-	(1,528,125)	3,958,282			115,143								-
Total Depreciation	1,671,570,217		562,949,537		-	(83,278,007)	2,151,241,747			624,132,845	(293,405,591)							2,476,077,301

11. PROPERTY, PLANT AND EQUIPMENT (Contd.)

11.1.3 Net Book Values

	2013 Rs.	2012 Rs.	2011 Rs.
Land and Buildings	7,484,020,058	6,097,650,199	7,809,744,600
Medical Equipment	1,957,525,125	1,810,421,402	1,873,290,739
Furniture and Fittings	610,234,376	685,527,974	775,156,654
Office Equipment	20,675,022	17,822,322	25,572,869
Sundry Equipment	83,054,560	110,992,041	112,184,789
Kitchen Equipment	15,385,067	15,007,778	13,875,142
Televisions and Cassette Recorder	2,395,934	623,241	456,565
Tools and Equipment	11,691,989	7,940,308	13,564,782
Push Cycle	8,144	10,277	12,412
Generator	21,647,340	25,861,998	30,076,656
Water Pump	-	-	13,919
Motor Vehicles	69,192,797	66,546,379	56,723,715
Computers	15,055,596	12,250,408	6,532,995
Air Conditioners	53,080,133	59,568,542	25,537,403
House Keeping Equipment	19,575,077	23,184,263	24,338,465
Laundry Equipment	7,757,263	7,757,263	7,757,263
Linen, Mattress and General Accessories	104,379	991,669	6,753,663
Elevators	17,453,132	17,680,702	20,933,423
	10,388,855,992	8,959,836,766	10,802,526,054
In the Course of Construction			
Buildings Work-in-Progress	17,469,990	15,723,542	18,817,904
Buildings Work-in-Progress on Leasehold Land	-	-	2,020,000
	17,469,990	15,723,542	20,837,904
Assets on Finance Leases			
Motor Vehicles	-	1,436,611	3,343,978
Medical Equipment	-	3,324,496	4,782,784
Sundry Equipment	-	1,800,000	1,800,000
	-	6,561,107	9,926,762
Total Carrying Amount of Property, Plant and Equipment	10,406,325,982	8,982,121,415	10,833,290,720

11.1.4 During the year, the Group acquired Property, Plant and Equipment to the aggregate value of Rs.568,654,007/- (2012-Rs.427,171,320/-). Cash payments amounting to Rs.568,654,007/- (2012-Rs.427,171,320/-) were made during the year for purchase of Property, Plant and Equipment.

11.1.5 Group Property, Plant and Equipments with a carrying value of Rs.9,234,378,006/- (2012-Rs.7,783,389,995/-) have been pledged as security for term loans obtained, details of which are disclosed in Note 30.

Notes to the Financial Statements

Year Ended 31 March 2013

11. PROPERTY, PLANT AND EQUIPMENT (Contd.)

11.1.6 Depreciation

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

	2013/2012/2011
Buildings	Over 50 Years
Medical Equipment	Over 10 Years
Furniture and Fittings	Over 10 Years
Office Equipment	Over 5 Years
Sundry Equipment	Over 10 Years
Kitchen Equipment	Over 10 Years
Televisions and Cassette Recorder	Over 10 Years
Tools and Equipments	Over 10 Years
Generator	Over 10 Years
Water Pump	Over 10 Years
Motor Vehicles	Over 5-8 Years
Computers	Over 5 Years
Air Conditioners	Over 10 Years
Housekeeping Equipment	Over 10 Years
Laundry Equipment	Over 10 Years
Fixtures and Fittings	Over 10 Years
Linen, Mattress and General Accessories	Over 02 Years
Elevators	Over 10 Years

11.1.7

- The fair value of land and building situated at No 181, Kirula Road, Colombo 05 of Asiri Hospital Holdings PLC was determined by means of a revaluation during the financial year 2012/2013 by Messrs. P. B. Kalugalagedara (FIV, MSIZ, IRRV, FRICS) an independent valuer in reference to market based evidence. The results of such revaluation were incorporated in the Financial Statements from its effective date which is 31 May 2012. The surplus arising from the revaluation net of deferred tax is recognised in the Other Comprehensive Income and transferred to Revaluation Reserve in Equity.
- Asiri Surgical Hospital located at 21, Kirimandala Mawatha, Narehenpita was revalued at Rs.2,101,936,000/-. The valuation was carried out by Messrs. P. B. Kalugalagedara (FIV, MSIZ, IRRV, FRICS) an independent valuer. The Valuer's assessment is based on reference made to depreciated replacement cost of the above buildings. The results of such revaluation were incorporated in the Financial Statements from its effective date which is 31 May 2012. The surplus arising from the revaluation was transferred to a Revaluation Reserve in Equity.
- The land of Asiri Central Hospital PLC, situated at No 37, Horton place, Colombo 7 was revalued during the financial year 2010 by Messrs. P. B. Kalugalagedara (FIV, MSIZ, IRRV, FRICS) an independent valuer in reference to market based evidence. The land was valued at their open market values and the results of such revaluation were incorporated in the Financial Statements as at 31 December 2010. The surplus arising from the revaluation was transferred to the Revaluation Reserve. The land together with buildings were classified from owner occupied property to an investment property with effect from 1 April 2011.
The Building of Asiri Central Hospital PLC situated at the above land was also revalued during the financial year 2010 by Messrs. P. B. Kalugalagedara (FIV, MSIZ, IRRV, FRICS) an independent valuer in reference to market based evidence. At the time of transferring the building from owner occupied property to investment property, the Directors decided to incorporate the results of such revaluation in the financial statements as of 01 April 2011 and the surplus arising from such revaluation net of deferred tax, is transferred to Revaluation Reserve.
- The fair value of land and Building situated at No 15, Dharmapala Mawatha, Uyanwatta of Asiri Hospital Matara (Private) Limited was determined by means of a revaluation during the financial year 2012/13 by Messrs. P. B. Kalugalagedara (FIV, MSIZ, IRRV, FRICS) an independent valuer in reference to market based evidence. The results of such revaluation were incorporated in the financial statements from its effective date which is 30 June 2012. The surplus arising from the revaluation net of deferred tax, was transferred to the Revaluation Reserve.
- The land and building of Central Hospital Limited, situated at No 114, Norris canal road, Colombo 10 was revalued during the financial year 2013 by Messrs. D. N. Dhammika Baranage - Chartered Valuation Surveyors. The land and building were valued at their open market values and the results of such revaluation were incorporated in the financial statements as at 31 March 2013. The surplus arising from the revaluation was transferred to the Revaluation Reserve.

The carrying amount of revalued assets that would have been included in the financial statements had the assets been carried at cost less depreciation is as follows:

Class of Asset	Cost Rs.	Cumulative Depreciation If assets were carried at cost Rs.	Net Carrying	Net Carrying	Net Carrying
			Amount 2013 Rs.	Amount 2012 Rs.	Amount 2011 Rs.
Freehold Land	662,104,379	-	662,104,379	662,104,379	662,104,379
Building	5,081,154,339	(468,185,960)	4,612,968,379	4,699,932,857	4,767,286,911
	5,743,258,718	(468,185,960)	5,275,072,758	5,362,037,236	5,429,391,290

11. PROPERTY, PLANT AND EQUIPMENT (Contd.)

11.2 COMPANY

11.2.1 Gross Carrying Amounts

	Balance As at 01.04.2011 Rs.	Additions/ Transfers Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2012 Rs.	Revaluation Adjustment Rs.	Additions/ Transfers Rs.	Disposals/ Adjustment Rs.	Balance As at 31.03.2013 Rs.
At Cost or Valuation								
Land	401,000,000	51,163,800	-	452,163,800	95,883,700	-	-	548,047,500
Buildings	399,687,977	-	-	399,687,977	(23,247,976)	36,200	-	376,476,201
Medical Equipment	554,376,778	18,864,280	-	573,241,058	-	38,636,872	-	611,877,930
Furniture and Fittings	30,651,481	1,217,952	-	31,869,433	-	3,002,110	-	34,871,543
Office Equipment	4,999,778	727,201	-	5,726,979	-	1,780,486	-	7,507,465
Sundry Equipment	22,296,240	-	-	22,296,240	-	1,895	-	22,298,135
Kitchen Equipment	6,095,873	1,566,223	-	7,662,096	-	1,208,543	-	8,870,639
Televisions and Cassette Recorders	1,771,174	455,920	-	2,227,094	-	2,363,470	-	4,590,564
Tools and Equipment	9,911,825	-	-	9,911,825	-	6,221,089	-	16,132,914
Push Cycle	21,344	-	-	21,344	-	-	-	21,344
Generator	14,541,449	-	-	14,541,449	-	-	-	14,541,449
Water Pump	243,500	-	-	243,500	-	-	-	243,500
Motor Vehicles	22,038,925	15,897,040	2,511,987	40,447,952	-	5,701,000	-	46,148,952
Computers	18,700,557	2,662,757	-	21,363,314	-	6,375,162	-	27,738,476
Air Conditioners	36,750,910	309,760	-	37,060,670	-	1,762,151	-	38,822,821
House Keeping Equipment	15,751,401	-	-	15,751,401	-	86,180	-	15,837,581
Elevators	10,955,479	-	-	10,955,479	-	-	-	10,955,479
Building Work in progress	-	-	-	-	-	1,746,448	-	1,746,448
	1,549,794,691	92,864,933	2,511,987	1,645,171,611	72,635,724	68,921,606	-	1,786,728,941
Assets on Finance Leases								
Motor Vehicles	2,511,987	-	(2,511,987)	-	-	-	-	-
	2,511,987	-	(2,511,987)	-	-	-	-	-
Total Value of Depreciable Assets	1,552,306,678	92,864,933	-	1,645,171,611	72,635,724	68,921,606	-	1,786,728,941

Notes to the Financial Statements

Year Ended 31 March 2013

11. PROPERTY, PLANT AND EQUIPMENT (Contd.)

11.2.2 Depreciation

	Balance As at 01.04.2011 Rs.	Charge for the period Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2012 Rs.	Revaluation Adjustment Rs.	Charge for the period Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2013 Rs.
Buildings	16,596,308	8,326,833	-	24,923,141	(26,332,249)	8,327,084	-	6,917,976
Medical Equipment	264,976,205	55,075,581	-	320,051,786	-	57,424,932	-	377,476,718
Furniture and Fittings	11,929,642	3,056,264	-	14,985,906	-	3,170,691	-	18,156,597
Office Equipment	2,982,041	1,038,341	-	4,020,382	-	928,282	-	4,948,664
Sundry Equipment	21,773,075	56,087	-	21,829,162	-	75,203	-	21,904,365
Kitchen Equipment	1,787,119	700,750	-	2,487,869	-	802,518	-	3,290,387
Televisions and Cassette Recorder	1,408,886	194,966	-	1,603,852	-	590,777	-	2,194,629
Tools and Equipment	9,686,690	132,602	-	9,819,292	-	827,456	-	10,646,748
Push Cycle	8,932	2,134	-	11,066	-	2,134	-	13,200
Generator	4,724,357	1,454,145	-	6,178,502	-	1,454,145	-	7,632,647
Water Pump	243,500	-	-	243,500	-	-	-	243,500
Motor Vehicles	12,527,857	4,377,603	1,004,795	17,910,255	-	4,030,637	-	21,940,892
Computers	10,134,849	3,673,653	-	13,808,502	-	3,706,295	-	17,514,797
Air Conditioners	19,927,377	2,791,719	-	22,719,096	-	2,878,846	-	25,597,942
House Keeping Equipment	3,407,284	1,575,140	-	4,982,424	-	1,577,554	-	6,559,978
Elevators	10,955,479	-	-	10,955,479	-	-	-	10,955,479
Assets on Finance Leases	393,069,601	82,455,818	1,004,795	476,530,214	(26,332,249)	85,796,554	-	535,994,519
Motor Vehicles	1,004,795	-	(1,004,795)	-	-	-	-	-
Total Depreciation	394,074,396	82,455,818	(1,004,795)	476,530,214	(26,332,249)	85,796,554	-	535,994,519

11. PROPERTY, PLANT AND EQUIPMENT (Contd.)

11.2.3 Net Book Values

	2013 Rs.	2012 Rs.	2011 Rs.
Land	548,047,500	452,163,800	401,000,000
Building	369,558,225	374,764,836	383,091,669
Medical Equipment	234,401,212	253,189,272	289,400,573
Furniture and Fittings	16,714,946	16,883,527	18,721,838
Office Equipment	2,558,801	1,706,597	2,017,737
Sundry Equipment	393,770	467,078	523,165
Kitchen Equipment	5,580,252	5,174,227	4,308,754
Televisions and Cassette Recorders	2,395,935	623,242	362,287
Tools and Equipment	5,486,166	92,533	225,135
Push Cycle	8,144	10,278	12,412
Generator	6,908,802	8,362,947	9,817,092
Water Pump	-	-	-
Motor Vehicles	24,208,060	22,537,697	9,511,068
Computers	10,223,679	7,554,812	8,565,708
Air Conditioners	13,224,879	14,341,574	16,823,533
House Keeping Equipment	9,277,603	10,768,977	12,344,117
Work in progress	1,746,448	-	-
Software	-	-	-
	1,250,734,422	1,168,641,397	1,156,725,088
Assets on Finance Leases			
Motor Vehicles	-	-	1,507,192
	-	-	1,507,192
In the Course of Construction/Installation			
Building	-	-	-
Total Carrying Amount of Property, Plant and Equipment	1,250,734,422	1,168,641,397	1,158,232,280

11.2.4 During the year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs.68,921,606/- (2012 : Rs.92,864,993/-). Cash payments amounting to Rs.68,921,606/- (2012 : Rs.92,864,993/-) were made during the year for purchase of Property, Plant and Equipment.

11.2.5 The fair value of land and building situated at No 181, Kirula Road, Colombo 05 of Asiri Hospital Holdings PLC was determined by means of a revaluation during the current financial year by Messrs. P. B. Kalugalagedara (FIV, MSIZ, IRRV, FRICS) an independent valuer in reference to market based evidence. The results of such revaluation were incorporated in the Financial Statements from its effective date which is 31 May 2012. The surplus arising from the revaluation is recognised in Other Comprehensive Income and transferred to Revaluation Reserve in Equity net of deferred taxes.

	Net Book Value Rs.	Revalued Amount Rs.	Gain/(Loss) Rs.
Land	452,163,800	548,047,500	95,883,700
Building	373,355,727	376,440,000	3,084,273
			98,967,973
Deferred Tax on Building Revaluation Gain			370,113
			99,338,086

The carrying amount of revalued assets that would have been included in the financial statements had the assets been carried at cost less depreciation is as follows: (Refer Note 11.1.6 for depreciation rates of the Company)

Class of Asset	Cost Rs.	Cumulative Depreciation If assets were carried at cost Rs.	Net Carrying Amount 2013 Rs.	Net Carrying Amount 2012 Rs.	Net Carrying Amount 2011 Rs.
Freehold Land	29,616,200	-	29,616,200	29,616,200	29,617,000
Building	227,901,200	98,865,721	129,035,479	227,865,000	234,527,000
	257,517,400	98,865,721	158,651,679	257,481,200	264,144,000

Notes to the Financial Statements

Year Ended 31 March 2013

12. LEASEHOLD PROPERTY

	Group	
	2013 Rs.	2012 Rs.
Balance as at the beginning of the year	289,988,199	230,763,887
Amortisation for the year	(5,538,363)	(5,775,688)
Leasehold Improvements during the year	15,799,788	-
Prepayment for Lease Hold Right (Note 12.2 c)	-	65,000,000
Balance as at the end of the year	300,249,624	289,988,199

12.1 The Group has accounted for lease hold right comply with the Statement of Alternative Treatment (SoAT) issued by Institute of Chartered Accountants of Sri Lanka dated 19 December 2012. This right to use land is require to be amortised over the lease term or useful life of the right whichever is shorter and is disclosed under non-current asset. The SoAT for right-to-use land does not permit revaluation of right-to-use land. However, an adjustment to the 'right-to-use land' could be made to the extent that the change relate to the further period on the reassessment of liability to make the lease payment.

12.2

- Asiri Surgical Hospital PLC obtained leasehold right to the land (extent of land 2 Acres, 1 Root and 11.6 perches) situated at No.21, Kirimandala Mawatha, Colombo 05 for 99 years from the Board of Investment of Sri Lanaka by agreement dated 29 March 2000.
- Asiri Hospital Matara (Pvt) Ltd obtained lease hold right to land (extent of land is perches 38.34) and building situated at No 37, Anagarika Dharmapala Mawatha, Matara for 20 years commencing from 04 October 2006.
- Asiri Hospital Kandy (Pvt) Ltd. - Land (extent of land is 2 Acres 15.5 perches) situated at Srimavo Bandaranayaka Mawatha, Mulgampala belonging to Urban Development Authority was leased out to Colombo Commercial Company (Engineers) Ltd. Currently the Company is under negotiations with the Urban Development Authority to finalise the lease agreement for the said land. Land belonging to Urban Development Authority was leased out to Colombo Commercial Company (Engineers) Ltd., on 31 August 1993 for a period of 50 years. The said land was mortgaged over a facility obtained by Colombo Commercial Company (Engineers) Ltd. Currently the management is of the view that leasehold right should be directly obtained from Urban Development Authority and therefore was referred to Attorney General's office. It has been referred to the Treasury of Central Bank of Sri Lanka for the final approval.

13. INVESTMENT PROPERTY

Land and Building

	GROUP			COMPANY		
	2013 Rs.	2012 Rs.	2011 Rs.	2013 Rs.	2012 Rs.	2011 Rs.
Balance as at the beginning of the year	2,039,636,500	-	-	-	-	-
Transferred from Property, Plant and Equipments	-	1,834,256,000	-	-	-	-
Changes in Fair Value of the Investment Property	61,309,000	205,380,500	-	-	-	-
Balance as at the end of the year	2,100,945,500	2,039,636,500	-	-	-	-

13.1 Due to the change in the nature of use in total freehold land and building, these were recognised as investment properties with effect from 01 April 2011

13.2 The land and building of Asiri Central Hospital PLC, situated at No 37, Horton place, Colombo 7 were revalued as at March 31, 2013 by Messrs. P.B Kalugalagedara (FIW, MSIZ, IRRV, FRICS) an independent valuer. The land and building were valued at their open market values and the results of such revaluation are incorporated in the financial statements for the year ended 31 March 2013. The surplus arising from the revaluation is transferred to the Income Statement.

13.3 The amounts recognised to profit or loss on investment property is as follows,

	2013 Rs.	GROUP 2012 Rs.	2011 Rs.
Rental income derived from investment properties	60,100,000	66,300,000	-
Direct operating expenses generating rental income (rates and depreciation)	(7,723,605)	(8,616,768)	-
	52,376,395	57,683,232	-

14. GOODWILL

	Group	
	2013 Rs.	2012 Rs.
Balance at Beginning of the Year	548,706,564	548,706,564
Additions during the year	-	-
Balance at the End of the Year	548,706,564	548,706,564

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. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised in Equity.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination transferred, the gain is recognised in Equity.

Goodwill acquired through business combinations have been allocated to Asiri Surgical Hospital PLC.

Notes to the Financial Statements

Year Ended 31 March 2013

15. INVESTMENT IN SUBSIDIARY COMPANIES

Company

Company	2013		2012		2011		2013		2012		2011	
	%	Direct Holding %	%	Direct Holding %	%	Direct Holding %	Carrying Value Rs.	Market Value/ Directors' Valuation* Rs.	Carrying Value Rs.	Market Value/ Directors' Valuation* Rs.	Carrying Value Rs.	Market Value/ Directors' Valuation* Rs.
15.1 Quoted**												
Asiri Surgical Hospital PLC - Ordinary Shares (Note a)	73.67	46.91	44.51		2,378,202,770	3,620,612,337	1,115,263,393	1,958,486,259	1,006,972,009	1,999,417,201	630,000,000	630,000,000
Asiri Surgical Hospital PLC - Preference Shares (Note b)	-	100	100		-	-	630,000,000	630,000,000	630,000,000	630,000,000	630,000,000	630,000,000
Asiri Central Hospitals PLC - Ordinary Shares	98.55	55.59	55.59		3,612,880,833	5,502,753,250	1,214,197,205	2,048,226,015	1,213,447,205	2,464,077,964	2,850,419,214	5,083,495,165
					5,991,083,603	9,123,365,587	2,959,460,598	4,636,712,274	2,850,419,214	5,083,495,165		

a. 108,825,450 shares of Asiri Surgical Hospitals PLC were pledged to the Sampath Bank PLC on behalf of the loan and the overdraft facility obtained by the Company. (Refer Note 30)

b. During the year, 210,000,000 unlisted preference shares were repurchased by the Asiri Surgical Hospital PLC at a price per share of Rs.7.06 amounting to Rs.1,482,600,000/-. The gain on preference share repurchase amounted to Rs.852,600,000/-. This gain has been eliminated in full in the Consolidated Financial Statements as this transaction is between Asiri Hospital Holdings PLC and Asiri Surgical Hospital PLC. (Refer Note 4)

Company	2013		2012		2011		2013		2012		2011	
	%	Direct Holding %	%	Direct Holding %	%	Direct Holding %	Carrying Value Rs.	Market Value/ Directors' Valuation* Rs.	Carrying Value Rs.	Market Value/ Directors' Valuation* Rs.	Carrying Value Rs.	Market Value/ Directors' Valuation* Rs.
15.2 Un-quoted**												
Asiri Diagnostic Services (Pvt) Ltd	66.54	66.54	66.54		2,691,400	2,691,400	2,691,400	2,691,400	2,691,400	2,691,400	2,691,400	2,691,400
Asiri Hospital Matara (Pvt) Ltd	100	100	100		260,382,953	260,382,953	260,211,306	260,211,306	260,000,000	260,000,000	260,000,000	260,000,000
Central Hospital Ltd	18.26	10.88	10.88		762,689,532	762,689,532	355,854,844	355,854,844	346,109,380	346,109,380	346,109,380	346,109,380
Asiri Hospital Kandy (Pvt) Ltd. (Previously Known as Digasiri Medical Services (Pvt) Ltd)	100	100	100		105,997,309	105,997,309	105,997,309	105,997,309	65,997,359	65,997,359	65,997,359	65,997,359
					1,131,761,194	1,131,761,194	724,754,859	724,754,859	674,798,139	674,798,139	674,798,139	674,798,139
Carrying Value of Investment in Subsidiaries					7,122,844,797	3,684,215,457						

*Directors' valuation of investment in un-quoted shares have been determined based on the cost of the investments. Investment value of quoted shares have been determined based on market value of shares as at 31 March 2013.

** Carrying values include the corporate guarantees impact recognised.

16. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES

16.1 Financial assets - available for sale

Non-current

Quoted Investments	2013	2012	2011	2013	2012	2011	2013	2012	2011
	Number of Shares	Market Value Rs.	Market Value Rs.	Market Value Rs.	Market Value Rs.	Market Value Rs.	Market Value Rs.	Market Value Rs.	Market Value Rs.
Non-current									
16.1.1 Group									
National Development Bank PLC									
Market Value of Investment in Equity Securities	2,409,672	2,409,672	9,672	397,610,730	295,918,773	1,937,587			
16.1.2 Company									
National Development Bank PLC									
Market Value of Investment in Equity Securities	2,408,136	2,408,136	8,136	397,342,440	295,719,100	1,384,747			
16.2 Financial Assets -Held For Trading									
Current									
Quoted Investments									
GROUP/ COMPANY									
Hatton National Bank PLC									
Market Value of Investment in Equity Securities	190,920	187,500	125,000	31,940,916	28,687,500	47,500,000			

Notes to the Financial Statements

Year Ended 31 March 2013

16. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Contd.)

16.3 Fair Value of Financial Assets and Liabilities not Carried at Fair Value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the Financial Statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

Group	Carrying amount		Fair value	
	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
Financial Assets				
Trade and other receivables	297,326,676	393,046,764	297,326,676	393,046,764
Loans Granted to Related Parties	370,794,761	-	370,794,761	-
Cash and short term deposits	170,995,342	119,871,093	170,995,342	119,871,093
Total	839,116,779	512,917,857	839,116,779	512,917,857
Financial Liabilities				
Trade and other payables	273,885,320	472,793,512	273,885,320	472,793,512
Loans and borrowings- Current	2,098,815,406	1,902,791,197	2,098,815,406	1,902,791,197
Loans and borrowings- Non current	4,285,988,151	5,001,344,215	3,796,431,504	4,345,606,499
Total	6,658,688,877	7,376,928,924	6,169,132,230	6,721,191,208

Company	Carrying amount		Fair value	
	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
Financial Assets				
Trade and other receivables	418,257,894	451,895,359	418,257,894	451,895,359
Cash and short term deposits	66,613,049	60,130,088	66,613,049	60,130,088
Total	484,870,943	512,025,447	484,870,943	512,025,447
Financial Liabilities				
Trade and other payables	1,195,556,754	492,833,610	1,195,556,754	492,833,610
Loans and borrowings- Current	988,528,127	677,461,371	988,528,127	677,461,371
Loans and borrowings- Non current	1,187,544,765	1,554,677,944	806,445,825	1,073,854,286
Total	3,371,629,646	2,724,972,925	2,990,530,706	2,244,149,267

The following describes the methodologies and assumptions used to determine the fair values for those financial instruments which are not already recorded at fair value in the financial statements.

Assets for which Fair Value Approximates Carrying Value

For financial assets and financial liabilities that have a short term maturity (original maturities less than a year), it is assumed that the carrying amounts approximate their fair values.

Fixed Rate Financial Instruments

Loans and Borrowings with fixed interest rates were fair valued using Average Weighted Primary Lending Rates published by the CBSL.

16. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Contd.)

16.4 Fair value hierarchy

As at 31 March 2013, the Company held the following financial instruments carried at fair value on the statement of financial position; The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

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

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

16.4.1 Assets measured at fair value- Company

		31 March 2013 Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Available-for-sale financial assets	Equity shares	397,342,440	397,342,440	-	-
Financial Assets - Held for Trading	Equity shares	31,940,916	31,940,916	-	-
Foreign Exchange Forward Contracts	Liability	(1,135,200)	-	(1,135,200)	-

		31 March 2012 Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Available-for-sale financial assets	Equity shares	295,719,100	295,719,100	-	-
Financial Assets - Held for Trading	Equity shares	28,687,500	28,687,500	-	-
Foreign Exchange Forward Contracts	Assets	18,096,600	-	18,096,600	-

		1 April 2011 Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Available-for-sale financial assets	Equity shares	1,384,747	1,384,747	-	-
Financial Assets - Held for Trading	Equity shares	47,500,000	47,500,000	-	-

16.4.2 Assets measured at fair value - Group

		31 March 2013 Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Available-for-sale financial assets	Equity shares	397,610,730	397,610,730	-	-
Financial Assets - Held for Trading	Equity shares	31,940,916	31,940,916	-	-
Foreign Exchange Forward Contracts	Liability	(1,255,195)	-	(1,255,195)	-

		31 March 2012 Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Available-for-sale financial assets	Equity shares	295,918,773	295,918,773	-	-
Financial Assets - Held for Trading	Equity shares	28,687,500	28,687,500	-	-
Foreign Exchange Forward Contracts	Assets	40,004,360	-	40,004,360	-

		1 April 2011 Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Available-for-sale financial assets	Equity shares	1,937,587	1,937,587	-	-
Financial Assets - Held for Trading	Equity shares	47,500,000	47,500,000	-	-

Notes to the Financial Statements

Year Ended 31 March 2013

17. INVENTORIES

	GROUP			COMPANY		
	2013 Rs.	2012 Rs.	2011 Rs.	2013 Rs.	2012 Rs.	2011 Rs.
Chemical and Test Materials	118,376,962	65,757,176	60,980,670	64,571,074	60,708,228	58,417,424
Pharmaceuticals	58,619,889	51,884,263	48,815,083	20,906,193	21,231,135	21,198,493
Surgical	87,295,780	72,947,440	74,335,764	9,085,953	7,670,867	10,869,978
X-ray Consumables	1,805,373	2,323,859	4,608,831	-	220,989	801,222
Stationery	12,358,887	14,300,561	9,679,293	4,051,166	4,526,160	3,968,737
Housekeeping	1,760,392	2,543,653	1,228,878	748,447	1,099,804	1,006,379
Kitchen/ Foods	2,527,698	2,277,176	1,528,768	1,061,549	1,005,150	638,672
Maintenance	1,601,840	1,483,762	1,218,638	1,397,184	1,356,446	1,203,870
Drugs and General Stores	35,265,292	59,767,086	51,374,372	-	-	-
Genetic Lab	9,237,219	14,844,781	25,512,791	-	-	-
Consumables	657,687	246,324	1,122,016	184,828	60,940	337,610
Other Stocks	197,610	9,146,633	10,110,940	-	-	-
	329,704,629	297,522,714	290,516,044	102,006,394	97,879,719	98,442,385
Provision for Slow Moving Stocks	-	-	(3,867,749)	-	-	-
	329,704,629	297,522,714	286,648,295	102,006,394	97,879,719	98,442,385

18. TRADE AND OTHER RECEIVABLES

	GROUP			COMPANY		
	2013 Rs.	2012 Rs.	2011 Rs.	2013 Rs.	2012 Rs.	2011 Rs.
18.1 Trade and Other Receivables						
Trade Debtors	297,821,673	363,200,464	299,889,827	93,302,459	71,484,683	47,291,369
Less: Provision for Bad Debts	(12,000,612)	(10,158,060)	(4,847,178)	(326,542)	(544,043)	(133,428)
	285,821,061	353,042,404	295,042,649	92,975,917	70,940,640	47,157,941
Other Debtors - Related Parties (Note 18.3)	185,745	-	-	315,716,617	350,936,297	216,279,900
Foreign Exchange Forward Contracts (Note 18.5)	-	40,004,360	-	-	18,096,600	-
Staff Loans	11,319,870	-	-	9,565,360	11,921,822	10,817,261
	297,326,676	393,046,764	295,042,649	418,257,894	451,895,359	274,255,102
18.2 Advances, Deposits and Prepayments						
Advances, Deposits and Prepayments	174,011,394	172,437,823	139,100,867	29,560,818	45,625,849	94,232,497
Employee Trust Fund (Note 18.4)	5,000,000	60,000,000	60,000,000	5,000,000	60,000,000	60,000,000
	179,011,394	232,437,823	199,100,867	34,560,818	105,625,849	154,232,497
	476,338,070	625,484,587	494,143,516	452,818,712	557,521,208	428,487,599
18.3 Other Debtors - Related Parties						
Asiri Hospital Matara (Pvt) Ltd.		Relationship				
	-	Fellow Subsidiary	-	188,403,213	146,618,674	134,476,125
Matara Medi House (Pvt) Ltd.*	-	Fellow Subsidiary	-	-	29,611,408	-
Central Hospital Ltd.	-	Fellow Subsidiary	-	106,029	88,277,017	34,777,913
Asiri Central Hospital PLC	-	Fellow Subsidiary	-	56,401,720	12,986,386	10,136,657
Asiri Hospital Kandy (Pvt) Ltd.	-	Fellow Subsidiary	-	70,805,655	73,442,812	36,889,205
Uni Walkers (Pvt) Ltd.	-	Group Company	-	-	-	-
Softlogic Holdings PLC	56,852	Ultimate Parent	-	-	-	-
Asian Alliance Insurance Co. Ltd	128,893	Group Company	-	-	-	-
	185,745		-	315,716,617	350,936,297	216,279,900

* * Matara Medi House (Pvt) Ltd has been merged to Asiri Hospital Matara (Pvt) Ltd on 22 June 2012 and balance due from Matara Medi House (pvt) Ltd has been transferred to Asiri Hospital Matara (Pvt) Ltd.

18. TRADE AND OTHER RECEIVABLES (Contd.)

18.4 Employee Trust Fund

Asiri Hospital Holdings PLC Employee Share Trust Fund has been formed with effect from April 01, 2001 by the indenture of the trust dated March 29, 2011.

The permanent employees of the company are eligible to receive distribution of income made by the trust as specified in the indenture of the trust. However no distribution can be made by way of transferring shares owned by the trust beneficiaries.

	2013 Rs.	2012 Rs.	2011 Rs.
Opening Balance as at 01 April	60,000,000	60,000,000	60,000,000
Settlement of the advance given to Employee Trust Fund	(55,000,000)	-	-
Closing Balance as at 31 March	5,000,000	60,000,000	60,000,000

SSP Corporate Services (Pvt) Ltd. has been appointed as the trustee of the trust with effect from February 27, 2012.

18.5 Foreign Exchange Forward Contracts

	2013 Rs.	GROUP 2012 Rs.	2011 Rs.	2013 Rs.	Company 2012 Rs.	2011 Rs.
Unrealised Exchange (Gain)/ Loss	(1,174,210)	40,004,360	-	(1,135,200)	18,096,600	-

*The Forward Contracts entered in to by the Company/Group which remain outstanding as at the reporting date have been fair valued. The above balance represents the assets/(liabilities) whilst the corresponding gains/(losses) have been considered as Net Trading Income in arriving at profit/(loss) for the year.

18.6 As at 31 March, the ageing analysis of trade receivables are as follows:

18.6.1 GROUP

	Total	Past due but not impaired					Impaired > 330 days
		Neither past due or nor Impaired	< 30 days	31 - 60 days	61 - 90 days	91 - 330 days	
2013	297,821,673	173,540,468	51,349,179	32,600,043	14,120,447	14,210,924	12,000,612
Less - provision for impairment	(12,000,612)	-	-	-	-	-	(12,000,612)
	285,821,061	173,540,468	51,349,179	32,600,043	14,120,447	14,210,924	-
2012	363,200,464	257,572,864	40,720,532	32,791,055	13,367,604	8,590,349	10,158,060
Less - provision for impairment	(10,158,060)	-	-	-	-	-	(10,158,060)
	353,042,404	257,572,864	40,720,532	32,791,055	13,367,604	8,590,349	-

18.6.2 COMPANY

	Total	Past due but not impaired					Impaired > 330 days
		Neither past due or nor Impaired	< 30 days	31 - 60 days	61 - 90 days	91 - 330 days	
2013	93,302,459	35,688,326	36,214,018	14,335,295	6,491,534	246,744	326,542
Less - provision for impairment	(326,542)	-	-	-	-	-	(326,542)
	92,975,917	35,688,326	36,214,018	14,335,295	6,491,534	246,744	-
2012	71,484,683	16,642,010	33,799,850	13,545,024	5,358,391	1,595,365	544,043
Less - provision for impairment	(544,043)	-	-	-	-	-	(544,043)
	70,940,640	16,642,010	33,799,850	13,545,024	5,358,391	1,595,365	-

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Year Ended 31 March 2013

19. LOANS GRANTED TO RELATED PARTIES

	Relationship	GROUP			COMPANY		
		2013 Rs.	2012 Rs.	2011 Rs.	2013 Rs.	2012 Rs.	2011 Rs.
Softlogic Holdings PLC	Ultimate Parent	370,794,761	-	-	240,108,719	-	-
Asiri Central Hospitals PLC	Fellow Subsidiary	-	-	-	345,926,757	31,080,000	132,350,000
Central Hospital Ltd.	Fellow Subsidiary	-	-	-	-	-	26,050,000
		370,794,761	-	-	586,035,476	31,080,000	158,400,000

20. STATED CAPITAL

	2013 Number	Rs.	2012 Number	Rs.	2011 Number	Rs.
Fully Paid Ordinary Shares **	1,099,092,308	3,902,399,998	889,263,050	1,636,244,012	889,263,050	1,636,244,012
	1,099,092,308	3,902,399,998	889,263,050	1,636,244,012	889,263,050	1,636,244,012

** There has been an issue of 209,829,258 Number of ordinary shares amounting to a total consideration of Rs.2,266,155,986 by way of a private placement with Actis Investment Holdings Sri Lanka, which constitute 19.09 % stake in the company immediately after the issue. The direct transaction cost relating to issue of shares amounted to Rs.57,039,785/-

21. REVALUATION RESERVE

	2013 Rs.	2012 Rs.	GROUP 2011 Rs.	2013 Rs.	2012 Rs.	COMPANY 2011 Rs.
Balance at Beginning of the year	427,991,747	358,403,318	358,403,318	358,403,318	358,403,318	358,403,318
Revaluation during the year net of deferred tax	782,918,653	69,588,429	-	98,597,860	-	-
Balance at End of the Year	1,210,910,400	427,991,747	358,403,318	457,001,178	358,403,318	358,403,318

Notes to the Financial Statements

Year Ended 31 March 2013

22. INTEREST BEARING LOANS AND BORROWINGS (CONTD.)		Approved Facility		Purpose		Repayment Terms		Security		Security Amount Rs.	
22.3 Long-Term Loan Details		Details of the Long Term Loans									
22.3.1 Asiri Surgical Hospital PLC											
	Commercial Bank of Ceylon PLC	Rs.300 Mn	To part finance the cost of construction of Phase 2 of the hospital complex	60 equal monthly instalments commencing from 12 Months after first disbursement	Corporate Guarantee from Asiri Hospital Holdings PLC	300 Mn					
	Commercial Bank of Ceylon PLC	Rs.100 Mn	Establishment of irrevocable documentary Letters of Credit for the importation of medical equipment	59 equal monthly instalments with one year grace period commencing from 25th December 2009	Primary Mortgage over machinery to be imported and Corporate Guarantee from Asiri Hospital Holdings PLC	250 Mn					
	Commercial Bank of Ceylon PLC	Rs.175 Mn	To part refinance the term loan granted to finance the purchase of 6,577,981 Shares of Asiri Central Hospitals PLC	59 Equal monthly instalment of Rs.2.9 Mn each and final instalment of Rs.3.9 Mn	Secondary Concurrent Mortgage Bond with Hatton National Bank PLC over property of the Company	125 Mn					
	Hatton National Bank PLC	Rs.175 Mn	To part settle temporary facilities obtained to purchase stake in Asiri Central Hospitals PLC	59 Equal monthly instalment of Rs.2.9 Mn each and final instalment of Rs.3.9 Mn	Leasehold Land and Buildings	175 Mn					
	DFCC Bank	Rs.200 Mn	To settle part of the short term borrowings	59 equal monthly instalments (capital) after a grace period of one month commencing from the date of first disbursement.	66,000,000 ordinary shares of Asiri Surgical Hospital PLC held by Asiri Hospital Holdings PLC	200 Mn					
	DFCC Bank	Rs.200 Mn	To settle part of the short term borrowings	59 equal monthly instalments after a grace period of one month from the date of first disbursement	134,915,107 ordinary shares of Asiri Surgical Hospital PLC held by Asiri Hospital Holdings PLC A further assignment over 66,000,000 Asiri Surgical Hospital PLC shares held by Asiri Hospital Holdings PLC	200 Mn					
	DFCC Bank	Rs.100 Mn	To finance importation of a PET/CT Scanning Machine	56 equal monthly instalments after a grace period of 4 months	Corporate Guarantee from Asiri Hospital Holdings PLC bearing registration No:PQ204 Primary mortgage over movable machinery	100 Mn					
	International Finance Corporation	USD 1.9 Mn	To settle part of the short term borrowings	17 equal semi annual instalments starting from April 15, 2013	Refer Note 22.3.6						

22.3.2 Asiri Diagnostic Services (Pvt) Ltd.						
Details of the Long Term Loans		Approved Facility	Purpose	Repayment Terms	Security	Security Amount Rs.Mn
	Sampath Bank	Rs.25 Mn	To finance the purchase of High Speed Dual CT Scanner and VS2 Performance Workstation from Wipro GE Health Care Pvt Ltd - India	47 equal monthly instalments of Rs.521,000/- each and final instalment of Rs.513,000/-	Primary Mortgage over machinery to be imported	25 Mn
22.3.3 Asiri Hospital Matara (Pvt) Ltd.						
	Sampath Bank - Term Loan 01	Rs.200 Mn	To finance the investment in Matara Medi House (Pvt) Ltd	59 equal monthly instalments of Rs.3.33 Mn and a final instalment of Rs.3.53 Mn	Primary Mortgage over the hospital premises at No.26, Esplandia Road Uyanwatta	Rs.237 Mn
	Commercial Bank of Ceylon PLC	Rs.30 Mn	To reschedule all outstanding of Matara Medi House (Pvt) Ltd. and release property mortgages provided by the previous ownership	83 equal monthly instalments of Rs.0.36 Mn and a final instalment of Rs.0.12 Mn	Corporate Guarantee of Asiri Hospital Holdings PLC	Rs.30 Mn
	Seylan Bank PLC	Rs.3.871 Mn	To convert the existing lease facilities to a single term loan	23 equal monthly instalments of Rs.0.1613 and a final instalment of Rs.0.1611 Mn	Corporate Guarantee of Asiri Hospital Holdings PLC	Rs.3.871 Mn
22.3.4 Central Hospital Ltd.						
	Sampath Bank PLC Bank of Ceylon Commercial Bank of Ceylon PLC Hatton National Bank PLC National Development Bank PLC National Savings Bank	Rs. 1,920 Mn	A syndicated loan obtained from a consortium of banks to settle part of the short term borrowings	58 equal monthly instalments	Syndicated loan is secured by a primary concurrent mortgage over the Company's premises at No. 114, Norris Canal Road, Colombo 10 and secondary concurrent mortgage over premises at No. 37, Horton Place, Colombo 7.	Rs.999 Mn
	Bank of Ceylon	Rs.960 Mn	To settle the syndication loan obtained for construction of the hospital	Ten years including two years grace period (96 equal monthly instalments)	Primary Concurrent Mortgage over freehold land and buildings at No114, Norris Canal Rd, Colombo 10.	Rs.960 Mn

Notes to the Financial Statements

Year Ended 31 March 2013

Details of the Long Term Loans		Approved Facility	Purpose	Repayment Terms	Security	Security Amount Rs.Mn
22.3.4 Central Hospital Ltd. (Contd.)						
	International Finance Corporation	US \$ 11.4 Mn	To complete the construction of building and implementing the beds of the Company	17 equal semi annual instalments starting from April 15, 2013	First ranking mortgage/ chattel mortgage on the movable and immovable assets of the Company, acceptable to IFC, a pledge of shares in the Company, Project Funds Agreement etc.	Rs. 1,477 Mn
22.3.5 Asiri Central Hospitals PLC						
	Sampath Bank PLC Bank of Ceylon Commercial Bank of Ceylon PLC Hatton National Bank PLC National Development Bank PLC National Savings Bank	Rs. 725 Mn	A syndicated loan obtained from a consortium of banks to settle part of the short term borrowings	60 equal monthly instalments	Syndicated loan is secured by a primary mortgage bond over the Company's premises, at No. 37 Horton Place, Colombo 7.	Rs. 655 Mn
22.3.6 IFC loan group security details						
A sum of USD 16,000,000 to be secured by, a primary mortgage in respect of leasehold rights over the property at Kirimandala Mawatha, Naranepita belonging to Asiri Surgical Hospital PLC and a primary additional security mortgage in respect of the property at Norris Canal Road, Colombo 10 belonging to Central Hospital Ltd., ranking concurrently and pari passu with the existing mortgage in respect of such property as further and additional security to the mortgage bond above.						
A sum of USD 4,000,000 to be secured by, a primary mortgage in respect of all shares of Central Hospital Ltd., Asiri Diagnostic Services (Pvt) Ltd., Asiri Hospital Matara (Pvt) Ltd. belonging to Asiri Hospital Holdings PLC, a primary additional security mortgage in respect of all shares of Central Hospital Ltd., belonging to Asiri Central Hospitals PLC, a primary additional security mortgage in respect of movable assets belonging to Asiri Surgical Hospital PLC, and a primary additional security mortgage in respect of movable assets belonging to Central Hospital Ltd.						

22. INTEREST BEARING LOANS AND BORROWINGS (CONTD.)

22.4 Company

	2013		2013		2012		2012		2011		2011	
	Amount Repayable Within 1 Year	Rs.	Amount Repayable After 1 Year	Rs.	Amount Repayable Within 1 Year	Rs.	Amount Repayable After 1 Year	Rs.	Amount Repayable Within 1 Year	Rs.	Amount Repayable After 1 Year	Rs.
Finance Leases (Note 22.4.1)	-	-	-	-	-	-	-	-	614,877	-	-	614,877
Bank Loans (Note 22.4.2)	314,563,361	1,187,544,765	1,502,108,126	234,193,243	1,543,677,944	1,777,871,187	1,123,371,006	594,490,972	1,123,371,006	594,490,972	1,717,861,978	1,717,861,978
Bank Overdraft (Note 28.2)	662,964,766	-	662,964,766	443,268,128	-	443,268,128	508,715,340	-	508,715,340	-	508,715,340	508,715,340
Loans from Related Party (Note 22.4.3)	11,000,000	-	11,000,000	-	11,000,000	11,000,000	-	11,000,000	-	11,000,000	-	11,000,000
	988,528,127	1,187,544,765	2,176,072,892	677,461,371	1,554,677,944	2,232,139,315	1,632,701,223	605,490,972	1,632,701,223	605,490,972	2,238,192,195	2,238,192,195

22.4.1 Finance Leases

	As at 01.04.2011		As at 31.03.2012		As at 31.03.2013	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
National Development Bank PLC	-	-	-	-	-	-
Gross Liability	662,340	-	(662,340)	-	-	-
Finance Charges Allocated to Future Periods	(47,463)	-	47,463	-	-	-
Net Liability	614,877	-	(614,877)	-	-	-

Notes to the Financial Statements

Year Ended 31 March 2013

22.4.2 Bank Loans	As at 01.04.2011		Loans Obtained		Interest Recognised		Repayments		Exchange Difference		As at 31.03.2012		Interest Recognised		Repayments		Exchange Difference		As at 31.03.2013	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Commercial Bank of Ceylon PLC	342,669,000	-	-	12,672,517	(163,842,508)	-	191,499,010	23,134,069	(91,831,079)	-	122,802,000									
Hatton National Bank PLC	173,318,000	-	-	12,095,043	(102,103,043)	-	83,310,000	9,525,535	(49,533,535)	-	43,302,000									
Bank of Ceylon	9,375,000	-	-	292,888	(9,667,888)	-	-	-	-	-	-									
Nations Trust Bank PLC	137,500,000	-	-	13,776,375	(43,776,375)	-	107,500,000	15,794,645	(43,294,645)	-	80,000,000									
DFCC Bank (Development Finance Corporation of Ceylon)	99,999,980	-	-	8,461,504	(48,461,512)	-	59,999,972	5,689,542	(45,689,550)	-	19,999,964									
National Development Bank PLC	50,000,000	-	-	1,467,295	(51,467,295)	-	-	-	-	-	-									
International Finance Corporation	-	733,378,716	-	35,193,647	(25,020,984)	134,740,264	878,291,643	54,107,988	(55,296,307)	(7,168,980)	869,934,344									
Sampath Bank PLC	754,999,998	-	-	46,307,046	(482,786,482)	-	318,520,562	46,943,701	(104,394,445)	-	261,069,818									
Amara Bank Ltd	150,000,000	-	-	15,000,000	(26,250,000)	-	138,750,000	15,996,770	(49,746,770)	-	105,000,000									
	1,717,861,978	733,378,716	145,266,315	(953,376,087)	134,740,264	1,777,871,187	171,192,250	(439,786,331)	(7,168,980)	1,502,108,126										

22.4.3 Loans from Related Parties	As at 01.04.2011		Loans Obtained		Repayments		Exchange Difference		As at 31.03.2012		Loans Obtained		Repayments		Exchange Difference		As at 31.03.2013			
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
Asiri Diagnostic Services (Pvt) Ltd.	11,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,000,000
	11,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,000,000

22. INTEREST BEARING LOANS AND BORROWINGS (CONTD.)

22.5 Long term loan details

Details of the Long Term Loans	Approved Facility	Purpose	Repayment\ Terms	Security	Security Amount Rs.
Commercial Bank of Ceylon PLC	Rs.150 Mn	To absorb Short Term Loan facility of Rs.100Mn granted to part finance the acquisition cost of Asiri Hospital Matara and to reduce Overdraft outstanding by Rs.50Mn	60 equal monthly instalments commencing from 12 Months after first disbursement	Secondary Mortgage Bond Over Land Marked Lot. L, Land Called Ambagahawatta 181, Kirula Road, Narahenpita	150 Mn
Commercial Bank of Ceylon PLC	Rs.150 Mn	To part finance the settlement of borrowings from ASH and upgrading of hospital services	48 equal monthly instalments with one year grace period after first disbursement	Primary Concurrent Mortgage Bond Over Land Marked Lot. L, Land Called Ambagahawatta 181, Kirula Road, Narahenpita	150 Mn
Commercial Bank of Ceylon PLC	Rs.20 Mn	To finance purchase of two chemistry analysers for Jaffna lab	60 equal monthly instalments with one year grace period after first disbursement	Corporate Guarantee of Asiri Surgical Hospital PLC/Mortgage Bond over bio chemistry analyser equipment for Rs.20 mn	20 Mn
Nation Trust Bank PLC	Rs.150 Mn	To restructure the company's debt	60 equal monthly instalments	Corporate guarantee of Rs.150 Mn from Asiri Surgical Hospital PLC	150 Mn
Sampath Bank PLC	Rs.318 Mn	To purchase 10% shareholding in ASH owned by SLIC	To be re paid with in 60 equal monthly instalments of Rs.5.3 Mn commencing from May 2012.	108,925,450 Shares of Asiri Surgical Hospital PLC	318 Mn
Hatton National Bank PLC	Rs.200 Mn	To settle short term borrowings at other banks	24 equal monthly instalments of Rs.3.334 Mn and final instalment Rs.3.294 Mn plus interest	Charge on securities, Power of Attorney and related documents over 33 Mn, shares of Asiri Surgical Hospital PLC with a minimum margin of 50%	200 Mn
Amana Bank PLC	Rs.150 Mn	Rs.100 Mn for investing in the CT scanning machinery of the company and Rs.50 Mn for investing in the genetic lab equipments of the company	60 monthly instalments	26 Mn ordinary shares of Asiri Surgical Hospital PLC	150 Mn
DFCC Bank	Rs.200 Mn	To settle short term borrowings for the purpose of restructuring it's balance sheet	60 equal monthly instalments	66 Mn ordinary shares of Asiri Surgical Hospital PLC	200 Mn
International Finance Corporation	USD 6.7 Mn Rs.868 Mn after conversion	Settle part of the short term borrowings	17 equal semi annual instalments starting from April 15, 2013	Refer Note 22.3.6	200 Mn

Notes to the Financial Statements

Year Ended 31 March 2013

23. AMOUNTS DUE ON LEASEHOLD PROPERTY

	GROUP			COMPANY		
	2013 Rs.	2012 Rs.	2011 Rs.	2013 Rs.	2012 Rs.	2011 Rs.
Payable to Board of Investment of Sri Lanka	46,488,667	50,560,666	55,673,944	-	-	-
	46,488,667	50,560,666	55,673,944	-	-	-

23.1. Group

	2013 Amount Repayable Within 1 Year Rs.	2013 Amount Repayable Within 2-5 Years Rs.	2013 Amount Repayable After 5 Year Rs.	2013 Total Rs.	2012 Total Rs.	2011 Total Rs.
	Payable to the Board of Investment of Sri Lanka					
On Leasehold Land	4,072,000	16,288,000	26,128,667	46,488,667	50,560,666	54,632,667
On Relocation	-	-	-	-	-	1,041,277
	4,072,000	16,288,000	26,128,667	46,488,667	50,560,666	55,673,944

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

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

BOI reserves the right to revise the annual lease rent every 05 years on the basis of an annual increase not greater than the Average Weighted Deposit Rate prevailing at the end of each year as determined by the Central Bank of Sri Lanka or 10%, per annum which ever is lower. Accordingly, BOI has increased the annual lease rent by 5% in the financial year 2009/10. Accordingly, the finance cost amounting to Rs.203,600/- has been recognised as an expense each year from year 2010/11.

- If BOI exercises same right, at the end of 5 years (i.e. after the financial year of 2013/14) and every 5 years thereafter at the maximum allowed rate of 10%, the Company would have to incur a gross liability of Rs.113,100,004/- including future finance costs of Rs.8,567,470/-.
- All payments are subject to taxes prevailing at the time of payment.
- An amount of Rs.7,288,940/- is payable in seven equal annual instalments on account of re-location fees commencing from the financial year 2004/2005 which got expired by 2012/13.

24. DEFERRED TAX ASSETS AND LIABILITIES

24.1 Group

Deferred Tax	Assets			Liabilities		
	2013 Rs.	2012 Rs.	2011 Rs.	2013 Rs.	2012 Rs.	2011 Rs.
At the beginning of the year	(227,376,149)	(161,051,337)	14,616,507	177,383,630	131,448,917	123,382,308
Credit/Charge	14,788,953	(66,324,812)	(175,667,844)	201,474,134	45,934,713	8,066,609
At the end of the year	(212,587,196)	(227,376,149)	(161,051,337)	378,857,764	177,383,630	131,448,917
The closing deferred tax asset and liability balances relates to the following						
Revaluation of investment property and Property, Plant and Equipment	-	-	-	260,510,995	38,157,886	93,646,642
Accelerated depreciation for tax purpose	-	-	-	118,346,769	139,225,744	37,802,275
Employee benefit liabilities	(20,496,333)	(24,095,411)	(36,106,019)	-	-	-
Losses available for off set against future taxable income	(192,090,863)	(203,280,738)	(124,945,318)	-	-	-
	(212,587,196)	(227,376,149)	(161,051,337)	378,857,764	177,383,630	131,448,917

24.2 Company

Deferred Tax	Assets			Liabilities		
	2013 Rs.	2012 Rs.	2011 Rs.	2013 Rs.	2012 Rs.	2011 Rs.
At the beginning of the year	(13,514,488)	(27,477,774)	23,102,421	66,456,815	103,725,651	120,290,578
Credit/Charge	(473,169)	13,963,286	(50,580,196)	(548,719)	(37,268,836)	(16,564,927)
At the end of the year	(13,987,657)	(13,514,488)	(27,477,775)	65,908,096	66,456,815	103,725,651
The closing deferred tax asset and liability balances relates to the following						
Accelerated depreciation for tax purpose	-	-	-	64,990,252	61,508,022	99,782,578
Revaluation of building	-	-	-	370,113	-	-
Employee benefit obligations	(13,987,657)	(13,514,488)	(27,477,774)	-	-	-
	(13,987,657)	(13,514,488)	(27,477,774)	65,360,365	61,508,022	99,782,578

25. RETIREMENT BENEFIT LIABILITY

25.1 Retirement Benefit Obligations- Gratuity

	GROUP			COMPANY		
	2013 Rs.	2012 Rs.	2011 Rs.	2013 Rs.	2012 Rs.	2011 Rs.
Defined Benefit Obligation at the Beginning of the year	200,335,178	170,369,983	117,946,176	112,620,740	97,946,233	70,460,778
Interest on Benefit Liability	19,708,395	18,506,714	10,930,637	11,825,178	10,284,354	7,750,686
Current Service Cost	25,021,651	21,491,951	25,216,363	10,023,656	9,950,520	9,195,319
Actuarial Gain/ (Loss)	(13,124,587)	(858,918)	24,065,479	(8,593,414)	(930,544)	15,557,607
Benefit paid during the year	(17,618,077)	(9,174,552)	(7,788,672)	(9,312,348)	(4,629,823)	(5,018,157)
Defined Benefit Obligation at the end of the year	214,322,560	200,335,178	170,369,983	116,563,812	112,620,740	97,946,233
Charge for the period						
Interest Charge for the year	19,708,395	18,506,714	10,930,637	11,825,178	10,284,354	7,750,686
Current Service Cost	25,021,651	21,491,951	25,216,363	10,023,656	9,950,520	9,195,319
Actuarial Loss	(13,124,587)	(858,918)	24,065,479	(8,593,414)	(930,544)	15,557,607
	31,605,459	39,139,747	60,212,479	13,255,420	19,304,330	32,503,612

25.2 Messrs. Actuarial and Management Consultants (Pvt) Ltd., Actuaries, carried out an actuarial valuation for Asiri Hospital Holdings PLC, Asiri Surgical Hospital PLC, Asiri Central Hospital PLC, Asiri Diagnostic Services (Pvt) Ltd., and Asiri Hospital Matara (Pvt) Ltd., of the defined benefit plan gratuity as at 31 March 2013. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used are as follows:

Principal Actuarial Assumption

The principal financial assumptions underlying the valuation are as follows:

	2013	2012	2011
Discount Rate	11% p.a	10.5% p.a.	10.5% p.a.
Salary Increases	10% p.a	11.5% p.a.	11.5% p.a.
Staff Turnover	Up to 50 years	Up to 49 years	Up to 50 years
	10%	10%	10%

The Company will continue as a Going Concern.

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

Notes to the Financial Statements

Year Ended 31 March 2013

26. TRADE AND OTHER PAYABLES

	GROUP			COMPANY			
	2013 Rs.	2012 Rs.	2011 Rs.	2013 Rs.	2012 Rs.	2011 Rs.	
26.1 Trade and Other Creditors							
Trade Payables	272,306,365	472,793,512	545,086,390	74,023,107	53,619,256	48,675,592	
Other Payable - Related Parties (Note 26.3)	404,745	-	-	1,120,398,447	439,214,354	111,484,206	
Foreign Exchange Forward Contracts (Note 18.3)	1,174,210	-	-	1,135,200	-	-	
	273,885,320	472,793,512	545,086,390	1,195,556,754	492,833,610	160,159,798	
26.2 Other Payables							
Sundry Creditors Including Accrued Expenses	332,282,235	47,575,420	47,580,610	82,745,517	47,575,423	47,580,610	
	332,282,235	47,575,420	47,580,610	82,745,517	47,575,423	47,580,610	
	606,167,555	520,368,932	592,667,000	1,278,302,271	540,409,033	207,740,408	
26.3 Other Payable - Related Parties							
	Relationship						
Softlogic Communication (Pvt) Ltd	Group Company	77,775	-	-	56,325	-	84,004
Asiri Surgical Hospital PLC	Fellow Subsidiary	-	-	-	998,102,758	362,105,563	67,213,482
Asiri Diagnostic Services (Pvt) Ltd	Fellow Subsidiary	-	-	-	122,239,364	77,108,791	44,186,720
Softlogic Computers (Pvt) Ltd	Group Company	3,920	-	-	-	-	-
Softlogic information technologies (Pvt) Ltd	Group Company	110,136	-	-	-	-	-
Uniwalkers (Pvt) Ltd	Group Company	178,293	-	-	-	-	-
Softlogic Trading (Pvt) Ltd	Group Company	34,621	-	-	-	-	-
		404,745	-	-	1,120,398,447	439,214,354	111,484,206

27. INCOME TAX PAYABLE

	GROUP			COMPANY		
	2013 Rs.	2012 Rs.	2011 Rs.	2013 Rs.	2012 Rs.	2011 Rs.
Balance at Beginning of the Year	11,234,790	60,079,107	99,522,522	27,012,042	58,155,981	82,176,483
Provision for Income Tax During the Year	105,840,236	149,673,385	143,008,925	63,116,325	118,276,769	129,014,687
Payments Made During the Year	(104,943,465)	(198,517,702)	(181,703,340)	(74,931,483)	(149,420,708)	(153,035,189)
Advance Payment from the Previous Year	-	-	(749,000)	-	-	-
Balance at the End of the Year	12,131,561	11,234,790	60,079,107	15,196,884	27,012,042	58,155,981

28. CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT

Components of Cash and Cash Equivalents

	GROUP			COMPANY		
	2013 Rs.	2012 Rs.	2011 Rs.	2013 Rs.	2012 Rs.	2011 Rs.
28.1 Favorable Cash and Cash Equivalents Balance						
Cash and Bank Balances	170,995,342	119,871,093	44,383,579	66,613,049	60,130,088	11,698,942
	170,995,342	119,871,093	44,383,579	66,613,049	60,130,088	11,698,942
28.2 Unfavorable Cash and Cash Equivalents Balance						
Bank Overdraft (Note 22.4)	(1,232,161,104)	(912,355,649)	(820,564,212)	(662,964,766)	(443,268,128)	(508,715,340)
Total Cash and Cash Equivalents for the Purpose of the Cash Flow Statement	(1,061,165,762)	(792,484,556)	(776,180,633)	(596,351,717)	(383,138,040)	(497,016,398)

29. COMMITMENTS AND CONTINGENCIES

29.1 Capital Expenditure and Other Commitments

29.1.1 Capital Expenditure Commitments

There were no material commitments outstanding as at 31 March 2013 for future capital expenditure.

	GROUP			COMPANY		
	2013 Rs.	2012 Rs.	2011 Rs.	2013 Rs.	2012 Rs.	2011 Rs.
Contracted but not provided for	-	4,226,217	121,887,000	-	-	-

Year 2012 disclosure includes entirely the amounts contracted but not provided for in Central Hospital (pvt) Ltd.

29.1.2 Other Commitments

As at 31 March 2013 outstanding Currency Forward Agreements amount to Rs.1,323,100,000/- (USD 9,999,810/-) (2012- Rs.1,311,480,514/- (USD 9,999,810/-)- Group and Rs.793,500,000/- (USD 6,000,000/-) (2012- Rs.787,596,600/- (USD 6,000,000/-) - Company. These agreements were entered into in March 2013 and will mature in the month of July 2013.

29.2 Contingent Liabilities

(a) Legal Claims

Pending litigations against Asiri Hospital Holdings PLC and Asiri Hospital Matara (Pvt) Ltd-Uyanwatta (previously known as Matara Medi House (Pvt) Ltd) with a maximum liability of Rs.43 Mn and 51 Mn respectively exist as at the reporting date. Based on the information currently available, the management is in the view that the ultimate resolution of such legal procedures would not likely to have a material adverse effect on the results of operations, financial position or liquidity of the Group. Accordingly no provision for any liability has been made in these financial statements.

In addition, Following cases relating to termination of employment were pending against the Company as at 31 March 2013 against Central Hospital Ltd.

L.T. Case No 2/96/2010 - R.M.S.C. Soyza vs Central Hospital Limited

L.T. Case No 1/Add/19/2012 - D.K.K. Rillagoda vs Central Hospital Limited

Company lawyers are in the view of that they are unable to predict the outcome of these Cases with any degree of certainty due to circumstances beyond their control.

Notes to the Financial Statements

Year Ended 31 March 2013

29.2 Contingent Liabilities (Contd.)

(b) Guarantees

The Directors of the Company have signed Corporate Guarantee Bonds with the following banks securing the following banking facilities obtained by the Group.

	GROUP			COMPANY		
	2013 Rs.	2012 Rs.	2011 Rs.	2013 Rs.	2012 Rs.	2011 Rs.
Sampath Bank PLC	60,000,000	160,000,000	60,000,000	-	100,000,000	-
Seylan Bank PLC	53,871,000	53,871,000	25,000,000	28,871,000	28,871,000	25,000,000
Nations Trust Bank PLC	377,000,000	413,000,000	392,750,000	-	36,000,000	15,750,000
Hatton National Bank PLC	480,000,000	500,000,000	200,000,000	300,000,000	300,000,000	150,000,000
Commercial Bank of Ceylon PLC	1,060,000,000	1,285,000,000	588,280,000	680,000,000	905,000,000	300,000,000
Bank of Ceylon	200,000,000	200,000,000	30,000,000	200,000,000	200,000,000	-
Hongkong & Shanghai Banking Corporation	-	-	285,000,000	-	-	285,000,000
Pan Asia Banking Corporation	-	100,000,000	100,000,000	-	100,000,000	100,000,000
DFCC Bank	500,000,000	500,000,000	-	500,000,000	500,000,000	-
DFCC Vardhana Bank	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Sampanth Bank, Commercial Bank, Bank of Ceylon, Hatton National Bank PLC, Nations Trust Bank PLC, National Development Bank - Syndication Loan	999,395,166	999,395,166	1,920,000,000	999,395,166	999,395,166	-
	3,830,266,166	4,311,266,166	3,701,030,000	2,808,266,166	3,269,266,166	975,750,000

30. ASSETS PLEDGED

The following assets have been pledged as security for liabilities.

Nature of Assets	Nature of liability	GROUP			COMPANY		
		2013 Rs.	2012 Rs.	2011 Rs.	2013 Rs.	2012 Rs.	2011 Rs.
Investment	Primary Mortgage Bond for loans and borrowings	2,378,202,770	1,115,263,393	138,996,000	2,378,202,770	1,115,263,393	138,996,000
Leasehold Land and Buildings	Primary/Secondary Mortgage Bond for loans and borrowings	3,089,681,585	1,768,419,474	3,784,750,936	548,047,500	452,163,800	198,318,000
Inventories and Trade Debtors	Primary Mortgage Bond for overdraft facility	280,873,483	240,307,778	271,930,537	-	-	-
Cardiac Monitoring and Resuscitation System	Primary Mortgage for finance facility	-	-	25,200,000	-	-	-
Medical Equipment	Primary Mortgage Bond for loans and borrowing	96,050,141	106,834,262	97,669,000	18,379,251	16,258,569	17,669,000
Movable and							
Immovable properties	Primary/Secondary Mortgage Bond for loans and borrowings	6,048,646,280	5,908,136,259	-	-	-	-
		11,893,454,259	9,138,961,166	4,318,546,473	2,944,629,521	1,583,685,762	354,983,000

Notes to the Financial Statements

Year Ended 31 March 2013

31. EVENTS OCCURRING AFTER THE REPORTING DATE

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the Financial Statements.

32. RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows.

32.1 Transactions with related entities

Subsidiaries	GROUP			COMPANY		
	2013 Rs.	2012 Rs.	2011 Rs.	2013 Rs.	2012 Rs.	2011 Rs.
Opening Balance	-	-	-	(68,198,058)	252,279,699	468,945,699
Repayment of Temporary Finance Obtained, Fund Transfers and Interest Charged	-	-	-	458,769,464	(213,231,569)	140,687,000
Temporary Finance Obtained	-	-	-	(865,396,242)	(66,720,000)	(327,978,000)
Interest charges on Funds transfers	-	-	-	(39,240,773)	-	-
Sale/(Purchase) of Goods/Services	-	-	-	(5,910,098)	8,980,670	(21,423,000)
Sale/(Purchase) of Non-Current Assets	-	-	-	10,406,400	(4,126,080)	-
Channeling Fee Collected by Related Party/ (Company on Behalf of the Related Party)	-	-	-	(25,068,353)	(5,380,828)	5,933,000
Expenses incurred by the Company on Behalf of Related Party	-	-	-	64,938,911	(39,999,950)	(13,885,000)
Key Management personnel related entities						
Opening Balance	(2,521,704)	(84,004)	(7,833,004)	-	(84,004)	(7,833,004)
Repayment of Temporary Finance Obtained, Fund Transfers and Interest Charged	348,545,070	5,464,969	4,397,099	215,500,000	(5,843,563)	(9,851,000)
Interest charges on Funds transfers	24,612,690	-	-	24,612,690	-	-
Sale/(Purchase) of Goods/Services	-	(9,854,044)	(7,429,756)	-	5,927,567	17,600,000
Sale/(Purchase) of Non-Current Assets	-	1,951,375	10,781,657	-	-	-
Expenses incurred by the Company on Behalf of Related Party	(60,295)	-	-	(60,295)	-	-
As at 31 March	370,575,761	(2,521,704)	(84,004)	(229,646,354)	(68,198,058)	252,195,695
Included Under Trade and Other Receivables	370,980,506	-	-	901,752,093	382,016,296	363,679,901
Included Under Trade and Other Payables	(404,745)	(2,521,704)	(84,004)	(1,131,398,447)	(450,214,354)	(111,484,206)
	370,575,761	(2,521,704)	(84,004)	(229,646,354)	(68,198,058)	252,195,695

32. RELATED PARTY DISCLOSURES (Contd.)

32.2 Compensation of Key Management personnel*

a)	GROUP			COMPANY		
	2013 Rs.	2012 Rs.	2011 Rs.	2013 Rs.	2012 Rs.	2011 Rs.
Short term Employee Benefits	32,991,885	49,890,640	47,414,000	18,941,185	15,744,500	14,485,000
	32,991,885	49,890,640	47,414,000	18,941,185	15,744,500	14,485,000

*Key management personnel include Board of Directors of Asiri Hospital Holdings PLC and its subsidiary Companies

- b) During the year Key Management Personnel and their close family members have sold 27,504,830 Shares of Asiri Hospital Holdings PLC and 2,403,000 Shares of Asiri Surgical Hospital PLC.
- c) As at the balance sheet date, Softlogic Holdings PLC, Softlogic International (Private) Limited, Softlogic Communication (Pvt) Ltd, Softlogic Information Technologies (Pvt) Ltd and Asian Alliance Insurance Ltd hold 558,914,046 shares of the Company.

32.3 Off Balance Sheet Items

Company

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

Asiri Hospital Holdings PLC has granted Corporate Guarantees to Seylan Bank PLC, Hatton National Bank PLC, Commercial Bank of Ceylon PLC, Bank of Ceylon, DFCC Bank and DFCC Vardhana Bank for the individual loans and permanent over draft facilities, and to Sampath Bank PLC, Commercial Bank of Ceylon PLC, Bank of Ceylon, Hatton National Bank PLC, Nations Trust Bank PLC, and National Development Bank for the Syndicated Loan, to secure the banking facilities obtained by the subsidiaries for the value of Rs.28.87 Mn, Rs.300 Mn, Rs.680 Mn, Rs.200 Mn, Rs.500 Mn, Rs.100 Mn, and Rs.999 Mn respectively.
- b) Refer Note 30 to these Financial Statements for assets pledged by Asiri Hospital Holdings PLC in order to obtain loans

Group

- Guarantees made by Group of Asiri Hospital Holdings, has been given in Note 29.2.(b) to these Financial Statements.
- a) Asiri Hospital Holdings PLC has granted Corporate Guarantees to Sampath Bank PLC, Seylan Bank PLC, Nations Trust Bank PLC, Hatton National Bank PLC, Commercial Bank of Ceylon PLC, Bank of Ceylon, DFCC Bank and DFCC Vardhana Bank for the individual loans and permanent over draft facilities, and to Sampath Bank PLC, Commercial Bank of Ceylon PLC, Bank of Ceylon, Hatton National Bank PLC, Nations Trust Bank PLC, and National Development Bank for the Syndicated Loan, to secure the banking facilities obtained by the Group to the value of Rs.60 Mn, Rs.53.87 Mn, Rs.377 Mn, Rs.480 Mn, Rs.1,060 Mn, Rs.200 Mn, 500 Mn, Rs.100 Mn and Rs.999 Mn respectively.
- b) Refer Note 30 to these Financial Statements for assets pledged by group of Asiri Hospital Holdings in order to obtain the loans.

32.4 Other Transactions

Company

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

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

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The key Financial Risks include Service Quality and Reputation Risk, Operational Risk, Credit Risk, Interest Rate Risk, Legal Risk, Foreign Exchange Risk, Investment Risk and Liquidity Risk. Managing these risks is part of the Company's risk management process.

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

Service Quality and Reputation Risk

The Company has systems to ensure the provision of quality service to its patients so that they are satisfied and retained. In today's world, a sound reputation has become an organisation's most valuable asset. "Asiri" has developed into a leading household brand name. The Company has recognised the need to protect itself from loss of reputation and against sanctions arising from non-compliance with laws, regulations and ethical standards. Though adequate insurance cover is available, losses could arise due to patients who resort to legal action for professional negligence.

Operational Risk

The Company has a satisfactory system of internal controls in place to mitigate operational risk. Periodic checks are carried out to ensure that the system of internal controls in place is of the highest quality and

Notes to the Financial Statements

Year Ended 31 March 2013

is also cost effective. Regular reviews are undertaken to ensure that appropriate infrastructure and adequate insurance cover is available to safeguard the Company's assets and minimise any financial losses.

Regular reviews are done to ensure that the systems introduced function effectively and the impact, if any, on the performance of the assets of the Company.

Credit Risk

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

Interest Rate Risk

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

Legal Risk

Legal risks are those risks resulting from legal consequences of transactions, with inadequate documentation, legal or regulatory issues and other factors that may result in contracts with counter parties becoming unenforceable causing unexpected financial losses. In addition to complying with the Colombo Stock Exchange, Securities and Exchange Commission and Companies Act disclosure requirements, the Company also complies with Sri Lanka Accounting Standards.

Foreign Exchange Risk

Foreign Exchange Risk is the Company's exposure to adverse movement in foreign currency against the Sri Lankan Rupee. The Company has obtained a foreign currency loan from International Finance Corporation (IFC). Obtained facilities from Commercial banks to hedge against a major part of the loan.

Investment Risk

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

Liquidity Risk

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

Shareholder Information

The Ordinary shares of the Company are listed in the Colombo Stock Exchange of Sri Lanka. The Audited Financial Statements of the Company for the year ended March 31, 2013 and copies of this annual report have been submitted to The Colombo Stock Exchange.

Distribution of Shareholders

Shareholdings	31st March 2013			31st March 2012		
	No of Shareholders	Total Holding	Total Holding %	No of Shareholders	Total Holding	Total Holding %
1 to 1000 shares	1,867	630,731	0.06	1,890	753,531	0.08
1,001 to 10,000 shares	1,598	7,250,805	0.66	1,873	8,498,341	0.96
10,001 to 100,000 shares	1,056	36,100,108	3.28	1,183	40,223,092	4.52
100,001 to 1,000,000 shares	269	69,586,937	6.33	288	74,906,732	8.42
Over 1,000,001 shares	47	985,523,727	89.67	62	764,881,354	86.02
Total	4,837	1,099,092,308	100.00	5,296	889,263,050	100.00
Composition of Shareholders						
Individual	4,677	176,629,258	16.07	5,109	250,896,516	28.21
Institutional	160	922,463,050	83.93	187	638,366,534	71.79
Total	4,837	1,099,092,308	100.00	5,296	889,263,050	100.00
Resident	4789	805,946,679	73.33	5,252	883,718,720	99.38
Non-Resident	48	293,145,629	26.67	44	5,544,330	0.62
Total	4,837	1,099,092,308	100.00	5,296	889,263,050	100.00

	As at 31st March 2013	%	As at 31st March 2012	%
Softlogic Holdings PLC	361,148,776	32.86	303,397,205	34.12
Actis investment Holdings SL Limited	287,670,207	26.17	-	-
Commercial Bank of Ceylon PLC/ Softlogic Holdings PLC	39,500,105	3.59	39,500,105	4.44
Softlogic Holdings PLC -A/c No 02	26,184,018	2.38	-	-
Softlogic Holdings PLC -A/c No 03	26,184,018	2.38	-	-
Deutsche Bank AG /National Equity Fund	22,750,781	2.07	11,000,000	1.24
National Development Bank PLC/ Softlogic Holdings PLC	21,765,231	1.98	40,400,000	4.54
Seylan Bank PLC/ Softlogic Holdings PLC	19,250,000	1.75	19,250,000	2.16
Seylan Bank PLC/ Softlogic Information Technologies (Pvt) Ltd	19,233,030	1.75	19,233,030	2.16
Est. Tissa Weerasinghe	15,000,000	1.36	30,000,000	3.37
Seylan Bank PLC/ Softlogic International (Pvt) Ltd	14,492,750	1.32	21,235,500	2.39
Mr. P P Subasinghe	11,183,278	1.02	11,594,280	1.30
Deutsche Bank AG/ As Trustees for Namal Acuity Value Fund	10,665,149	0.97	5,250,000	0.59

Shareholder Information

	As at 31st March 2013	%	As at 31st March 2012	%
Mr. C D Weerasinghe (Deceased)	9,375,000	0.85	9,375,000	1.05
Softlogic International (Pvt) Ltd	9,197,104	0.84	-	-
Ms. Leesha Anne Captain	6,756,183	0.61	-	-
Mr. H A Harinda	5,704,120	0.52	5,704,120	0.64
Ceylon Investment PLC A/C No.01	5,251,149	0.48	-	-
Asian Alliance Insurance PLC A/C No.02 (Life Fund)	5,000,000	0.45	-	-
Ceylinco Guardian investment Trust PLC A/C No.01	4,978,057	0.45	-	-
Waldock Mackenzie Ltd/ Jacy Trust	-	-	83,027,800	9.34
Mrs. Neetha Weerasinghe	-	-	10,000,000	1.12
Mrs. D Wimalasundera	-	-	8,770,090	0.99
Mr. S C Wimalasundera	-	-	7,198,580	0.81
Ms. T T Weerasinghe	-	-	5,625,000	0.63
Dr. K M P Karunaratne	-	-	5,100,000	0.57
Mr. D M Rajapakshe	-	-	5,053,970	0.57
	921,288,956	83.82	661,361,840	74.37
Shares held by the balance shareholdings	177,803,352	16.18	227,901,210	25.63
Total Issued Shares	1,099,092,308	100.00	889,263,050	100.00
Public Shareholding	252,120,013	22.94	379,930,200	42.72

Share Trading

Market Price (Rs)	2012/13	2011/12
Highest (06/02/2013)	12.60	12.40
Lowest (07/01/2013)	7.00	7.00
As at year end (28/03/2013)	11.40	7.60
No of Trades	5,583	8,311
No of Shares Traded	225,451,434	72,840,075
Value of the Shares Traded (Rs)	2,231,167,402	696,275,933
Earning per Share	0.69	0.69
Divdends per Share	0.50	0.26
Net Assets per Share	4.96	3.78

Five Year Summary

Year ended 31st March	2013 Rs. ' 000	2012 Rs. ' 000	2011 Rs. ' 000	2010 Rs. ' 000	2009 Rs. ' 000
Revenue	7,003,292	6,096,766	4,917,092	3,889,031	3,338,907
Cost of Sales	(3,597,882)	(3,083,768)	(2,675,799)	(2,125,716)	(1,809,725)
Gross Operating Profit	3,405,410	3,012,998	2,241,293	1,763,315	1,529,182
Other Laboratory Income	58,373	46,138	38,172	31,897	24,221
Administration and Distribution Expenses	(1,729,693)	(1,461,569)	(1,332,583)	(886,280)	(736,399)
Profit from Operations	1,734,090	1,597,567	946,882	908,932	817,004
Other Income	48,301	57,973	55,816	26,554	30,007
Fair value Adjustment of the investment property	61,309	205,381	-	-	-
Net Trading Income/(loss)	(147,484)	147,270	-	-	-
Exchange Gain/(loss)	21,398	(397,457)	-	-	-
Profit before Interest and Tax	1,717,614	1,610,734	1,002,698	935,486	847,011
Finance Income	88,840	-	-	-	-
Finance Expenses	(741,809)	(668,744)	(710,526)	(495,578)	(610,504)
Profit before Tax	1,064,645	941,990	292,172	439,908	236,507
Income Tax	(166,368)	(90,630)	(29,037)	(122,610)	(38,377)
Profit After Tax	898,277	851,360	263,135	317,298	198,130
Minority Interest	(201,805)	(242,028)	(72,339)	(132,840)	(120,385)
Profit after Minority Interest & Tax	696,472	609,332	190,796	184,458	77,745
Property, Plant & Equipment	10,706,576	9,272,110	11,064,055	10,593,782	7,283,573
Investment Property	2,100,946	2,039,636	-	-	-
Intangible Assets	548,707	548,707	548,707	198,783	199,684
Financial Assets - Available for Sale	397,611	295,919	1,938	558	362
Deferred Tax Assets	212,587	227,376	161,051	12,333	13,333
Inventories	329,704	297,523	286,648	243,629	207,152
Trade and Other Receivables	297,326	393,047	295,042	139,480	102,613
Other Current Assets	179,011	232,438	199,100	200,517	328,055
Loans Granted to related parties	370,795	-	-	-	-
Financial Assets-Held for Trading	31,941	28,687	47,500	-	-
Cash and Bank balance	170,995	119,871	44,384	159,987	81,700
Total Assets	15,346,199	13,455,314	12,648,425	11,549,069	8,216,472
Issued Share Capital	3,902,400	1,636,244	1,636,244	1,636,244	1,636,244
Reserves	1,210,910	427,992	358,403	358,404	358,404
Available for sale reserve	95,958	(5,666)	-	-	-
Retained Earnings	247,696	1,302,364	942,464	635,278	371,758
Minority Interest	2,217,564	2,203,649	2,091,571	2,577,738	912,164
Total Equity	7,674,528	5,564,583	5,028,682	5,207,664	3,278,570
Non Interest Bearing Long Term Liabilities	42,416	46,489	50,561	54,633	59,746
Interest Bearing Long Term Liabilities	4,285,988	5,001,344	1,895,396	2,093,923	3,074,698
Deferred Tax	378,858	177,384	131,449	100,346	115,087
Deferred Liabilities	214,323	200,335	170,370	117,946	78,887
Other Payables - Non Current	-	-	-	69,519	98,626
Trade Creditors	273,885	472,794	545,086	408,224	267,397
Other Payables	373,314	85,522	133,505	130,345	29,867
Non Interest Bearing Loans and Borrowings	4,072	4,072	5,113	5,113	5,113
Interest Bearing Borrowings & Bank Overdraft	2,098,815	1,902,791	4,688,263	3,361,356	1,208,481
Total Equity & Liabilities	15,346,199	13,455,314	12,648,425	11,549,069	8,216,472

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Thirty Third Annual General Meeting of Asiri Hospital Holdings PLC will be held at Hotel Janaki, Fife Road, Colombo 05 on Thursday the 26th day of September 2013 at 11.40 a.m. for the following purposes:

- 1) To receive and consider the Annual Report of the Board of Directors and Financial Statements of the Company and of the Group for the year ended 31st March 2013 together with the Report of the Auditors thereon.
- 2) To ratify the Interim Dividend of Rs.0.50 per share paid on 28th March 2013 as the Final Dividend for the year ended 31st March 2013.
- 3) To re-elect Mr. G L H Premaratne who retires by rotation in terms of Article 24(6) of the Articles of Association, as a Director of the Company.
- 4) To re-elect Mr. A H E Rodrigo who retires in terms of Article 24(2) of the Articles of Association, as a Director of the Company.
- 5) To re-elect Mr. V Mahadevia who retires in terms of Article 24(2) of the Articles of Association, as a Director of the Company.
- 6) To re-appoint Messrs Ernst & Young as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

7) Special Business

- I. To authorise the Directors to determine and make donations for the year ending 31st March 2014 and up to the date of the next Annual General Meeting.

By Order of the Board

SOFTLOGIC CORPORATE SERVICES (PVT) LTD

(Sgd.)

SECRETARIES

Colombo

29 July 2013

Note:

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

A Form of Proxy is enclosed in this Report.

The completed form of Proxy should be deposited at the Registered Office of the Company, No. 181, Kirula Road, Colombo 05, not less than 48 hours before the time for holding the Meeting.

Form of Proxy

*I/We of

..... being* a member/ members of ASIRI HOSPITAL HOLDINGS

PLC, do hereby appoint of

..... or failing *him/her

- | | |
|-----------------------|---------------------------|
| Mr. A K Pathirage | of Colombo or failing him |
| Dr. S Selliah | of Colombo or failing him |
| Dr. K M P Karunaratne | of Colombo or failing him |
| Mr. G L H Premaratne | of Colombo or failing him |
| Mr. S A B Rajapaksa | of Colombo or failing him |
| Mr. A H E Rodrigo | of India or failing him |
| Mr. V Mahadevia | of India |

as *my/our Proxy to represent *me/us and to speak and vote for *me/us on *my/our behalf at the 33RD ANNUAL GENERAL MEETING OF THE COMPANY to be held at Hotel Janaki, Fife Road, Colombo 05 at 11.40 a.m. on Thursday the 26th day of September 2013 and at any adjournment thereof, and at every poll which may be taken in consequence thereof.

	FOR	AGAINST
1) To receive and consider the Annual Report of the Board of Directors and Financial Statements of the Company and of the Group for the year ended 31st March 2013 together with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2) To approve the interim dividend of Rs.0.50 per share paid on 28th March 2013 as the final dividend for the year ended 31st March 2013.	<input type="checkbox"/>	<input type="checkbox"/>
3) To re-elect Mr. G L H Premaratne who retires by rotation in terms of Article 24(6) of the Articles of Association, as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
4) To re-elect Mr. A H E Rodrigo who retires in terms of Article 24(2) of the Articles of Association, as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
5) To re-elect Mr. V Mahadevia who retires in terms of Article 24(2) of the Articles of Association, as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
6) To re-appoint retiring Auditors Messrs Ernst & Young and to authorise the Directors to fix their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
7) Special Business To authorise the Directors to determine and make donations for the year ending 31st March 2014 and up to the date of the next Annual General Meeting.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this..... day of Two Thousand and Thirteen.

.....
*Signature/s

Note:

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

Instructions as to Completion

1. Kindly perfect the Form of Proxy after filling in legibly your full name and address and sign in the space provided. Please fill in the date of signature.
2. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy who need not be a member, to attend and vote instead of him. Please indicate with an "X" in the boxes provided how your Proxy is to vote on each resolution. If no indication is given, the Proxy in his discretion will vote as he thinks fit.
3. In the case of a Corporate Member, the Form of Proxy must be completed under its Common Seal, which should be affixed in the manner prescribed by the Articles of Association.
4. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should also accompany the completed Form of Proxy, in the manner prescribed by the Articles of Association.
5. The completed Form of Proxy should be deposited at the Registered Office of the Company, No. 181, Kirula Road, Colombo 05, not less than forty eight (48) hours before the time appointed for the holding of the meeting.

Please provide the following details :

Shareholder's N.I.C./ Passport/ Company Registration No.	Shareholder's Folio No.	Number of shares held	Proxy Holder's N.I.C. No. (if not a Director)

Corporate Information

NAME OF THE COMPANY

Asiri Hospital Holdings PLC

REGISTERED OFFICE

181, Kirula Road, Colombo 05, Sri Lanka.

OFFICE & ADMINISTRATIVE COMPLEX

Asiri Surgical Hospital PLC,
21, Kirimandala Mawatha, Colombo 05,
Sri Lanka.
T.P 4524400
Email: info@asiri.lk

COMPANY REGISTRATION NUMBER

PQ 204 Previous Number : N (PVS)6920

LEGAL FORM

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

Re-registered on 30th September 2008 under the Companies Act No.7 of 2007.

STOCK EXCHANGE LISTING

The Ordinary Shares of the Company have been listed with the Colombo Stock Exchange of Sri Lanka since June 1986.

SUBSIDIARY COMPANIES

Asiri Surgical Hospital PLC
21 -25, Kirimandala Mawatha, Colombo 5.

Asiri Central Hospitals PLC
37, Horton Place, Colombo 7.

Central Hospital Limited
(Formally known as Central Hospital (Pvt) Ltd.)
114, Norris Canal Road, Colombo 10.

Asiri Diagnostics Services (Pvt) Ltd
21/1, Keppetipola Mawatha, Kandy.

Asiri Hospital Kandy (Pvt) Ltd
(Formally known as Digasiri Medical Services (Pvt) Ltd
21, Kirimandala Mawatha, Colombo 5.

Asiri Hospital Matara (Pvt) Ltd
15, Dharmaratna Mawatha, Uyanwatta, Matara.

DIRECTORS

Mr. A.K. Pathirage-Chairman/ Managing Director
Dr. S. Selliah-Deputy Chairman
Dr. K.M.P Karunaratne-Director/ Deputy Chief Executive Officer
Mr. G.L.H Premaratne
Mr. S.A.B Rajapakse
Mr. A.H.E Rodrigo-Appointed W.E.F 01st October 2012
Mr. V. T. Mahadevia-Appointed W.E.F 01st October 2012
Dr. D.S Rajapakse-Resigned W. E. F 21st September 2012
Mrs. D. Wimalasundera-Resigned W.E.F 05th November 2012
Mr. T.M Wijesinghe-Resigned W.E.F-01st October 2012
Mr. P. P. Subasinghe-Resigned W.E.F-28th September 2012.

AUDITORS

Messrs Ernst & Young (Chartered Accountants)
201, De Saram Place, Colombo 10.

SECRETARIES

Messrs Softlogic Corporate Services (Pvt) Ltd
#14, De Fonseka Place Colombo 5.

*Asiri Hospital Matara (Pvt) Ltd and Matara Medihouse (Pvt) Ltd have amalgamated into one entity as Asiri Hospital Matara (Pvt) Ltd with effect from 22nd June 2012.

