



Taking care

Vision

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

Mission

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

Values

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



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Taking care

At Asiri Hospitals, we take our patients' healthcare needs very personally. Their health and well-being is our primary responsibility, for their trust and confidence drives our success each day. Our delivery of fine healthcare services and solutions is sealed with the guarantee of exceptional quality - the flawless operations and processes that have given us so many 'firsts' in technology, diagnostics and clinical services and care; testimony to our commitment and pledge that whatever we do, or how big we grow, we are always, without question, taking care.



Highlights of Our Performance in 2014/2015

Financial Performance

	2014/15	2013/14
Revenue (LKR Mn)	8,593.47	7,962.48
Gross Profit (LKR Mn)	3,952.30	3,889.15
Pre-tax Profit (LKR Mn)	1,743.38	1,374.36
Net Profit (LKR Mn)	1,582.65	1,205.14
Return on Equity (%)	21.97	20.56
Return on Assets (%)	8.57	7.76
Earnings Per Share	1.29	0.86
Dividend Per Share	0.50	0.55
Net Asset Value Per Share	5.48	4.33
P/E ratio	15.67	25.67
Market Capitalisation (LKR Mn)	22,201.66	24,399.85

31%

Profit-after-tax

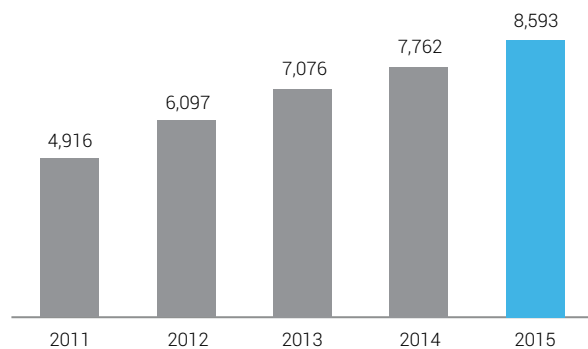


8%

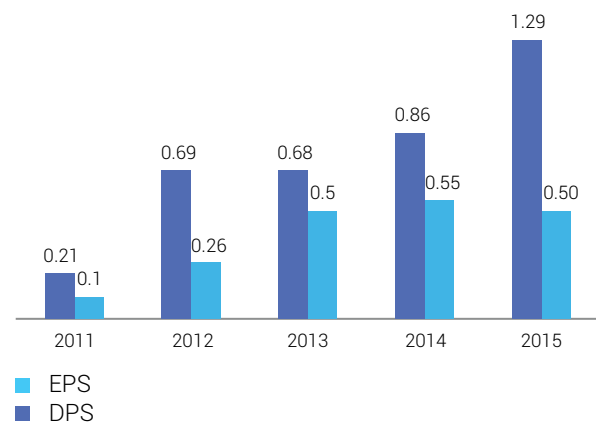
Group Revenue Increase



Revenue Growth Rs. (Mn)



EPS / DPS Rs.



Group Profile

ASiRi
HOSPITAL HOLDINGS PLC

ASiRi
Surgical
HOSPITAL PLC

With a bed capacity of 160, the Hospital offers specialised surgical care inclusive of a state-of-the-art heart centre, modern operating theatres and fully fledged urology services among others. It is recognized as the most technologically advanced private hospital in the country

ASiRi
Central
HOSPITALS LTD

Asiri Central Hospitals Ltd (Previously Asha Central Hospitals PLC) land and Building at Colombo 7 was held for capital appreciation and investments were made in group healthcare cluster.

The
Central
HOSPITAL
A Member of the Asiri Group of Hospitals

The newest addition to the Group's portfolio of hospitals, it is a 264-bed, technologically advanced, modern one stop medical centre that offers diagnostic, therapeutic and intensive care facilities.

ASiRi
HOSPITAL MATARA (Pvt) Ltd

A 60 bed facility in the Southern province, the hospital offers a range of general and surgical care facilities.

ASiRi
DIAGNOSTICS SERVICES (PVT) LTD.

This comprises of the Group's laboratory services in the Central Province, which are carried out in collaboration with a joint venture partner.

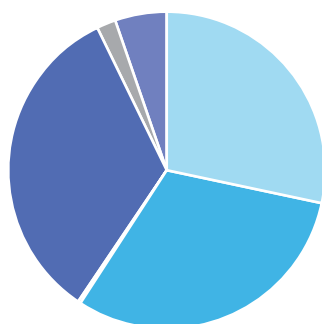
ASiRi
HOSPITAL KANDY (Pvt) Ltd

Set up to construct and operate the Group's newest hospital in Kandy. A 140- bed multi discipline facility, the Hospital is to commence operations in 2018.

Revenue and Earnings Contributions

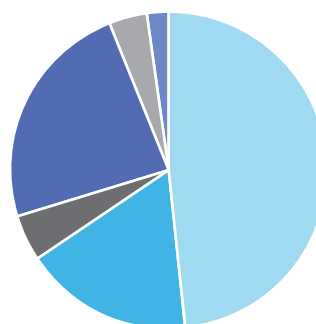
The Group's three hospitals in Colombo are the key contributors to consolidated revenue and earnings. Central Hospital Ltd, is the single largest contributor to Group earnings, supported by its strong market position in the relatively high yielding diagnostics segment.

Revenue Breakdown (Rs. Mn)



● 2,441	Asiri Hospital Holdings PLC
● 2,654	Asiri Surgical Hospital PLC
● 15	Asiri Central Hospital PLC
● 2,870	Central Hospital Ltd
● 175	Asiri Diagnostics Services (Pvt) Ltd
● 440	Asiri Hospital Matara (Pvt) Ltd

EBIT Breakdown (Rs. Mn)



● 1,088	Asiri Hospital Holdings PLC
● 392	Asiri Surgical Hospital PLC
● 103	Asiri Central Hospital PLC
● 535	Central Hospital Ltd
● 87	Asiri Diagnostics Services (Pvt) Ltd
● 46	Asiri Hospital Matara (Pvt) Ltd

Chairman's Review



"We are united by a common ethos to put the patient first and during the period under review we've reinforced this commitment."

A stylized, handwritten signature in white ink, consisting of several loops and a long horizontal stroke at the end.

Ashok Pathirage
Chairman/ Managing
Director

Chairman's Review

"The group recorded YoY growth in its gross revenue to record Rs. 8.6 Billion supported by a buoyant performance by Central Hospital, which exceeded growth forecasts."

I am pleased to welcome you to the 35th Annual General Meeting of Asiri Hospital Holdings PLC and to present to you the audited financial statements for the financial year ended 31st March 2015. It gives me pride to state that despite a challenging year, the Group has succeeded in consolidating its operations while simultaneously sustaining its position as Sri Lanka's leading private healthcare provider. We are united by a common ethos to put the patient first and during the period under review we've reinforced this commitment. This strong sense of shared purpose drives all our pioneering initiatives in healthcare as we forge ahead with our patient-centered approach to growth and development.

The year under review was marked by extensive construction and refurbishment of Asiri Hospital and the preparation to embark on the construction of a new full-fledged hospital in Kandy. These developments required much of our energy and resources to ensure that the projects proceed seamlessly to a timely and satisfying conclusion.

Meanwhile, we continued to strengthen our medical and technical capabilities with the addition of path-breaking advanced medical technology which will enable our medical team to respond speedily with more timely and appropriate medical treatments. This will reduce the need for patients to travel overseas for costly medical solutions.

During the year, Asiri Group of Hospitals maintained its market leadership as a private healthcare provider and is poised to add to this reputation with the addition of the hospital in Kandy. The ongoing construction and refurbishment of our medical facilities will eventually further enhance our bed capacity from 600 to 750 across our hospitals.

Prevailing Industry Conditions

The demand for private health services increased during the period under review, along with growth in disposable incomes and rising expectations from healthcare service providers. The authorities have acknowledged that the ease of accessibility to leading medical consultants and advanced technologies, as well as the increasing popularity of health insurance have supported the growth of private healthcare provision in 2014.

Group Performance

The Group financial performance during the period under review was a testimony to our astute management to sustain our profitability and our operating margins despite the extensive refurbishment being carried out at Asiri Hospital. The Group recorded YoY growth in its gross revenue to record Rs. 8.6 Billion supported by a buoyant performance by Central Hospital, which exceeded growth forecasts. The Group bottom-line growth recorded profit after tax of Rs. 1.58 Billion while the Group's Earnings per share increased to Rs. 1.29 during the year, compared to Rs. 0.86 in the preceding year. Our massive refurbishment of Asiri Hospital amounting to Rs. 200 million restricted further growth during the year, a situation which will be turned around once the facelift is completed.

Operational Review

Poised at the pinnacle of medical care in the country, Asiri Group of Hospitals sustained its relentless pursuit of becoming a centre of healthcare excellence, strengthening its patient care, medical expertise and superior hospital operations. Our focus on delivering the best in patient care and deployment of cutting-edge technology during the previous year yielded results in the form of greater patient inflow and enhanced loyalty to the Asiri brand of healthcare.

During the period under review, Central Hospital performed the first bone marrow transplant in the country. Its full-fledged cardiac centre, which was established in the preceding year, commenced operations during the period under review. The unit is capable of carrying out the entire range of cardiac related procedures, immaterial to the degree of complexity or sensitivity. Asiri Surgical Hospital also witnessed the commencement of bariatric surgery, which is a popular medical procedure requested by medical tourists globally. We are optimistic about growing our share of medical



"We have come this far primarily due to the tireless efforts of our team of dedicated doctors, nurses, medical and other staff."



Chairman's Review

"The financial year under review has reflected strong economic growth in the country and greater domestic economic activity which has led to a rise in per capita income."

tourists by offering bariatric surgery at Asiri Surgical and through our cosmetic centre at Central Hospital. The cosmetic unit offer a full range of services including plastic surgeries and advanced laser treatments.

Outlook

The financial year under review has reflected strong economic growth in the country and greater domestic economic activity which has led to a rise in per capita income. Against this encouraging backdrop, expenditure on healthcare has shown an upsurge. The year ahead promises to deliver steady economic growth based on which we foresee brighter prospects for the healthcare sector. The government is targeting 2.5 million inbound tourists in 2016, which will also heighten the need for internationally certified medical facilities. We are currently in the process of acquiring the Joint Commission International (JCI) accreditation, the most comprehensive and rigorous healthcare accreditation in the world, which will indicate that Asiri Hospitals possess and maintain an internationally accepted medical stamp of excellence.

Today, we face immense challenges, with an ageing population which will require broader medical care services and better access to medical care in years to come. This will no doubt put greater pressure on the government's already burdened healthcare system. We believe that this is where the private sector can play a pivotal role in taking some of the burden off the state. Moreover, rising per capita income will result in greater penetration of insurance in the country, thereby increasing the demand for premium healthcare services.

In Appreciation

I would like to place on record my appreciation for the unstinted support of my fellow Directors on the Board. We have come this far primarily due to the tireless efforts of our team of dedicated doctors, nurses, medical and other staff who need to be commended for their determination to ensure that the Asiri Group remains a pioneer and market leader in the country's healthcare sector. We look forward to greatly expanded and enhanced operations no sooner our extensive refurbishments and construction of projects conclude. Asiri is aiming to be a centre of medical excellence in the region and will continue with strategic investments and development to this end.

Ashok Pathirage
Chairman/ Managing Director

CEO's Review



"All of our hospitals as well as our diagnostics arm showed solid operation performances during the year under review which translated to a strong financial showing."

A handwritten signature in white ink, consisting of a stylized 'M' followed by a horizontal line and a diagonal stroke.

Dr. Manjula Karunaratne
Chief Executive Officer

CEO's Review

I am pleased to present the annual report for Asiri Hospital Holdings PLC. As I look back on the 2014/15 financial year, I am tremendously proud of what we have accomplished. We were able to make definitive strides in healthcare excellence over the financial year under review, as the Asiri Group of Hospitals geared itself to widen its reach and offer enhanced accessibility to its superior healthcare services, across the country. Overall, the year under consideration proved a challenging yet successful one for the Asiri Group.

All of our hospitals as well as our diagnostics arm showed solid operation performances during the year under review which translated to a strong financial showing. While our operations continued as usual, the construction and the rising pressures in the cost base especially in consumables and personnel costs inserted pressure on profit margins. In addition the industry continues to experience a recurrent dearth in skilled labour and intense market. Despite these obstacles, I am happy to report that the Company was able to consolidate its operations and sustain operating margins to achieve improved levels of excellence. Group pre tax profits of Rs. 1,743 Million was achieved supported by top line growth, operational efficiencies and a reduction of Group finance cost as interest rates eased during the year.

Our healthcare delivery model touches thousands of lives daily through our hospitals and our network of diagnostic laboratories, and has enabled us to remain the leading private healthcare provider in the country. The Company also remains committed to continuous investment to introduce cutting-edge technology and to constantly look at new clinical initiatives hitherto unavailable in the country. The Group is proud to have introduced the most number of technologies to the health care sector in the country and is widely acknowledged as the innovator of new clinical protocols.

The Rs. 200 million refurbishment of Asiri Hospital which commenced during the year will lend a new ethos to the property, ushering in a more modern look on par with international counterparts. We are cognisant that patients and customers are increasingly ramping up their expectations of hospitals as places where they can relax in comfort while waiting for medical treatments and we are responding to these evolving aspirations by upgrading our facilities and services to provide luxury healthcare services. The completion of the refurbishment will result in a smart new façade for the building along with the construction of a separate building to house the pathology and phlebotomy units, one of our most profitable segments.

"The Central Hospital, the first Biplaner Catheterization Laboratory in Sri Lanka. It is the first of its kind in Sri Lanka to offer Interventional Radiology, where minimally invasive techniques are used to diagnose and treat various pathologies, used widely in the developed world."

Delivering Quality Healthcare

Facilitating the highest standards of healthcare delivery remains our enduring mission. At the core of this strategy is our relationship with our customers and to this end we have strived to add value to our customer base through superior care, quality focus and increased scope of care. This is precisely what spurs us to introduce new concepts in medical care such as commencing the country's first ever bone marrow transplant unit at Central Hospital. Investments in the technology infrastructure were also a key focus during the period under review. During the year, the one-of-a-kind Interventional Cath Lab was established at The Central Hospital, the first Biplaner Catheterization Laboratory in Sri Lanka. It is the first of its kind in Sri Lanka to offer Interventional Radiology, where minimally invasive techniques are used to diagnose and treat various pathologies, used widely in the developed world. The high standard of accuracy in imaging facilitated by Biplane DSA unit offers the most promising outcomes for 'Stroke' patients to date, due to the speedy detection of the precise point of blockage. Biplane Digital imaging also enables perfect delivery of chemotherapy with pinpoint precision to the exact location where it is needed in treating various cancers, thereby minimizing collateral damage and potentially adverse side effects.

It gives me great pride to state that the Asiri Group has yet another first in the country, offering the groundbreaking 'keyhole heart bypass surgery' to its patients, revolutionising heart surgery in this country. The introduction of a structured Bariatric surgery programme at Asiri Surgical Hospital, and a fully-fledged Cardiac Unit at Central hospital were further value additions made to our portfolio of services during

the year. More than fifty Sri Lankans travel overseas annually to avail of liver transplant surgery at great inconvenience to them as well as draining valuable foreign exchange reserves of the country. To this end the Group is in the process of setting up a dedicated liver transplant unit at Asiri Surgical Hospital that will be operational by end 2015. The Central Hospital which is recognised as having the country's premier Neurosciences Unit, is in the process of installing the world's most advanced neuro- navigational and intraoperational monitoring system for its patients.

Our commitment to advanced patient care and our ambition to occupy the pinnacle of excellence in healthcare delivery in the region means that we may still have a long way to go despite our achievements. In order to fuel our aspirations we realise the need to build a pipeline of professional talent comprising doctors, nurses, other paramedics and management professionals. We encouraged employee engagement and support through the year by offering comprehensive training and support. The chronic lack of professional medical staff is being felt by the healthcare industry as a whole and necessitates all players to take a cohesive and strategic view of this challenge. Asiri has taken a step further with regard to this by strengthening a rigorous 3-year training course for its nursing staff, which ensures that we are able to generate a steady stream of qualified and trained staff to deliver in line with our philosophy of excellent patient care. I am happy to state that excellence in nursing care remains a salient hallmark of the Asiri brand of healthcare.

Furthermore, the rise of Non Communicable Diseases (NCDs), particularly due to the ongoing demographic and epidemiological transition and a rapidly ageing population necessitated the intervention from the private sector healthcare system as well. More than 70% of annual deaths in Sri Lanka are estimated to be due to chronic NCDs such as cardiovascular diseases, diabetes, cancers and chronic respiratory diseases. The private sector plays a vital role in delivery of NCDs healthcare services and other advanced medical procedures to complement the efforts of the state healthcare sector. Greater awareness of "wellness" and the need for preventive health screening check-ups in addition to seeking prompt medical assistance witnessed greater footfall across all our hospitals.

During the year, we also secured a lease of strategically located land in Kandy to commence construction of our Kandy hospital. The Kandy Hospital due to commence construction in late 2015 will

be developed as a full-fledged tertiary care hospital inclusive of a coronary care unit. Kandy remains a potentially untapped market for a tertiary care private hospital and I am confident that this venture will soon see immense value addition to our shareholders.

Outlook for the Future

We are on track to achieve the JCI accreditation for improved nursing care and clinical procedures and expect to be accredited by early 2016. The JCI accreditation will enable us to market The Central and Asiri Surgical freely as centres of medical excellence in foreign markets and we hope to position these two hospitals at the forefront of Sri Lanka's medical tourism thrust. The Asiri Group has already garnered a substantial share of Maldives medical tourists who flock to Sri Lanka and will look to diversify its source markets for medical tourists going ahead.

The hopes of Sri Lanka's population needs to be fulfilled and to do this we believe that prevention is better than cure, which is why we support and sponsor events that raise awareness of NCDs and how they can be prevented with lifestyle changes. As the leading provider of private sector healthcare, the Asiri Group of Hospitals feels a responsibility to benchmark the country's medical industry through the provision of superior patient care and advanced medical technology and better patient outcomes. These objectives drive our passion for serving people in a better and smarter way, inspiring us to innovate with regard to patient care and ease of accessing our services.

Appreciation

I wish to thank the Chairman and the Directors on the Board for their support and guidance through a difficult year. The valuable inputs gained from our strategic partner, Actis Investments, has gone a long way in uplifting the services and the reputation of the Asiri Group of Hospitals, enabling us to gain a more prominent profile in South Asia. We are confident that this collaboration will infuse greater value to the Asiri brand of healthcare into the future. The commitment and resilience of our medical experts, nursing and support staff helped sustain the Group during the year. Our shareholders and other stakeholders too need to be appreciated for placing their trust in us. Asiri enters a decisive phase in its progressive journey as it set higher benchmarks for itself and the healthcare industry.

Dr. Manjula Karunaratne
Chief Executive Officer

Board of Directors

Mr Ashok Pathirage
Chairman/Managing Director

Dr. Sivakumar Selliah
Deputy Chairman

Dr. Manjula Karunaratne
Chief Executive Officer

Mr Harris Premaratne
Director



Mr Samantha Rajapaksa
Director

Mr Asanka Rodrigo
Director

Mr Jerry Huxtable
Director

Mr Shomik Mukherjee
Director



Board of Directors

Ashok Pathirage

Chairman/Managing Director

Mr. Pathirage is one of the co-founders of Softlogic and was appointed as Chairman of Softlogic in 2000. He is also Chairman/Managing Director of Asiri hospital chain, Softlogic Capital PLC, Softlogic Finance PLC, Asian Alliance Insurance PLC and Odel PLC which are listed in addition to the other companies of the Group operating in Leisure & Restaurants, Retail, Automobile, Insurance and ICT industries. He is also the Deputy Chairman of National Development Bank PLC and the Chairman of NDB Capital Holdings Limited. Due to his business acumen and corporate leadership he is one of the top business leaders in the country.

Dr.S.Selliah (MB BS, M.Phil)

Deputy Chairman

Dr. Sivakumar Selliah is the Deputy Chairman of Asiri Hospitals Holdings PLC and Asiri Surgical Hospital PLC. Dr. Selliah holds a MBBS degree and a Master's Degree (M.Phil). He has over 23 years of experience in diverse fields which include manufacturing, healthcare, plantations, packaging, insurance and logistics.

Dr. Selliah is a Director of Lanka Tiles PLC, Softlogic Holdings PLC, HNB Assurance PLC, , Lanka Walltiles PLC, Horana Plantation PLC, ODEL PLC , ACL Cables PLC and Lanka Ceramic PLC. He is the Deputy Chairman of Central Hospital Private Ltd. and the Chairman of Cleanco Lanka Pvt Ltd and JAT Holdings 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), Dip. MS Med (UK) MSOrth Med. (Eng)

Chief Executive Officer

Dr. Manjula Karunaratne was appointed to the Board of Asiri Hospital Holdings PLC and Asiri Surgical Hospital PLC in 2006. He also serves on the Boards of Central Hospital Ltd, Asiri Central Hospital PLC, Asiri Hospital Matara (Pvt) Ltd., Asiri Diagnostics Services (Pvt) Ltd. and Asiri Hospital Kandy (Pvt) Ltd. He has previously held the positions of Medical Director, Asiri Hospital Holdings PLC as well as Group Chief Operating Officer and is currently the Chief Executive Officer of Asiri Hospital Group.

Dr. Karunaratne is a Specialist in Sports/ Orthopedic Medicine. He possesses over 25 years of professional medical experience both in Sri Lanka and overseas, and is responsible for the overall medical policy of the Group.

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 was the Managing Director of Cargills Bank Limited from 2012 to 2014. He held the position of Chairman of Sri Lanka Banks' Association.

He is a Director at Softlogic Holdings PLC and Softlogic Capital Limited and also serves on the Board of Asiri Hospital Holdings PLC, Asiri Surgical Hospital PLC and Central Hospital Limited. He functions as the Chairman of the Remuneration Committee and is also a member of the Audit Committee of all three Hospitals and Softlogic Holdings PLC.

Presently Mr. Premaratne is the Deputy Chairman of Softlogic Finance PLC.

Mr. Samantha Rajapaksa

Director

Mr. Samantha Rajapaksa currently serves as the Group Managing Director of Associated Motorways (Pvt) Limited.

Mr. Rajapaksa accounts for over 28 years of local and overseas managerial experience including Director – Softlogic Group, Director/CEO – Softlogic Communications (Pvt) Ltd., Senior Project Manager – AT&T-USA, Group Director – Central Finance PLC, Director/CEO – CF Venture Fund PLC and Director/General Manager – Informatics International (Pvt) Ltd.

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 Postgraduate Institute of Management of the University of Sri Jayawardenepura.

He is a recipient of Platinum Honours Award from the Postgraduate Institute of Management for Professional Excellence in the field of Management in 2013.

Mr. Rajapaksa also serves as a Director of AMW Capital Leasing & Finance PLC, Asiri Hospital Holdings PLC and Asiri Surgical Hospitals PLC.

Mr. Asanka Rodrigo

Director

Asanka is a Partner at Actis and leads investments in the South Asian region. He joined Actis in 2000 and has been involved in Actis's investments in Financial Services, Industrials, Healthcare and Business Services subsectors in India, Sri Lanka and South & East Africa. Asanka has substantial investment and board level experience having been involved in more than a dozen PE investments representing Actis at Board and working closely with management to deliver value to stakeholders. Asanka also serves on the Board of Actis Acts (The philanthropic foundation of Actis).

He holds an MBA from Cass Business School, London and is a CFA Charter holder

Mr. Jeremy Huxtable

Director

Mr. Huxtable was appointed to the position of Group Chief Officer – Enterprise Business of Dialog Axiata PLC with effect from 19th April, 2012.

He counts a total of 17 years industry experience in telecommunications on the backdrop of a multi-country and multi-sector management career spanning over 3 decades.

Mr. Huxtable joined the Group Senior Management Team of Dialog following a stint close upon 7 years as the Managing Director of Suntel Ltd. Prior to taking the helm at Suntel in 2005, he held several senior management positions in the Scandinavian region with Orange International, the mobile arm of France Telecom including that of CEO of Orange Sweden, a 3G green-field start up and that of Director for Strategy and Planning at Orange Denmark. Prior to joining Orange, he held the position of Vice President at an internet start-up that was listed on the German Neuer Market.

Mr., Huxtable began his management journey in the pharmaceutical industry and later went on to take up numerous positions in senior management with DHL in Baharain, Saudi Arabia, UK and Pakistan. His involvement with the Sri Lankan Telco market has its beginnings in 1996, when he joined Millicom International Cellular as the CEO of Celltel. He has also held a senior management position with Millicom in the Philippines

Mr. Shomik Mukherjee

Director

Shomik Mukherjee leads the South Asia team of Actis. He joined Actis in 2007 to advise on new investments strategy in the Consumer and Retail sector. He came from McKinsey & Co. in London where he advised companies on strategic and operational matters and prior to that, worked as a consultant with Accenture and with Unilever in India.

Shomik holds an MBA from London Business School.

Group Management Team



Left to right

Mr. Nipuna Mediwake - Chief Financial Officer
Mr. Neil Priyath John - Director Laboratory Services
Mrs. Hasanathi De Saram - Group Head – Human Resources &
Karandagaspitiya Human Resource Development
Mrs. Thelani Weerasinghe - Director Nursing
Mr. Kosala Dissanayake - Director Administration

Mrs. Rochelle de Silva - Director Marketing
Mr. Nalin Pasqual - General Manager - Asiri Hospital
Matara (Pvt) Ltd.
Mrs. Hemanthi Vithanage - Group Head - Procurement and Logistics
Mr. Deepthi Wijerathne - Group Maintenance Engineer



Left to right

Mr. Sudath Hewage - Group Pharmacy Manager
 Mr. Upul Wijekoon - Group Head- Food & Beverage
 Dr. Gananath Dasanayake - Head Of Quality Assurance
 Mr. Samitha Premarathne - Group IT Manager
 Mr. Kelum Jayasuriya - Manager- Quality Standards Group
 Pharmacy Services

Mr. Kasun Rupasinghe - Group Internal Auditor
 Mrs. Nadeeka Wimalathunga - Group Manager Legal
 Mr. Premal Fernando - Chief Bio-Medical Technologist
 Mr. Sudath Dabare - Group Security Consultant

Asiri Hospital Management Team



Left to right

Dr. Shiranee Goonawardane - Medical Director
Dr. Linette Fernando - Registrar/Chief Medical Officer
Ms. Ashoka Perera - Chief Nursing Officer
Mr. Niranga Wijesooriya - Manager Human Resources

Mrs. Padmini Pietersz - Principal - Nurses Training School
Mr. Hasika Jayasooriya - Head of Channel Management & Diagnostics
Mr. Dhanushka Fernando - Manager Information Systems Security & Audit



Left to right

Mrs. Kalani Ariyadasa Collure - Manager Training & Development
 Mr. Wimal Chandrasiri - Project Manager - IT
 Mrs. Gayani Karasinghe - Manager Front Office & Customer Care
 Mr. Indrasiri Wickramaratna - Senior Deputy Laboratory Manager

Mr. Chalaka Rajapaksha - Senior Accountant
 Mr. Damith Peiris - Executive Chef
 Mr. Jerome Christiansz - Executive Housekeeper

Asiri Surgical Hospital Management Team



Left to right

Dr. Ruwan Senatilleke - Medical Director
Dr. Shanika Algama - Registrar/Chief Medical Officer
Dr. Aruni Ladduwahetty - Registrar/Chief Medical Officer -
Heart Centre

Mrs. Senani Deegala - Chief Nursing Officer
Mr. Dasarath Hettiarachchi - Marketing Manager
Mr. Niranga Wijesooriya - Manager Human Resources



Left to right

Mr. M. B. G. Wickramasiri - Finance Manager
 Mr. Chanaka Heiyanthuduwa - Maintenance Engineer
 Mr. Sivaprakasam Sivalingham - Superintendent Radiographer

Mr. Keerthi Prasad - Executive Housekeeper
 Mr. Mario Jayatilleke - Executive Chef
 Mr. Charith Dissanayake - Manager Front Office & Customer Care

Central Hospital Management Team



Left to right

Mr. Nihal Rathnayake - Director Operations
Dr. Harsha Baranage - Medical Director
Dr. Champika Bogahawatthe - Chief Medical Officer
Dr. Hasanthie Iddamalgoda - Senior Manager Lifeline & Dental Unit

Mrs. Waruni Nawodya - Chief Nursing Officer
Mr. Samantha Perera - Senior Manager Administration
Mrs. Hiroshika Perera - Finance Manager



Left to right

Mrs. Roshini Fernando - Manager Public Relations
 Mrs. Chamila Thuyakontha - Senior Manager Housekeeping
 Mr. Roshan De Silva - Manager Laboratory

Mr. Chandana Gunathileka - Manager Stores
 Mr. Wimal Nagodawithana - Executive Chef
 Mr. Shantha Weerakkody - Chief Radiographer

The Group Consultant Medical Team



Left to right

- Dr.S D Athukorala - Consultant Clinical Bacteriologist
- Dr. Maya Atapattu - Consultant Mycologist
- Prof. L R Amarasekara - Consultant Histopathologist
- Dr. Menik Goonewardhene - Consultant Neonatologist
- Dr. Anil Perera - Consultant / Head Dept. of Anaesthesiology - *Asiri Hospital & Asiri Surgical Hospital*
- Dr. Chrishantha Mendis - Consultant / Head Dept. of Anaesthesiology - *Central Hospital*

- Dr. Darshani Amarasinghe - Consultant Anaesthesiologist
- Dr. Gayani Senanayake - Consultant Anaesthesiologist
- Dr. Stella Fernando - Consultant Anaesthesiologist
- Dr. Gamini Jayaweera - Consultant / Head Dept. of Transfusion Medicine - *Asiri Group*
- Dr. Dinesh De Silva - Consultant Eye Surgeon
- Dr. Rangika Goonaratne - Consultant Eye Surgeon
- Dr. Shantha Hettiarachchi - Consultant / Head Dept. of Radiology - *Asiri Group*



Left to right

- Dr. Kantha Samarawickrema - Consultant Radiologist
- Dr. Saman Perera - Consultant Radiologist
- Dr. Nihal Wijewardhana - Consultant Interventional Radiologist
- Dr. Lakmali Paranehewa - Consultant Interventional Radiologist
- Dr. Gulpa Subasinghe - Consultant Radiologist
- Dr. Vivek Guptha - Senior Consultant Cardiothoracic Surgeon
- Dr. Thurul Attygalle - Resident Physician Stroke Unit
- Dr. Natasha Peiris - Consultant Resident Physician

- Dr. Thushara Fernando - Consultant Anaesthesiologist
- Prof. Vajira Dissanayake - Consultant Medical Geneticist
- Dr. Ajith Karunaratne - Consultant Cardiothoracic Surgeon
- Dr. Rajeeva Pieris - Consultant Cardiothoracic Surgeon
- Dr. Philomena Chandrasiri - Consultant Microbiologist/ Head of Infection Control

Operational Review



Asiri Hospital Holdings PLC

The hospital is aligned to the Group ethos of engaging closely with patients and aspiring to exceed patient expectations all the time.

The flagship hospital of the Asiri Group, Asiri Hospital has pioneered private healthcare services in the country since its inception in 1980. Three-and-a-half-decades later, it has built a reputation for introducing the latest medical technology and advanced medical expertise to improve patient access to quality medical services. A fully-fledged hospital, its strength lies in medical investigations, diagnostics, gynaecological medicine and paediatrics. The hospital is aligned to the Group ethos of engaging closely with patients and aspiring to exceed patient expectations all the time. By empathising with patients and offering them comforting care that soothes their concerns, the hospital builds a closer bond with the patient, elevating itself to a home away from home. We pride ourselves on providing patients with increased efficiency, shorter waiting times and better continuity of care.

In line with its commitment to provide patients with the best and most comfortable facilities, Asiri Hospital has embarked on a renovation project. Once complete, the building will have a new facade and a separate building to house the pathology and phlebotomy units. The enhanced facilities will increase our capacity for handling diagnostics and enable us to offer faster service to our customers by reducing waiting time. Our laboratories are fully committed to accuracy and offering world-class standards and services. Asiri Laboratory Services is now accredited with ISO 15189:2012 - the latest accreditation in existence for laboratory services globally. This certification was received on 20th March 2015 and is valid for three years. Asiri Laboratories holds the distinction of being the only laboratory to have obtained this

"The Hospital's pre-tax profit amounted to LKR 742 Million during the year."

accreditation in Sri Lanka. It has already been granted ISO 15189:2008, the international standard certification, which is adopted by medical laboratories in over 60 countries. These process improvements take us closer to our vision to be "a leading health care provider in South Asia with the highest quality of clinical standards".

Performance in 2014/15

The hospital's gross revenue was on par with the previous year, despite disruptions from the construction work. The hospital accounted for 28% of the Group's revenue during the year and pre-tax profit amounted to LKR 742 Million. Our laboratories and collecting centres located in 13 other cities continued to perform to optimum capacity and we intend to expand our laboratory network further in the coming months to offer quality diagnostics even in outlying areas. Asiri laboratories are reputed for precision and expert diagnosis and even our satellite laboratories replicate the identical



2015

LKR 742 Mn

Pre-tax Profit



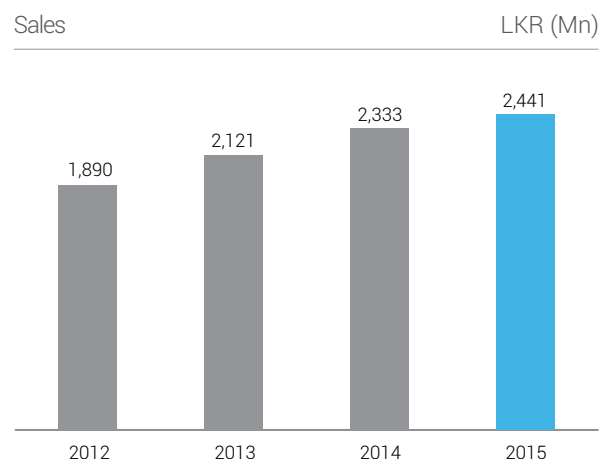
Our laboratories and collecting centres located in 13 other cities

Operational Review

Asiri Hospital Holdings PLC

testing standards that our main laboratory is reputed for. The Matara laboratory is one of the best performing standalone laboratories in the Group.

During the year, we introduced more high end medical, diagnostics and surgical equipment to improve the quality of our services. Also, Asiri Hospitals Group was successful in capturing a significant proportion of Maldivian medical tourists who frequently visit Sri Lanka for medical treatments. The Central hospital also successfully completed the first two commercial bone marrow transplants which were carried out on children suffering from thalassaemia.



Future Prospects

As the flagship property of the Group, Asiri Hospitals is forging ahead to sustain its position as the premier private sector hospital in the country. It has repeatedly demonstrated its expertise in patient care and breakthrough medical procedures. Since its inception, the hospital has expanded the scope of its offerings to encompass the entire spectrum of medical services. Its laboratories are considered the most reliable and state of the art in the country. The hospital has garnered an estimated 45% of the diagnostics market by leveraging on skilled technicians and advanced medical testing equipment and processes. It has established similar laboratories in 11 locations to offer better access to patients outside Colombo. The hospital was among the first in the sector to introduce Mobile Collection Service as part of its laboratory services, which greatly benefits senior citizens and invalids who are spared the inconvenience of having to visit the hospital when unwell.



The hospital has garnered an estimated 45% of the diagnostics market by leveraging on skilled technicians and advanced medical testing equipment and processes.

Operational Review



Asiri Surgical Hospital PLC

The hospital is currently in the process of finalising the infrastructure needed to perform liver transplants by the end of 2015. This will be another milestone achievement for the hospital.

Asiri Surgical Hospital was envisioned as a new frontier in medical science in the country and has rightly gained a reputation for providing world-class general surgical care with advanced medical infrastructure. The hospital is currently streamlining its systems and processes to be able to earn the world-class JCI accreditation. The criteria for this accreditation covers a wide range of factors, including access to care, patient and family rights, care of patients, facility management and safety, infection prevention and control and communication and information among others, the compliance of which will raise the quality of care offered by the hospital to truly international levels.

During the year under review, Asiri Surgical witnessed the introduction of several path-breaking surgical procedures. Bariatric surgery for weight loss was introduced and within a few months since its introduction, the hospital has already concluded 12 successful bariatric operations. The hospital is currently in the process of finalising the infrastructure needed to perform liver transplants by the end of 2015. This will be another milestone achievement for the hospital. The installation of the latest digital mammogram machine was acquired by the hospital to offer a more convenient method of conducting mammograms with tomosynthesis technology, which detects breast cancer at the earliest stage. It is considered the gold standard in breast cancer screening and detection.

"The latest digital mammogram machine was acquired by the hospital to offer a more convenient method of conducting mammograms with tomosynthesis technology."

Future Outlook

The hospital's posted YoY revenue increase of 6% during the year under review to reach LKR 2.65 Billion. Administration expenses continued to rise during the year. The personal costs have been increased, as recruiting and retaining trained staff becomes a cause for concern. The Hospital offers a comprehensive training programme for its nursing staff in which it has invested heavily, however the rate of attrition remains high as is the nature of the industry.



2015

LKR 2.65 Bn

YoY revenue increase 6%



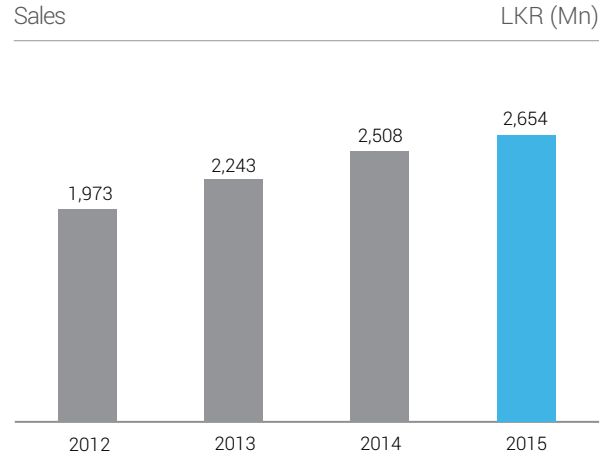
concluded 12 successful bariatric operations

Operational Review

Asiri Surgical Hospital PLC

"The Hospital offers a comprehensive training programme for its nursing staff in which it has invested heavily, however the rate of attrition remains high as is the nature of the industry."

In keeping with the philosophy of the Group, all its hospitals will continue to focus on their core business while expanding and growing overall business volumes. Enhancement of service levels and medical expertise will be an ongoing endeavour as each hospital seeks to leverage on emerging opportunities.





In keeping with the philosophy of the Group, all its hospitals will continue to focus on their core business while expanding and growing overall business volumes.



Central Hospital Ltd

Central Hospital is a fully fledged tertiary care hospital offering the most comprehensive range of general and surgical care facilities. It is the country's most sophisticated medical facility.

The newest addition to our portfolio of Hospitals in 2010, Central Hospital boasts the most advanced technology and international standards of care as a multi-specialty, one-stop medical centre. Central Hospital is a fully fledged tertiary care hospital offering the most comprehensive range of general and surgical care facilities. It is the country's most sophisticated medical facility. It is manned by leading specialists in the country and is a preferred healthcare destination for discerning customers.

Central Hospital's competitive edge lies in its focus on patient care; in addition to superior nursing care and operational excellence. Central Hospital strives to combine best practices in healthcare and hospitality, offering luxury, comfort and one-to-one patient care. The hospital features star class in-house cuisine, accommodation ranging from luxury suites to apartments, wireless network coverage, three-level parking, and online registration among others. It also offers a comprehensive range of technologically advanced facilities in diagnostics, therapeutic and intensive care.

Performance in 2014/15

Central Hospital posted robust financial and operational results during the period under review. It grew its revenues by 14% y-o-y to reach LKR 2.87 Billion supported by consistent expansion in both in-patient and out-patient volumes. The hospital sustained significant profitability through the year under review.

"Central Hospital's competitive edge lies in its focus on patient care; in addition to superior nursing care and operational excellence."

During the year, The Central conducted the first-ever bone marrow transplant procedure in the country. The state-of-the-art unit has the facilities to conduct Allogenic Transplants, treat blood and bone marrow related disorders; this is expected to greatly benefit children diagnosed with Thalassaemia for whom a Bone Marrow Transplant will in most instances be a definitive lifetime cure. The diseases treatable through the procedure include severe aplastic anaemia (bone marrow failure) and many types of Leukaemia including acute lymphoblastic leukaemia, acute myeloid leukaemia, and non-Hodgkin lymphoma (cancer of the lymphatic system). The procedure is also capable of treating certain genetic blood and immune system disorders such as sickle cell anaemia, thalassaemia and some deficiency states.



2015

LKR 2.87 Bn

YoY revenue increase 14%



A fully-fledged cardiac centre was established and commenced smooth operations during the year and successfully performed 137 surgeries up to date

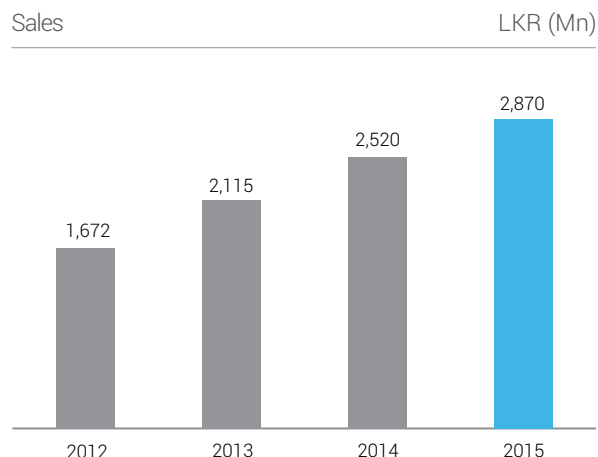
Operational Review

Central Hospital Ltd

As a testimony to the Group's overall social responsibility philosophy, the first 4 bone marrow transplants were performed free of charge. A fully-fledged cardiac centre was established and commenced smooth operations during the year. This centre of cardiac excellence is the first of its kind in the country and is capable of carrying out any cardiac related procedure.

The dedicated Stroke Unit improved performance during the year and as people become aware of this specialised unit, we are seeing a greater inflow of patients. As Sri Lanka's premier neurosurgical facility, we have acquired the latest "Brain Lab" neurosurgical navigation system.

The Central is being positioned as a hub for medical tourism and to further this aspiration, the hospital offers plastic surgery and advanced laser treatment at its new Beauty Centre. The Yag Laser machine has been brought down as it is the latest equipment for achieving amazing results in enhancing cosmetic appearance and in treating scars. The radiology department also grew from strength to strength during the year, utilising Sri Lanka's only Biplaner Digital Catheterization unit.



Future Outlook

During the year, overall standards underwent improvement by streamlining systems and processes. The hospital is currently streamlining processes to deliver world-class standards in patient safety and care in order to earn JCI certification. The accreditation survey is to be carried out by end of 2015 and we expect to be awarded the certification early next year. The JCI accreditation will enable us to market The Central overseas freely as a centre of medical excellence and we hope to attract the vast traffic of medical tourists who visit countries where it is cheaper to carry out expensive medical procedures.



The dedicated Stroke Unit improved performance during the year and as people become aware of this specialised unit, we are seeing a greater inflow of patients.



Asiri Laboratory

The Laboratory is recognised for using some of the most modern, state of the art analysers in the world to ensure highest quality and standards to its discerning customers.

The recognised market leader in medical laboratory diagnostics, Asiri Laboratory Services has a proven track record spanning over a 30 year period. The Laboratory is recognised for using some of the most modern, state of the art analysers in the world to ensure highest quality and standards to its discerning customers. In addition to intense internal and external quality control programmes, the Laboratory has affiliations with international and local institutes such as the Medical Research Institute and the Sri Lanka Accreditation Board to ensure that the patient promptly receives results, which are precise, accurate and reliable. The Laboratory performs between 10,000 to 11,000 tests daily with over 75 highly sophisticated and advanced tests in its expanding test menu.

Asiri Laboratory has a team of highly skilled laboratory professionals comprising of permanent and visiting consultants, Sri Lanka Medical Council registered MLTs, well trained Phlebotomists and other experienced support staff that represent the finest diagnostic technical talent in the country. They undergo vigorous, consistent training to ensure the services provided by Asiri Laboratories remain current and cutting-edge in the medical diagnostic industry. The services provided by Asiri Laboratory is the preferred partner for clinical trials for local and foreign medical teams in the country as well as many Embassies and NGOs.

The extensive network of laboratories and sample collection centres throughout the country enables medical professionals and patients

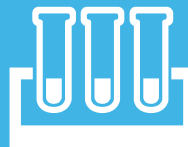
"The services provided by Asiri Laboratory is the preferred partner for clinical trials for local and foreign medical teams in the country as well as many embassies and NGOs."

alike to have easy accessibility to world-class Medical laboratory services in modern domains such as bio-chemistry, chemical pathology, haematology, immunology, Serology, mycology, flow cytometry, Genetics, microbiology and histology The Asiri Hospital's Lab Unit is one of the premier medical laboratories in Sri Lanka to be certified & accredited by ISO & other recognised governing bodies.

- During the period under review, the Laboratory expanded its footprint by opening new sample collection centres in Gampaha and Wattala in order to provide a closer touch point to customers in the vicinity, The Batticaloa Satellite Lab was relocated in order to facilitate greater convenience to the public.



Laboratory performs between 10,000 to 11,000 tests daily



230 active third party collection centres



Laboratory has 7 stand alone laboratories, 6 owned collecting centres

Operational Review

Asiri Laboratory

- Proactively understanding the growing needs of the customer, the Laboratory also revamped and re-energised its mobile service in order to bring world-class diagnostic services to the patient's doorstep. The service deploys a team of highly skilled phlebotomists and technicians in 4 branded cars which were added recently.
- A significant number of critical and important tests that were unavailable in the island were added to the Laboratory's vast testing capabilities. The Immature Platelet Fraction (IPF) is one such test. IPF is a new parameter that measures young platelets in peripheral blood and its measurement provides an important indicator for monitoring Dengue fever and ITP (Idiopathic thrombocytopenia).

Awarded Prestigious Certification

During 2014/15, as the market leader in medical laboratory diagnostics, Asiri Laboratories received the highly esteemed 15189-2012 international accreditation, which is recognised internationally as the premium certification for any medical laboratory in the world. This certification is a confirmation of the Laboratories leadership, commitment and quality standards of its services to customers and

"As at 31st March 2015, the Laboratory has 7 stand alone laboratories, 6 owned collecting centres and 230 active third party collecting centres."

the medical profession. The Asiri Laboratory is the first in Sri Lanka to obtain this gold standard which evolved from its predecessor, 15189-2007, which evaluated excellence at every important point of medical lab services in pre analytical, analytical and post analytical stages, sample collection, transport and reception, customer care, examination of reporting and interpretation. This rigorous audit and stringent accreditation procedure assures competence and performance, encompassing products, people, facilities and supply chain through verification, assessment of training and services to create superior stakeholder value and trust in clinicians mind to optimize patients care.

Furthermore, Asiri Laboratory Services was awarded the Management system certification as per ISO 9001: 2008; the only medical laboratory awarded with the certificate in Sri Lanka by TUV Austria.

During the year, the Microbiology department of Asiri Laboratory Services was placed Number One in the National External Quality Assessment Scheme (NEQAS) in bacteriology in Sri Lanka.

Further accolades include the System for Award Management (SAM) by the US Government for carrying out US government sponsored/ monitored clinical trials and similar programmes. This recognition is another first for the Company and the only one of a kind in the country. Asiri Laboratories have successfully completed three clinical trials for National Institute of Diabetes and Digestive and Kidney Diseases, USA.

Winner at the National Business Excellence Summit (NBES) April 2014



Asiri Laboratory Services was selected as the bronze award winner for a Quality Circle event which was based on the efficacy of our mobile laboratory services. NBES is organised by the National Chamber of Commerce of Sri Lanka to honour those Sri Lankan business houses that have excelled in their fields of expertise.

Future Prospects

The outlook for Asiri laboratory Services is very positive and promising as the construction of its standalone building continues as per schedule. The 11,000sq ft new Laboratory facility will feature state of the art medical equipment in a four storey building with ample parking space for customers. An enhanced customer care experience has been envisioned for the facility to ensure patients receive optimum service levels throughout their association with Asiri. The new building will be a new and exciting chapter in the history of the Laboratory as it coincides with an aggressive marketing and sales strategy for the laboratory and related services to ensure patients and customers are provided optimum service levels from start to end at all touch points throughout the country.

As at 31st March 2015, the Laboratory has 7 stand alone laboratories, 6 owned collecting centres and 230 active third party collecting centres. These laboratories and collection centres perform a vital role in enabling access to the Laboratory's excellent testing facilities. These centres are located in various parts of Sri Lanka in order to ensure equal access to health care for all citizens. As a result, Asiri Laboratory is now a trusted household brand in diagnostics and the first choice for patients and medical personnel. Going ahead, the plan is to multiply the numbers of laboratories and collection centres to reach as many people as possible while ensuring our quality standards and service levels remain uncompromised.

Our laboratories will continue to promote health checks and preventive tests to ensure a healthy nation by encouraging proactive monitoring.

In the months ahead, a more aggressive marketing and branding strategy will be adopted to cater to the heavy demand for its reliable services and provide value based services to our customer base.

Operational Review

Asiri Laboratory



During 2014/15, as the market leader in medical laboratory diagnostics, Asiri Laboratories received the highly esteemed 15189 - 2012 international accreditation.

Sustainability Report

Our People

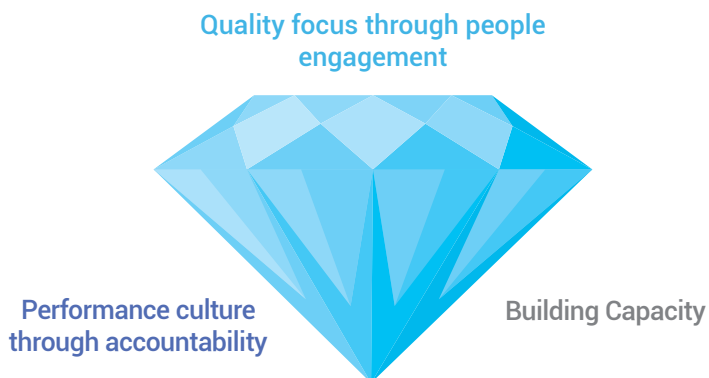
The Asiri Group of Hospitals is committed to serving its valuable clients and patients with the highest standards of service quality. The ultimate goal of its 'Patient First' Policy cannot be achieved without the dedication and contribution of our most important asset: Our People!

Our experience has taught us that sustainable, profitable growth is only possible with the cooperation of our employees. Success for each individual and the Company is only possible if we create value for each and every employee; and if the profitability of each division and overall profitable growth is secured for the benefit of the patients, investors and the employees.

The Group Human Resources (HR) division takes pride in being the only HR function to have obtained the ISO 9001–2008 Quality Management Certification exclusively for the HR function in the healthcare sector. It has also been commended by many local and international accreditation bodies for having the best HR Development and Manpower practices in the globe.

Employee Engagement

Our employee engagement is focused on ensuring continuous improvement in building competencies in related job functions and career progression. We strive to improve knowledge and skills of our staff through a focused training plan in order to achieve the business goals of the Asiri Group of Hospitals.



Building Capacity

We mainly concentrate on building capacity of our staff to achieve service excellence through a focused effort by addressing the learning needs. The learning needs are identified and sessions are arranged in order to:

- Improve service quality
- Improve competencies required for the job
- Enhance career development

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 by addressing learning needs. The learning needs are categorised into three main areas:

- **Learning for delivering quality services:** Learning is achieved in connection with the 'key results' of the staff member, which are directly related to the unit results and the organisational results envisaged during a given reporting period. This has been encouraged through on-the-job training to provide staff with hands-on experience. Since the need for practical exposure has been identified, we recruit newcomers with A/L and O/L qualifications, and provide them with the necessary on-the-job training for a period of 6 to 12 months depending on the manpower requirement. This enables them to understand the organisational expectations of their job roles. In addition, the Learning Plan is equipped with Technical Learning modules and employees are nominated for various technical courses and resources as per their training requirement
- **Learning for competency development:** This refers to the development of soft skills in connection with the competencies that are identified to be developed in order to effectively deliver appropriate results to our valuable customers and patients. It requires active and close guidance and coaching by supervisors
- **Learning for career development:** As per staff members' career aspirations and the identified career path, a multi-year training plan needs to be in place for future career advancement opportunities. Learning for career development is a longer

Sustainability Report

term strategic initiative that should be planned in line with the strategic and business goals of the organisation and the Group. Some of the learning areas have been developed in line with the expected business impact and required staff composition.

Performance Culture Through Accountability

Our performance cycle aims to create emphasis on structured performance objectives and accountability in roles and responsibilities of all staff. Our HR processes such as Recruitment and Selection, Reward and Recognition are based on a culture of meritocracy. Hence, it is vital to create a performance-based culture in the organisation. A good performance management system places an emphasis on accountability, therefore at the beginning of the year a Group-wide workshop on setting goals and objectives is conducted for the management team of the Asiri Group of Hospitals. The Vision, Mission, Corporate Values and Objectives are revisited at this meeting in the context of the current healthcare market and to determine our future focus. Cascading from the Corporate Objectives, all Heads of Divisions formulate respective divisional goals and objectives. The individual's responsibilities are assigned accordingly, to ensure alignment to our corporate goals. The management invests significant time providing feedback and guidance on the performance and development of each employee.

Our Approach to Learning and Growth

Our structured learning and development process is one of the in-house innovations we are proud of. Starting from a comprehensive training need analysis, training plan/calendar that captures organisational-wise and unit-wise training needs to individual/technical training requirements, which provides a holistic approach to one's career progression and development, we maintain records to monitor the progress of training effectiveness through various tools and mechanisms.

We have a diverse workforce ranging from highly skilled consultants who are experts in specialised areas to the lowest levels of non-skilled staff. Hence, identifying training needs and addressing the areas of competence of a diverse workforce is quite a challenging task. However, we always strive to address concerns of all staff categories through various cross-functional and regular forums with different levels of staff.

"Starting from a comprehensive training need analysis, training plan/calendar that captures organizational wise and unit-wise training needs to individual/technical training requirements, which provides a holistic approach to one's career progression and development."

The employees of Asiri Group are encouraged and provided with the opportunity to ascend in their careers if they prove themselves to be competent. We have specified career succession plans for several areas such as Medical, Nursing, Laboratory, Front Office, Maintenance and so on. More importantly, the employees are given the opportunity to discuss their career ambitions at the annual appraisal session and are assessed on merit. Other than the performance and competency-based promotions, we have specific succession plans with a combination of a regular promotion scheme based on service and a promotion scheme based on competency. Our employees are compensated as per the market rates and well above the minimum wages as specified by the Department of Labour.

Training Need Analysis

A comprehensive Training Need Analysis is conducted subsequent to performance appraisals in order to identify organisational and unit requirements across the Asiri Group of Hospitals and then the Training plan is formulated accordingly.

On-the-job training

We recruit non-skilled labour and provide them with an opportunity to build their careers according to their preferences. If they have the basic qualifications required according to our policy standards and are thought fit to carry out the tasks and responsibilities of the job, we recruit them at trainee level.

We have a well-established Nurses Training School which was started in 1986 at Asiri Hospital Limited. 42 batches have graduated from Asiri Nursing school and the 43rd batch has already been enrolled for this year. Currently, there are over 180 student nurses within the Group. The duration of the Diploma course is three years, which includes clinical experience in general wards and special units in addition to theoretical sessions.

We possess a well-equipped and the strongest Laboratory chain with state-of-the art technology in Sri Lanka. The trainee Medical Laboratory Technicians (MLT) are subjected to a three-year rigorous on-the-job training programme prior to being a Junior MLT.

Soft skills training

We devise training programmes which deal with soft skills such as aspects of customer care, telephone etiquette, and communication skills etc. In preparation for a new financial year, a comprehensive training calendar is circulated amongst staff.

Hard skills training

On-the-job training and other technical training is classified under the 'hard' skills training category. Our employees are sent to training sessions conducted by external parties alongside internal training programmes. During the last financial year, we conducted 248 sessions in total, covering 6,054 participants across the Group. Further, training evaluations have been conducted to monitor the effectiveness of the sessions and to improve them further.

Nurses' Training School

The School of Nursing at Asiri Group of Hospital conducts a Three-Year General Nursing Education in English Medium. The syllabus is as per the government's specifications for nursing education. The Nursing Faculty aims to train and develop young, talented individuals for future nursing positions in the Group and it helps its students to build up the necessary knowledge, skills and attitudes for the professional growth and development to be excellent nursing professionals at Asiri Group of Hospitals.

Employee Engagement

Engaging with employees is a core endeavour of the HR department in every Asiri Group hospital because we believe that closer interaction with employees in a work and social context strengthens

mutual bonds and leads to a greater spirit of cooperation. We want our employees to take pride in the Company, a feeling that can only be elicited through job satisfaction and a realisation that the Company cares about their well-being.

Rewards & Recognition

Rewarding and recognising our employees helps boost morale and encourages higher productivity. We introduced the "Employee of the Month" awards to recognise exceptional staff efforts on a monthly basis and have established incentive schemes for certain business-generating divisions to enhance their interest in delivering the best in service to the patients and customers. We want our employment profile to be diverse and we believe this will help our hospitals to provide outstanding patient care.

Nurturing our people

We take the time to understand the needs of our people, especially those who hail from different parts of the island. Therefore, we continuously strive to come up with innovative solutions to delight and protect our people and make them feel at home by introducing staff welfare activities, counseling facilities, get-togethers, compensation and reward strategies and subsidised accommodation. These initiatives have also been exclusively tailor-made for our student nurses to create a comfortable environment for them while supporting their professional growth.

Apart from the career enhancement measures adopted by the Company, we also engage with employees in a social setting. Some of the initiatives taken towards this end during the year are:

Asiri Wesak Week

In order to commemorate of the birth, enlightenment and nirvana of Lord Buddha, we instituted the Asiri Wesak Week 2014 across the Asiri Group of Hospitals from 12th May to 14th May 2014. The Asiri Wesak Week 2014 included many activities in which staff members whole-heartedly participated:

- A Pirith Ceremony was organised on 20th September 2014 at Asiri Hospital Holdings PLC by the HR department. This ceremony was well attended by all employees across all levels and served to infuse an atmosphere of peace and tranquillity in the organisation.

Sustainability Report

- A Vesak Lantern Competition was held during the Wesak season and proved to be a great equaliser as employees worked together and bonded over attempts to fashion the best lantern in order to win the prize. The winners ultimately emerged with some eye-catching lanterns that took pride of place in the hospital premises. All participants reported that they greatly enjoyed the experience as they had not realised how difficult it is to make lanterns and that they succeeded only because of team work.
- Vesak Dansala was held by Asiri Matara in which all employees participated.
- Vesak Bhakthi Gee was also held and witnessed the participation of employees as they did their best to put up a professional and melodious performance as an ode to the spirit of season.



Pirth Ceremony 2014

Christmas Carols

An eagerly anticipated event, a Christmas Carols session was held on 15th December 2014, at all the Colombo Asiri hospitals to herald the coming of the Christmas season. Organised by the HR department, we were delighted to uncover some star singing talent amongst the employees, who spent hours practising popular Christmas carols.



Christmas Carols 2014

Quality Focus through People Engagement

Our uncompromising standards of quality and the importance we place on achieving excellence go beyond mere compliance. It is seen as the foremost responsibility of our staff and the organisation as a whole. We have embarked on key quality initiatives, namely, ISO certifications, OHSAS, Total Quality Management (TQM) and Joint Commission International (JCI) Accreditation, which emphasise our commitment to Quality. The main aim is to improve our service standards and internal processes, thereby upgrading service quality levels in every aspect. We have introduced various schemes and competitions to make this journey an engaging one for the staff, because we want our employees to take ownership for ensuring high quality levels, which is achieved by familiarising them with the systems and processes of these quality initiatives and how they have a direct impact on the service quality levels they offer.

The Quality Assurance Department has developed a comprehensive strategy for the development and improvement of quality and patient safety standards at the Asiri group of hospitals. Accordingly appropriate quality indicators have been identified and implemented for each and every clinical and non-clinical department. Relevant staff members have been educated on data collection for these indicators. Currently data collection and analysis is in progress. Rising trends from collected data are analysed and used to design improvement and training programmes.

Milestones in Quality



Sustainability Report

Quality Assurance Team

The Quality Assurance Department (QAD) at Asiri Group of Hospitals consists of a Head of Department along with a dynamic team. Since the inception of QAD in 2012, there has been an increase in its scope of activities over the years. With effect from 2013, the main activity of the Quality Assurance Department this year is preparation for JCI accreditation.

Key Measures Adopted for Quality Assurance/International Accreditation:

- All Hospital Policies governing operations, quality standards and patient safety were developed and finalised. These were trialed with feedback and practical suggestions from all relevant stakeholders to ensure alignment with current practice and international requirements.
 - 21 hospital committees set up and operational at the Central Hospital, including Ethics Committee, Mortality and Morbidity Committee, Credentialing and Privileging committee, Quality and Patient Safety Committee. All with Terms of Reference (TOR) have been clearly established and regular dates set for meetings, with appropriate chairpersons and secretaries.
 - 35 'Departmental Manuals', which include departmental organisational structures and Standard Operating Procedures (SOPs) have been reviewed for all clinical and non-clinical areas (for example, Accident and Emergency, Cardiology, House-keeping, Finance and Admission) with input from the heads of departments and key personnel.
 - Hospital Programmes have been fine-tuned and communicated to all Heads of Departments and staff members. Some of these hospital-wide programmes are basic life support training for all staff, advanced life support for key clinical staff and hand hygiene training for all staff.
 - Emergency Response Plans and Mock Drills which include Resuscitation services, Response to fire, Management of a Mass Casualty, Response to a bomb threat, Management of Spillages of Hazardous material and Child abduction drills have been finalised and some of these mock drills have been carried out and key learning points used for training.
- A Patient handbook which incorporates key information on our services, key policies, and important drug related information has been compiled and will be made available for all patients upon admission.
 - A Handbook has also been developed to guide all employees on quality of care and patient safety standards that we expect to achieve at Asiri Group of Hospitals. This includes information on 'International Patient safety Goals' such as proper identification, effective communication, Prevention of patient falls and proper storage of 'High Alert Medications'.
 - International Library of Measures has been implemented for the clinical areas on five aspects as selected by us:
 1. Patients with Myocardial infarctions
 2. Patients with stroke
 3. Children with Asthma
 4. Perinatal Care
 5. Nursing sensitive care

Currently data is being collected according to the internationally recommended practice standards.

As a result of our rigorous and extensive Quality Enhancement Strategy, we have managed to incorporate these six new quality improvement projects at the Central Hospital this year:

1. Reducing the number of patients being registered without National Identity Card
2. Reducing the patient waiting time during admission
3. Reducing the time taken for discharge of a patient.
4. Improving the compliance to proper hand hygiene,
5. Reducing the number of needles tick injuries
6. Improving proper documentation of clinical records.

Quality Week 2014

The hospital celebrated a Patient-centred Quality Week in 2014 during which extensive activities were organised to inculcate and reinforce concern for quality across all our employees. An International Patient Safety Goals (IPSG) Training Programme and a Prevention and Control of Infection (PCI) Training Programme was held during the week. An audit of 5S implementation was held across all the departments and the department with the best 5S implementation was selected. During the week, a drama and poster competition was also organised to further emphasise the importance of quality across the entire value chain.



Inauguration - Quality Week 2014

Our Community

Our aspiration in engaging with the community is to embrace responsibility for the organisation's actions and through its actions, to effect a positive impact on the environment, customers, employees, communities, stakeholders and other stakeholders.

Our Approach to CSR

Asiri Group of Hospitals is committed to align its operations with legal obligations, ethical standards, local and international norms and the codes of practice prevailing in the country. Our commitment to CSR is reflected in both our Human Resources and Environmental Policies and the contributions we make to the stakeholders and to the local communities in which we operate.

We ensure that the society as a whole is provided with the best standards of healthcare facilities in accordance with the latest medical advances in the world, and that our staff is willing and able to provide the care needed. This ensures our stability and recognition in the healthcare industry in Sri Lanka and brings about the long term success that the shareholders demand if they are to get an adequate return on their investment. Engaging in social responsibility also helps to improve the perception of the Group among the staff, particularly when staff becomes involved through community volunteering.

CSR Activities

Donations

As the pioneer of the private healthcare industry in Sri Lanka, Asiri Hospital Holdings PLC is well aware of the importance of its role in corporate social responsibilities. Diverting itself from the routine CSR projects and programmes that the Hospital has been involved with, numerous small scale projects have been initiated during the year under review, in view of improving the living standards of the neighbouring underprivileged communities. Having analysed the most vital requirements, Asiri Hospital Holdings PLC donated and provided numerous types of equipment, utensils and other staple essentials to improve the livelihood of many families in its neighborhood. This approach has been well-received and commended by the beneficiaries and the hospital intends to continue same in years to come.



Annual Cattle Releasing Campaign 2014

Sustainability Report

Annual Cattle Releasing Campaign

Asiri Group of Hospitals organised a cattle releasing campaign in collaboration with Softlogic Holdings PLC during the year. The freed cattle were handed over to low income families to improve their living standards.

Health Camps by Asiri Hospital - Matara

Asiri Hospital - Matara organised a Health Camp (Lama Suwasahana) for school children at Mahindarama Temple, Thalaramba. Approximately 500 children were treated by doctors on 5th October 2014 with the concerted effort of all staff members.

Another medical camp was organised by Asiri Hospital - Matara for villagers at Kohuliadda School, Hakmana, on 1st February 2015 during which 250 people consulted doctors at the camp.

Free health camp (Guru Matha, Guru Piyawaru Upahara Dinaya) was organised for retired school teachers in Hakmana, to celebrate the 7th Anniversary of Asiri Hospital Matara. Approximately 110 retired school teachers were treated by doctors present.

All sustainability initiatives undertaken by Asiri Surgical Hospital are listed in the Sustainability section of the Asiri Surgical Annual Report 2014/15.



Free health camp Guru Matha, Guru Piyawaru Upahara Dinaya

Providing Thought Leadership in the Field of Medicine

Clinical Society of Asiri Group

The Clinical Society of the Asiri Group of Hospitals was set up to collaborate with Medical Officers and Permanent Specialists working within the Group and to improve bonding and cooperation. The main function of the society is to ensure 'Continuous Medical Education' so that doctors within the Group keep abreast with advances in the field of medicine and latest treatment modalities on par with global standards. Seminars are held every month where lectures are given by qualified specialists in their respective fields of specialisation. Clinical cases of significance are also presented at this gathering.

Academic collaboration/Clinical Training

The Asiri Group has supported/sponsored clinical workshops to train and enhance the knowledge of the local clinicians in collaboration with the colleges, associations and universities. As a result of the Group's demonstrated commitment to this, the Sri Lanka Association of Urological Surgeons, Faculty of Medical Sciences- University of Sri Jayewardenapura and the Postgraduate Institute of Medicine – University of Colombo, presented an award to Asiri Surgical Hospital in appreciation of the contribution made towards clinical education. During the year under review, the Asiri Group sponsored the annual scientific sessions, lectures and workshops conducted by the Sri Lanka Association of Urological Surgeons and Independent Medical Practitioners Association.

Internship/ Training Programmes

Asiri Group provides internship/ training programmes for the medical students/ undergraduate dietitians /Bio Medical Engineering students and other students in different fields from various universities and institutions. Currently, medical students from the South Asian Institute of Technology and Medicine (SAITM) are undergoing observation training under Specialists/ Registrars at Asiri; dietitian undergraduates from University of Waymba/ Faculty of Food & Nutrition are undergoing internship under registered dietitians at Asiri; and industrial training is being carried out for students from National Apprentice and Industrial Training Authority (NAITA), Sir John Kotelawala Defence University and The International College of Business and Technology (ICBT Campus) in the areas of Engineering, Food & Beverages and Bio Medical Engineering etc.

Our Environment

As a responsible corporate entity and the nation's largest private sector healthcare provider, Asiri Hospitals is mindful of its responsibility towards one of its key stakeholders - the environment. Operations of a hospital have a direct impact on the environment in terms of ensuring hygiene and sanitation, maintaining high quality standards, and controlling the use of community water resources. In order to ensure that our operations do not place any undue stress on the environment, we have adopted a slew of measures to monitor and reduce the use of natural resources to the greatest extent possible.

Redefining Health & Safety Norms

Uncompromised patient care and safety is the focus of all our Group operational activities. Our high standards were recognised in 2011 and 2012 when we were awarded the ISO 14,001 and ISO 22,001 for our demonstration of clear evidence of genuine improvements in operations. Further, we have already obtained OHSAS (ISO 18001) and ISO 9001 certifications for the Group. The HR Department of Asiri Surgical Hospital is already certified with ISO 9001:2008. Our Laboratory chain which hails as Sri Lanka's most trusted lab service is certified with ISO 15189:2007 and ISO 9001: 2008.

Taking these concerns for ensuring highest standards so as to promote health and safety at all times, Asiri Surgical Hospital and The Central Hospital are currently in the process of obtaining the JCI standardisation. The Joint Commission International itself is a United States-based nonprofit organisation that accredits more than 19,000 health care organisations and programmes in the United States and over 500 hospitals worldwide. The Joint Commission International (JCI) was established in 1997 as a division of Joint Commission Resources (JCR), a private, not-for-profit affiliate of The Joint Commission. All member health care organisations are subject to a three-year accreditation cycle.

Reducing Energy Consumption

A hospital consumes energy and electricity on a large scale and being cognisant of this, we have adopted measures to reduce our consumption with the introduction of capacitor banks and use of energy efficient lighting.

Monitoring Waste

Our clinical waste management policy and systems enable us to minimise the volume of waste and any potential risks from waste. Our general waste policies have:

- Energy conservation guidelines issued to each hospital designed to minimise the amount of electricity and gas consumed
- Garbage segregated and sent for recycling
- Routine checks, monitoring and the reports maintained in order to study the impact generated through our day to day activities into the environment and our surroundings
- Water Treatment plant in operation, where waste water is distilled prior to being released to the main drainage lines in the city

Further, Clinical Waste, which could consist of waste from medical, dental, pharmaceutical or other clinical processes has the potential to cause infections. Due to this, all clinical waste generated from the Group's hospitals is sent to incinerators and the volume of waste generated at each hospital is monitored on a monthly basis.

Corporate Governance

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

Board of Directors

The Board of Directors are responsible to shareholders of creating and delivering sustainable shareholder value through to the management of the Group's operations. The committees assist the Board in its responsibilities, rendered in the form of reports and recommendations submitted to the Board.

Board Composition

The Board consists of eight directors, with a split between 2 executive and 6 non-executive directors, out of whom 4 are independent. The composition of the Board is in compliance with the Corporate Governance Rules of the Colombo Stock Exchange. The Directors provide the objectivity and are equipped with the skills and experience required to discharge their responsibilities in an effective manner. (Refer to pages 14 and 15 for the full profiles of the Directors)

Responsibilities of the Board

The key roles and responsibilities of the Board are as follows;

- Exercise leadership, enterprise, integrity and judgment 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 on corporate governance
- 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
- Authorisation of Directors' conflicts or possible conflicts of interest
- Determination of independence of non-executive Directors
- Ensure the continuation of the Company as a going concern

Appointment and Re-election to the Board

Directors are appointed by the Board in a structured and transparent manner. Appointments are made with due consideration given to the diversity of skills and experience within the Board. As per the Company's Articles of Association, one third of the Directors shall retire from office at each Annual General Meeting and offer themselves for re-election. All directors appointed during the year seek re-election at the subsequent AGM. The Managing Director is not subject to retirement by rotation.

Board Meetings and Attendance

The Board meets on a quarterly basis and additional meetings are convened when necessary. 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. Directors have full access to Group information and are entitled to obtain independent professional advice at the Group's expense in appropriate situations.

Director	Attendance at Board Meetings
Mr. A K Pathirage	4/4
Dr. S Selliah	4/4
Dr. K M P Karunaratne	4/4
Mr. G L H Premaratne	3/4
Mr. S A B Rajapaksa	2/4
Mr. A H E Rodrigo	4/4
Mr. J E Huxtable	3/4
Mr. S P Mukherjee	4/4

Chairman

The Chairman leads the Board in order to ensure that it operates effectively and fully discharges its fiduciary and regulatory responsibilities. The Chairman is also responsible for ensuring that no single individual has autonomous decision making powers, thus protecting stakeholder interests. Within the Group, the Chairman also serves as the Managing Director and is responsible for

recommending the strategic direction to be followed by the Group and for implementing the decisions of the Board. The performance of the Managing Director is reviewed by the Board on an annual basis.

Remuneration of the Board

The remuneration of the Directors is determined by the Board and is disclosed on page 124 of this Annual Report.

Company Secretary

Messrs Softlogic Corporate Services (Pvt) Ltd function as Company Secretaries to the Group. The Company Secretary provides guidance to the Board as a whole and to individual directors with regard to how their responsibilities should be discharged. The Company Secretary is also responsible for ensuring that the Board is compliant with the applicable rules and regulations and that all activities of the Board are in line with the appropriate procedures.

Board Committees

The Board has delegated certain authorities to the Board Committees in order to manage the affairs of the Board. The committees operate under terms of reference approved by the Board.

Audit Committee	
Duties and Responsibilities	Composition
Review the Group's annual and interim financial statements and compliance reports.	Chairman Mr. S A B Rajapaksa <i>Independent Non-executive Director</i>
Review the performance of the internal audit function.	
Review the effectiveness of the Group's internal controls.	
Periodically approve and review the appointment and retirement of external auditors and their relationship with the Group.	
	Committee members Mr. G L H Premaratne <i>Independent Non-executive Director</i>
	Mr. A H E Rodrigo <i>Non-executive Director</i>
	Mr. J E Huxtable <i>Independent Non-executive Director</i>
	Frequency of meetings Committee meets quarterly

Corporate Governance

Remuneration Committee	
Duties and Responsibilities	Composition
<p>Provide recommendations to the Board on the following;</p> <ul style="list-style-type: none"> • Remuneration policy for executive directors • Remuneration policy and specific incentives for certain senior executives • Employee benefits and long-term incentive schemes <p>Principles governing the Group's remuneration policy</p> <ul style="list-style-type: none"> • 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 	<p>Chairman Mr. G L H Premaratne <i>Independent Non-executive Director</i></p> <p>Committee members Dr. S Selliah <i>Independent Non-executive Director</i></p> <p>Mr. A H E Rodrigo <i>Non-executive Director</i></p> <p>Frequency of meetings Committee meets once a year</p>

Independence of the Directors

Dr. S Selliah, Mr. G L H Premaratne, Mr. S A B Rajapaksa and Mr. J E Huxtable 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 majority of other Directors of Asiri Hospital Holdings PLC are employed and Directors and Dr. S Selliah and Mr. G L H Premaratne are also Directors of Softlogic Holdings PLC which has a significant shareholding in the Company.

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

Compliance with Corporate Governance Rules of the CSE

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

Section	Criteria	Has the Company met the Criteria
7.10.1	Non-executive directors	Complied with. Out of 8 directors 6 are non-executive directors.
7.10.2	Independent directors	Complied with. There are four independent directors on the Board.
7.10.3	Disclosures relating to directors	Dr. S Selliah, Mr. G L H Premaratne and Mr. S A B Rajapaksa meet all the criteria except one.
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 54 of the Annual Report.
7.10.6	Audit Committee	Complied with. Comprises of four non-executive directors including three independent directors. The names of the members of the committee are given in the page 53 of the Annual Report. The report of the committee is given on page 60. The Chief Financial Officer attends all the meetings.

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

The Directors of Asiri Hospital Holdings PLC have pleasure in presenting to the members 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 2015.

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 6 to 8 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 require that the Annual Report of the Directors to include 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 68 to 127 of the Annual Report.

Directors' Responsibility for Financial Reporting

The Directors are responsible for the preparation of the Financial Statements of the Company to reflect a true and fair view of the state of affairs. The Directors are of the view that these financial statements have been prepared in conformity with the requirements of the Companies Act No. 07 of 2007 and the Sri Lanka Financial Reporting Standards. A statement in this regard is given on page 62.

Auditor's Report

The Auditor's Report on the financial statements is given on page 67.

Accounting Policies

The accounting policies adopted in the preparation of the financial statements are given on pages 76 to 87. 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 review 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.

Mr. A K Pathirage - Chairman / Managing Director
Dr. S Selliah - Deputy Chairman
Dr. K M P Karunaratne - Group Chief Executive Officer
Mr. G L H Premaratne
Mr. S A B Rajapaksa
Mr. A H E Rodrigo
Mr. J E Huxtable
Mr. S P Mukherjee

In terms of Article 24(6) of the Articles of Association of the Company, Dr. S Selliah and Dr. K M P Karunaratne retire by rotation and being eligible offer themselves for re-election.

Directors' Shareholding

Directors' interest in shares of the Company as at 31st March 2015 were as follows.

Name of Director	No. of shares
Mr. A K Pathirage	371,664
Dr. S Selliah	-
Dr. K M P Karunaratne	9,074
Mr. G L H Premaratne	-
Mr. S A B Rajapaksa	-
Mr. A H E Rodrigo	-
Mr. J E Huxtable	-
Mr. S P Mukherjee	-

Interests Register

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

Directors' interests in contracts and proposed contracts with the Company

Directors' interests in contracts, both direct and indirect are referred to in notes 30.1 to 30.4 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 2014/2015 are given in note 30.5 to the Financial Statements on page 124.

Donations

The donations made by the Company during the year amounted to Rs. 1,139,509 (2013/2014 - Rs. 1,509,187).

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 does not have any relationship (other than that of an auditor) with the Company. The Auditors also do 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 27th March 2015 be considered as the final dividend for the year ended 31st March 2015.

Capital Expenditure

The capital expenditure of the Group and the Company during the year amounted to Rs. 908 Mn and Rs. 123 Mn respectively (2013/2014 – Group Rs. 334 Mn & Company – Rs. 75 Mn) details of which are given in note 9 to the financial statements.

Property, Plant & Equipment

The movement in property, plant and equipment during the year under review is set out in note 9 to the financial statements.

Stated Capital

The stated capital of the Company as at 31st March 2015 was Rs. 3,902,399,998. There was no change in the stated capital of the Company during the year under review

Reserves

The total reserves of the Group and the Company as at 31st March 2015 amounted to Rs. 7,204 Mn and Rs. 7,054 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 129 and 130 in the Annual Report. There were 5,820 registered shareholders as at 31st March 2015.

Share Information

Information on share trading is given on page 130 of the Annual Report.

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

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 other than those disclosed in Note 29 to the Financial Statements.

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 Fifth Annual General Meeting of the Company will be held at Hotel Janaki, Fife Road, Colombo 05 on Tuesday the 29th day of September 2015 at 11.45 a.m. The Notice of the 35th Annual General Meeting is on page 133 of the Annual Report.

For and on behalf of the Board

Sgd.
Director

Sgd.
Director

Sgd.
Softlogic Corporate Services (Pvt) Ltd
Secretaries

24 July 2015
Colombo

Ethics Committee Report

The Ethics Committee of the Asiri Group of Hospitals was constituted to serve as an advisory body on matters relating to conduct of research and clinical trials within the Asiri Group of Hospitals. 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. Also, the committee has reviewed the proposal for "Dialog m Health Trial with Asiri – (Evaluation of ambulant remote monitoring technology for investigating cardiac arrhythmias)".

The Committee 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, (Chairman)

Senior Professor of Anatomy / Medical Geneticist, 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.

Dr. Arittha Wickramanayake

Attorney at Law /Precedent Partner, Nithya Partners

Dr. Siva Selliah

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

Prof. Kemal I Deen

Consultant General Surgeon (Intestinal)

Dr. Indrani Amarasinghe

Consultant Oncologist

Dr. Chandani Wanigatunga

Consultant Physician/Clinical Pharmacologist

Dr. Kamal Weerapperuma

Company Director

Sgd.

[Prof. Rohan Jayasekara](#)

[Chairperson – Ethics Committee](#)

24 July 2015

Audit Committee Report

The Audit Committee is appointed by the Board of Directors and comprises of four Non-Executive Directors out of which three are Independent Directors. The Names of the Committee members are stated in the Corporate Governance Report on Page 53.

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 four occasions during the year to review 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 that M/s Ernst & Young be re-appointed as the auditors of the Company for the financial year ending 31st March 2016, subject to the approval of the shareholders at the Annual General Meeting.

Sgd.
Samantha Rajapaksa
Chairman – Audit Committee

24 July 2015

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 one Non-Executive Independent Director and two Non-Executive Directors. The names of the Committee members are stated in the Corporate Governance Report on page 54.

The Directors' emoluments are disclosed on page 124.

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](#)

24 July 2015

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 67.

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 68 to 127, the directors are required to:

- select appropriate accounting policies and then maintain consistency
- make judgments 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. 07 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.

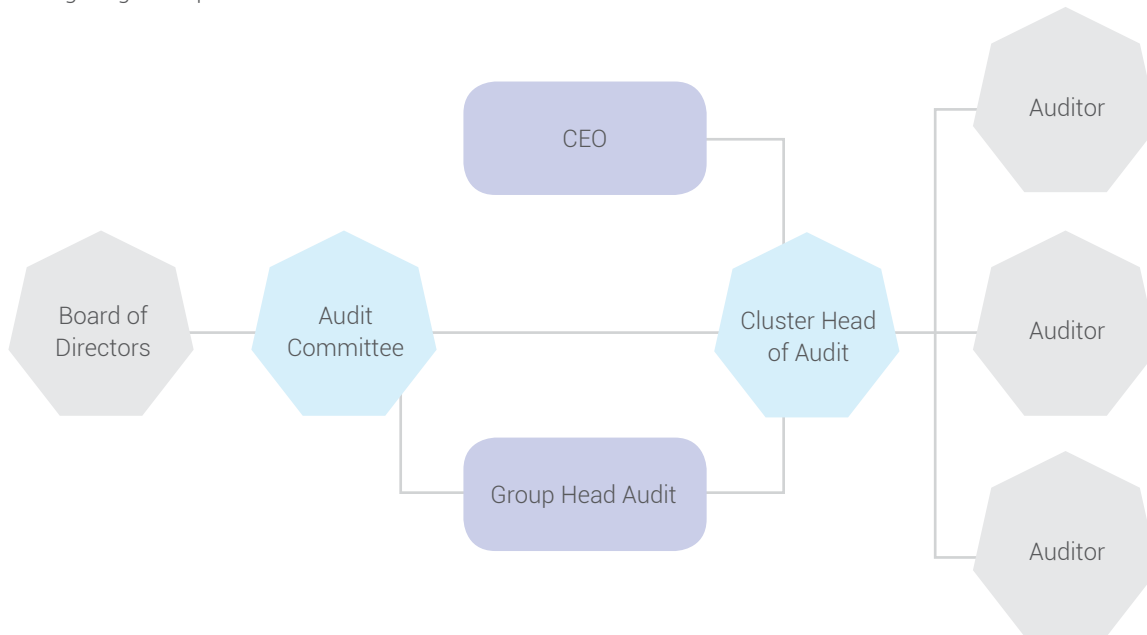
For and on behalf of the Board

Sgd.
Softlogic Corporate Services (Pvt) Ltd
Secretaries

24 July 2015
Colombo

Risk Management

The responsibility of ensuring that the identified risks are managed accordingly, is the responsibility of the Board. The Audit Committee reviews the efficacy of the Group's risk management process on behalf of the Board. The Cluster Head of Audit reports directly to the Audit Committee through regular reports.



Key Risks and Uncertainties

The Key risks, the potential impact and methods of mitigation adopted by the Group are as follows;

Risks and Potential Impact	Mitigation
<p>Clinical Risk</p> <p>This is the risk associated with patient safety, arising from treatments and other patient care processes.</p> <p>It is essentially the most important and volatile area of exposure to a hospital, the mismanagement of which, can lead to a host of other risks including reputation and legal risk as well as significant financial losses.</p>	<p>The Group has obtained multiple accreditations for all aspects of its operations, including food and safety, quality management and laboratory management among others.</p> <p>The Group also has stringent guidelines for preparing incident reports, utilization of informed consent documents and related defensible documentation .In addition, disclosure of adverse patient outcomes and a structured emergency medical treatment is also in place.</p>
<p>Reputation Risk</p> <p>The Group's reputation may be adversely impacted leading to a loss of customers due to multiple reasons such as poor customer service, unethical behaviour, loss of credibility and use of outdated technology and equipment among others.</p>	<p>The Group has in place a strong ethics framework. The Ethics Committee, comprising of industry specialists provide an advisory role on matters relating to research and clinical trials within the Group. Capital expenditure is allocated annually for upgrading facilities as an ongoing process. Meanwhile, our nursing and other staff undergo extensive training on patient management and customer service on a continuous basis.</p>

Risk Management

Risks and Potential Impact	Mitigation
<p>Human Resources</p> <p>Human resource risk, extends as a subgroup of operational risk. The group operates in an industry which is heavily dependent on human resources. Hence, the ability to recruit and retain qualified and skilled healthcare professionals is crucial to the success of the organization.</p>	<p>The group has in place a comprehensive recruitment and retention process for its staff. Employee needs and satisfaction levels are frequently monitored through surveys, and gaps are addressed appropriately. The group also has a succession planning program in place which includes ongoing coaching, development and regular promotions.</p>
<p>Competition</p> <p>The group faces competitive pressure from other private and government hospitals, outpatient centres, stand-alone clinics and diagnostic centres. Competitive pressure can impact Our revenues, market share and profitability.</p>	<p>Growth is one of the group's key strategic priorities, and we seek to expand our reach outside the capital in order to geographically diversify our revenue source. We also strive to arise about our competition by offering the most clinically advanced, cutting-edge medical procedures and excel in nursing and patient care.</p>
<p>Technological Risk</p> <p>Frequent innovation are a norm in the industry, and a hospital's inability to adopt the latest, cutting -edge technology could result in loss of customers, leading to fall in revenue and erosion of profitability. This risk could also give rise to reputation and clinical risk.</p>	<p>The group constantly seeks to adopt the most advanced methods for diagnostics and treatment. Research and innovations in the industry are monitored on an ongoing basis.</p>
<p>Credit Risk</p> <p>This risk arises from the non-settlement of bills by individual and corporate clients, leading to financial losses.</p>	<p>Interim bills are issued for in-patients requesting period bill settlement. For corporate clients, a credit assessment is carried out prior to granting credit facilities</p>
<p>Interest Rate Risk</p> <p>Interest rate risk which is a subgroup of market risk, arises from the adverse movements of interest rates, resultantly affecting the Group's interest cost and thus profitability.</p>	<p>The finance team continuously monitors the trends in market interest rates and negotiates with banks accordingly, In order to minimize the exposure to interest rate risk.</p>
<p>Information Risk</p> <p>Given the sensitivity and confidentiality of patient-related information held by the hospitals, the Group is exposed to information risk in the event of technical and IT system failures.</p>	<p>Regular maintenance of computer hardware and software, off-site storage and daily back-ups as well as round the clock IT support is available, also information systems audit & security Auditor has been recruited for the group in order to mitigate this risk.</p>
<p>Business Continuity Plan</p> <p>The group heavily depends on People, Processes, Technical and Non-Technical resources. Loss of a critical or a group of critical element, could affect the continuity of business operations, leading to a significant impact.</p>	<p>The group has implemented a range of strategies for technical systems which encompass hardware/ software redundancy, appropriately and aligned backup strategies.</p> <p>Staff succession plans have been built into all identified critical units of the group. Alternative strategies have been implemented to duplicate processes running within a single hospital, within other hospitals attached to the group in the event of a location/ process failure.</p> <p>The structured Business Continuity approach has improved the overall resilience of the group.</p>



Taking care

"By empathising with patients and offering them comforting care that soothes their concerns, the hospital builds a closer bond with the patient, elevating itself to a home away from home. We pride ourselves on providing patients with increased efficiency, shorter waiting times and better continuity of care."

Financial Calendar

Financial Year End - 31 March 2015

Announcement of Quarterly Financial Performance

1st Quarter	-	14 August 2014
2nd Quarter	-	13 November 2014
3rd Quarter	-	13 February 2015
4th Quarter	-	29 May 2015

Notice of Annual General Meeting	-	24 July 2015
Annual General Meeting	-	29 September 2015

Independent Auditor's Report

To the Shareholders of Asiri Hospital Holdings PLC



Ernst & Young
Chartered Accountants
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ey.com

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Asiri Hospital Holdings PLC ("Company"), and the consolidated financial statement of the Company and its Subsidiaries ("Group"), which comprise the statement of financial position as at 31 March 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and, cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

BOARD'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2015, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 163(2) of the Companies Act No. 7 of 2007, we state the following:

- a) The basis of opinion, scope and limitations of the audit are as stated above.
- b) In our opinion :
 - we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company,
 - the financial statements of the Company give a true and fair view of the financial position as at 31 March 2015, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards, and
 - the financial statements of the Company and the Group, comply with the requirements of Section 151 and 153 of the Companies Act No. 07 of 2007.

24 July 2015
Colombo

Partners: A D B Talwatte FCA FCMA M P D Cooray FCA FCMA R N de Saram ACA FCMA Ms. N A De Silva FCA Ms. Y A De Silva FCA W R H Fernando FCA FCMA
W K B S P Fernando FCA FCMA Ms. L K H L Fonseka FCA A P A Gunasekera FCA FCMA A Herath FCA D K Hulangamuwa FCA FCMA LLB (Lond) H M A Jayasinghe FCA FCMA
Ms. A A Ludowyke FCA FCMA Ms. G G S Manatunga FCA N M Sulaiman ACA ACMA B E Wijesuriya FCA FCMA

A member firm of Ernst & Young Global Limited

Statement of Profit or Loss

Year Ended 31 March 2015

	Notes	Group		Company	
		2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Revenue	3.1	8,593,473,274	7,962,485,207	2,440,580,228	2,333,174,129
Cost of Services		(4,641,170,133)	(4,073,337,954)	(1,128,708,997)	(1,029,015,649)
Gross Profit		3,952,303,141	3,889,147,253	1,311,871,231	1,304,158,480
Other Income	3.2	134,528,286	146,989,118	448,493,363	726,535,377
Administrative Expenses		(2,007,184,668)	(1,823,649,672)	(509,823,203)	(486,637,942)
Selling and Distribution Costs		(281,063,134)	(205,971,767)	(162,368,402)	(115,351,672)
Finance Cost	4.1	(611,329,657)	(744,461,152)	(413,793,612)	(386,985,466)
Finance Income	4.2	42,769,458	28,620,838	67,381,467	74,998,914
Changes in Fair Value of Investment Property	11	513,364,000	83,690,500	-	-
Profit Before Tax	5	1,743,387,426	1,374,365,118	741,760,844	1,116,717,691
Income Tax Expense	6	(160,735,314)	(169,218,666)	(76,592,406)	(104,601,364)
Profit for the Year		1,582,652,112	1,205,146,452	665,168,438	1,012,116,327
Attributable to:					
Equity Holders of the Parent Company		1,416,733,142	950,589,495		
Minority Interest		165,918,970	254,556,957		
		1,582,652,112	1,205,146,452		
Earnings Per Share - Basic	7	1.29	0.86	0.61	0.92
Dividend Per Share - Ordinary Shares	8	0.50	0.55	0.50	0.55

The Accounting Policies and Notes on pages 76 through 127 form an integral part of these Financial Statements.

Statement of Other Comprehensive Income

Year Ended 31 March 2015

	Notes	Group		Company	
		2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Profit for the year		1,582,652,112	1,205,146,452	665,168,438	1,012,116,327
Other Comprehensive Income					
Other Comprehensive Income to be reclassified to profit or loss in subsequent periods (net of tax):					
Gain on Available for Sale Financial Assets	14.1	167,883,289	32,871,664	167,418,668	32,849,550
Net Other Comprehensive Income to be reclassified to profit or loss in subsequent periods (net of tax)		167,883,289	32,871,664	167,418,668	32,849,550
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods (net of tax):					
Revaluation of Land and Building	9.1	295,091,165	253,690,050	-	-
Actuarial Loss on Retirement Benefit Liability	23.1	(30,977,020)	(12,594,947)	(12,861,598)	(2,486,856)
Deferred Tax on Other Comprehensive Income	6	(9,314,614)	(12,103,065)	1,543,392	298,423
Net Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods (net of tax):		254,799,531	228,992,038	(11,318,206)	(2,188,433)
Other Comprehensive Income for the year (net of tax)		422,682,820	261,863,702	156,100,462	30,661,117
Total Comprehensive Income for the year (net of tax)		2,005,334,932	1,467,010,154	821,268,900	1,042,777,444
Total Comprehensive Income Attributable to:					
Equity Holders of the Parent Company		1,815,192,216	1,101,573,167		
Minority Interest		190,142,716	365,436,987		
		2,005,334,932	1,467,010,154		

The Accounting Policies and Notes on pages 76 through 127 form an integral part of these Financial Statements.

Statement of Financial Position

As at 31 March 2015

	Notes	Group		Company	
		2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
ASSETS					
Non-current Assets					
Property, Plant and Equipment	9	10,838,832,458	10,338,524,975	1,286,767,057	1,245,422,341
Leasehold Property	10	1,017,570,427	286,558,415	-	-
Investment Property	11	-	2,184,636,000	-	-
Goodwill	12	548,706,564	548,706,564	-	-
Deferred Tax Assets	22	-	44,674,239	-	-
Investment in Subsidiaries	13	-	-	9,606,855,899	9,581,971,600
Financial Assets - Available for Sale	14.1	598,127,393	430,708,724	598,127,393	430,708,724
		13,003,236,842	13,833,808,917	11,491,750,349	11,258,102,665
Current Assets					
Investment Property	11	2,698,000,000	-	-	-
Inventories	15	381,062,739	354,587,173	91,337,627	107,426,426
Trade and Other Receivables	16.1	373,758,587	365,074,801	548,462,334	372,025,628
Advances and Prepayments	16.2	361,713,594	323,574,414	91,503,006	98,511,493
Financial Assets - Available for Sale	14.1	755,025	290,404	-	-
Loans Granted to Related Parties	17	149,564,388	275,269,139	-	715,333,266
Cash and short-term deposits	26.1	1,246,617,582	192,421,998	1,064,952,309	29,852,874
		5,211,471,915	1,511,217,929	1,796,255,276	1,323,149,687
Total Assets		18,214,708,757	15,345,026,846	13,288,005,625	12,581,252,352
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	18	3,902,399,998	3,902,399,998	3,902,399,998	3,902,399,998
Revaluation Reserve	19	1,593,239,753	1,336,063,644	457,001,178	457,001,178
Available for Sale Reserve		296,712,646	128,829,357	296,225,911	128,807,243
Reserve on Consolidation		(2,345,961,923)	(2,338,290,868)	-	-
Retained Earnings		2,575,322,184	1,731,407,896	2,399,306,985	2,295,002,907
Share Holders' Fund		6,021,712,658	4,760,410,027	7,054,934,072	6,783,211,326
Minority Interest		1,182,652,342	1,100,819,027	-	-
Total Equity		7,204,365,000	5,861,229,054	7,054,934,072	6,783,211,326

	Notes	Group		Company	
		2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Non-current Liabilities					
Interest Bearing Loans and Borrowings	20	7,032,828,151	5,850,962,392	4,645,884,872	3,347,365,364
Amount due on Leasehold Property	21.1	34,272,667	38,344,667	-	-
Deferred Tax Liabilities	22	223,956,902	226,936,023	44,533,862	50,109,074
Retirement Benefit Liability	23.1	344,721,136	261,892,207	169,983,416	133,852,952
		7,635,778,856	6,378,135,289	4,860,402,150	3,531,327,390
Current Liabilities					
Trade and Other Payables	24.1	372,769,066	305,158,835	364,355,002	287,694,895
Other Payables	24.2	1,553,402,280	223,793,562	125,596,220	61,730,986
Dividend Payable		43,039,874	34,091,311	35,745,774	31,060,786
Interest Bearing Loans and Borrowings	20	1,347,199,298	2,506,484,968	788,555,131	1,865,838,157
Amount due on Leasehold Property	21.1	4,072,000	4,072,000	-	-
Income Tax Payable	25	54,082,383	32,061,827	58,417,276	20,388,812
		3,374,564,901	3,105,662,503	1,372,669,403	2,266,713,636
Total Equity and Liabilities		18,214,708,757	15,345,026,846	13,288,005,625	12,581,252,352

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 76 through 127 form an integral part of these Financial Statements.

24 July 2015
Colombo

Statement of Changes in Equity

Year Ended 31 March 2015

	Note	Stated Capital Rs.	Available for Sale Reserve Rs.	Revaluation Reserve Rs.	Reserve on Consolidation Rs.	Retained Earnings Rs.	Minority Interest Rs.	Total Rs.
GROUP								
As at 01 April 2013		3,902,399,998	95,957,693	1,210,910,400	(1,144,554,455)	1,392,250,044	2,217,564,268	7,674,527,948
Profit for the Year		-	-	-	-	950,589,495	254,556,957	1,205,146,452
Other Comprehensive Income		-	32,871,664	125,778,627	-	(7,666,619)	110,880,030	261,863,702
Total Comprehensive Income		-	32,871,664	125,778,627	-	942,922,876	365,436,987	1,467,010,154
Effect of Changes in Holdings of Subsidiary Companies		-	-	-	(1,193,736,413)	-	(1,259,743,179)	(2,453,479,592)
Depreciation and deferred tax transfer on depreciation impact	19	-	-	(625,383)	-	735,745	-	110,362
Interim Dividends 2013/14	8	-	-	-	-	(604,500,769)	-	(604,500,769)
Subsidiaries Dividend to Minority Shareholders		-	-	-	-	-	(222,439,049)	(222,439,049)
As at 31 March 2014		3,902,399,998	128,829,357	1,336,063,644	(2,338,290,868)	1,731,407,896	1,100,819,027	5,861,229,054
Profit for the Year		-	-	-	-	1,416,733,142	165,918,970	1,582,652,112
Other Comprehensive Income		-	167,883,289	253,848,485	-	(23,272,700)	24,223,746	422,682,820
Total Comprehensive Income		-	167,883,289	253,848,485	-	1,393,460,442	190,142,716	2,005,334,932
Effect of Changes in Holdings of Subsidiary Companies		-	-	-	(7,671,055)	-	(15,800,745)	(23,471,800)
Deferred tax transfer on depreciation impact	19	-	-	3,327,624	-	-	-	3,327,624
Interim Dividends 2014/15	8	-	-	-	-	(549,546,154)	-	(549,546,154)
Subsidiaries Dividend to Minority Shareholders		-	-	-	-	-	(92,508,656)	(92,508,656)
As at 31 March 2015		3,902,399,998	296,712,646	1,593,239,753	(2,345,961,923)	2,575,322,184	1,182,652,342	7,204,365,000

The Accounting Policies and Notes on pages 76 through 127 form an integral part of these Financial Statements.

	Notes	Stated Capital Rs.	Available for Sale Reserve Rs.	Revaluation Reserve Rs.	Retained Earnings Rs.	Total Rs.
COMPANY						
As at 01 April 2013		3,902,399,998	95,957,693	457,001,178	1,889,575,782	6,344,934,651
Profit for the Year		-	-	-	1,012,116,327	1,012,116,327
Other Comprehensive Income		-	32,849,550	-	(2,188,433)	30,661,117
Total Comprehensive Income		-	32,849,550	-	1,009,927,894	1,042,777,444
Interim Dividends 2013/14	8	-	-	-	(604,500,769)	(604,500,769)
As at 31 March 2014		3,902,399,998	128,807,243	457,001,178	2,295,002,907	6,783,211,326
Profit for the Year		-	-	-	665,168,438	665,168,438
Other Comprehensive Income		-	167,418,668	-	(11,318,206)	156,100,462
Total Comprehensive Income		-	167,418,668	-	653,850,232	821,268,900
Interim Dividends 2014/15	8	-	-	-	(549,546,154)	(549,546,154)
As at 31 March 2015		3,902,399,998	296,225,911	457,001,178	2,399,306,985	7,054,934,072

The Accounting Policies and Notes on pages 76 through 127 form an integral part of these Financial Statements.

Statement of Cash Flows

Year Ended 31 March 2015

	Notes	Group		Company	
		2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Cash Flows From Operating Activities					
Profit Before Income Tax Expense		1,743,387,426	1,374,365,118	741,760,844	1,116,717,691
Adjustments for					
Depreciation	9	663,408,005	652,740,183	81,355,669	80,714,404
Amortization of Leasehold Assets	10	4,059,170	5,126,261	-	-
Net Profit on Sale of Property, Plant and Equipment	3	(4,530,000)	(3,868,040)	(4,530,000)	(1,655,000)
Adjustment for Fair value of Trading Securities		-	1,169,500	-	1,169,500
Provision for Bad and doubtful Debts		12,958,690	2,080,949	(90,830)	110,430
Provision for Retirement Gratuity	23.1	68,323,368	53,507,849	29,550,493	23,960,495
Finance Expense		564,008,224	604,114,201	395,227,255	329,644,620
Investment Income		(33,110,513)	(74,252,144)	(441,379,702)	(724,000,688)
Unrealised Exchange Loss	4.1	18,672,614	67,970,561	6,447,840	21,518,913
Guarantee Income/Expenses		-	-	(1,412,499)	(5,647,200)
Changes in Fair Value of the Investment Property	11	(513,364,000)	(83,690,500)	-	-
Operating Profit Before Working Capital Changes		2,523,812,984	2,599,263,938	806,929,070	842,533,165
Changes in Working Capital					
Increase in Inventories		(26,475,566)	(24,882,544)	16,088,799	(5,420,032)
(Increase)/Decrease in Trade and Other Receivables		9,919,649	(68,735,397)	(145,762,754)	144,466
(Increase)/Decrease in Advances and Prepayments		(38,139,180)	(145,656,696)	7,008,487	(53,795,307)
(Increase)/Decrease Amounts Due from Related Parties		94,142,626	95,525,622	683,771,141	(93,475,789)
Increase in Trade and Other Payables		67,610,231	39,838,930	76,660,107	12,334,971
Increase/(Decrease) in Other Payables		1,329,608,718	(117,054,088)	63,865,234	(29,579,946)
Cash Generated From Operations		3,960,479,462	2,378,299,765	1,508,560,084	672,741,528
Income Tax Paid		(103,006,629)	(145,289,889)	(42,595,762)	(100,922,377)
Defined Benefit Plan Costs Paid	23.1	(16,471,459)	(18,533,149)	(6,281,627)	(9,158,211)
Finance Cost Paid		(564,008,224)	(604,114,201)	(395,227,255)	(329,644,620)
Net Cash From Operating Activities		3,276,993,150	1,610,362,526	1,064,455,440	233,016,320

	Notes	Group		Company	
		2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Cash Flows From/(Used in) Investing Activities					
Acquisition of Property, Plant and Equipment	9	(873,925,756)	(334,303,070)	(122,700,385)	(75,402,323)
Investment in Quoted Securities		(735,071,181)	(516,734)	-	(516,734)
Disposal Proceeds of Quoted Securities		-	30,771,416	-	30,771,416
Investment in Subsidiaries		(23,471,800)	(2,453,479,592)	(23,471,800)	(2,453,479,603)
Proceeds from Disposal of Property, Plant and Equipment		9,831,432	15,486,933	4,530,000	1,655,000
Interest/ Dividend Received		33,110,513	74,252,144	441,379,702	724,000,688
Net Cash Flows From/(Used in) Investing Activities		(1,589,526,792)	(2,667,788,903)	299,737,517	(1,772,971,556)
Cash Flows From /(Used in) Financing Activities					
Dividends Paid		(540,597,591)	(599,309,160)	(544,861,166)	(600,785,241)
Dividends Paid to Minority by Subsidiaries		(92,508,656)	(222,439,049)	-	-
Proceeds from Term Loans		6,094,583,834	2,945,115,750	4,400,175,333	2,725,000,000
Repayment of Term Loans		(5,216,108,151)	(938,628,993)	(3,924,556,689)	(386,446,900)
Repayment of Lease Obligations		-	(945,539)	-	-
Repayment of Amount due on Leasehold Property	21	(4,072,000)	(4,072,000)	-	-
Net Cash Flows From/(Used in) Financing Activities		241,297,436	1,179,721,009	(69,242,522)	1,737,767,859
Net Increase in Cash and Cash Equivalents		1,928,763,794	122,294,632	1,294,950,435	197,812,623
Cash and Cash Equivalents at the Beginning of the Year		(938,871,130)	(1,061,165,762)	(398,539,094)	(596,351,717)
Cash and Cash Equivalents at the End of the Year	26.2	989,892,664	(938,871,130)	896,411,341	(398,539,094)

The Accounting Policies and Notes on pages 76 through 127 form an integral part of these Financial Statements.

Notes to the Financial Statements

Year Ended 31 March 2015

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 2.2 to the Financial Statements.

1.3 Parent Enterprise and Ultimate Parent Enterprise

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

1.4 Date of Authorization for Issue

The Financial Statement of Asiri Hospital Holdings PLC and its Subsidiaries for year ended 31 March 2015 was authorized for issue in accordance with a resolution of the Board of Directors dated 24 July 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The financial statements are presented in Sri Lankan Rupees (Rs), unless otherwise indicated.

2.1.1 Statement of Compliance

The financial statements of the Company and 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.

2.1.2 Comparative Information

The accounting policies adopted are consistent with those of the previous financial year.

There has been no significant effect to the accounting policies due to the adoption of the SLFRS 10 - Consolidated Financial Statements, SLFRS 12 - Disclosure of Interests in Other Entities and SLFRS 13 - Fair Value Measurement. Changes to the disclosure requirements on the adoption of SLFRS 13 - Fair Value Measurement and SLFRS 12 - Disclosure of Interests in Other Entities have been disclosed under Note 9.1.9, Note 11.1, Note 14 and Note 13.5 to the Financial Statements.

Previous year's figures and phrases have been re-arranged whenever necessary to conform to current presentation.

2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its Subsidiaries as at 31 March 2015. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

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

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

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

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

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

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while

any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

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 2015	Effective Holding 2014	Principal Activities
1. Asiri Central Hospitals PLC	99.7%	99.32%	The principal activities of the Company were providing medical services. With the cessation of the medical services business operations, the Company operated as an investment company.
2. Asiri Hospital Matara (Pvt) Ltd.	100%	100%	The principal activities of the Company are to operate a hospital and provide healthcare services.
3. Asiri Diagnostics Services (Pvt) Ltd.	66.5%	66.5%	The principal activities of the Company are to carry out Diagnostic Laboratory Services.
4. Asiri Hospital Kandy (Pvt) Ltd.	100%	100%	The principal activities of the Company are to provide healthcare services. However, the company has not yet commenced its operations.

Notes to the Financial Statements

Year Ended 31 March 2015

Company	Effective Holding 2015	Effective Holding 2014	Principal Activities
5. Asiri Surgical Hospital PLC	73.68%	73.68%	The principal activities of the Company are to operate a two tier hospital and provide healthcare services.
6. Central Hospital Ltd	90.13%	90%	The principal activities of the Company were to operate a hospital and provide healthcare services.

The total profits and losses for the year of the Company and Its Subsidiaries included in consolidation and all assets and liabilities of the Company and Its Subsidiaries included in consolidation are shown in the Consolidated Statement of Profit or Loss, Statement of 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 Statement of Profit or Loss, Statement of Other Comprehensive Income and as a component of equity in the Consolidated Statement of Financial Position, separately from parent's shareholders' equity.

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

2.3 Significant Accounting Judgments, Estimates And Assumptions

The preparation of the financial statements of the Group require the management to make judgments, estimates and assumptions, which may affect the amounts of income, expenditure, assets, liabilities and the disclosure of contingent liabilities, at the end of the reporting period. In

the process of applying the Group's accounting policies, the key assumptions made relating to the future and the sources of estimation at the reporting date together with the related judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Fair value of Property, Plant and Equipment and Investment Properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the Statement of Profit or Loss. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognised in Other Comprehensive Income. 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.

Fair value related disclosures for assets measured at fair value are summarized in the Note 9.1.9 and Note 11.1 to the financial statements.

Deferred Tax Assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. (Refer Note 22)

The Companies which are in the tax exemption period of Board of Investment of Sri Lanka recognise deferred tax in their financial statements, for temporary differences which will reverse after the expiry of the tax holiday period.

Management judgment is required to determine the future tax implications arising particularly from property, plant and equipment after the expiration of the tax holiday.

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, and 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 23)

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. (Refer Note 2.4.11).

Impairment of Trade & Other Receivable

The Group reviews at each reporting date all receivables to assess whether impairment should be recorded in the Statement of Profit or Loss. 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.

is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

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

2.4.2 Foreign Currency Translation

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

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

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

2.4 Summary of Significant Accounting Policies

2.4.1 Goodwill

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

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired

Notes to the Financial Statements

Year Ended 31 March 2015

2.4.3 Fair Value Measurement

Fair value related disclosures for assets measured at fair value or financial instruments that are not measured at fair value, for which fair values are disclosed, are summarized in the Note 9.1.9, 11.1 and 14 to the Financial Statements.

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

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

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

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

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

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

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

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

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

2.4.4 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 recognized in the accounting period in which the services are rendered or performed.

b) *Gain/Loss from Foreign Exchange Forward Contracts*

Finance Income/Expense comprises of gains and losses arising from changes in fair value of foreign exchange forward contracts.

c) *Interest Income*

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 Statement of Profit or Loss.

d) *Dividend Income*

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

e) *Other Income*

Other income is recognised on an accrual basis.

2.4.5 Taxation

Current Taxes

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

Asiri 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 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.

The Company is liable to pay tax on other income earned at the prevailing tax rate and on business income from 01 January 2015 upon expiry of exemption period which is 10 years counted from the date on which the enterprise first commences commercial operations (01 January 2005).

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 fulfillment 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 operation income tax wholly represents tax on income derived from current operations. i.e rental 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 2012/2013. This exemption will expire on 31 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.

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

- Asiri Hospital Holdings PLC
- Asiri Diagnostics 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

Notes to the Financial Statements

Year Ended 31 March 2015

probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised.

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

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

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

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

2.4.6 Property, Plant and Equipment

Property, Plant and Equipment are initially stated at cost, 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 criterias 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 Property, Plant and Equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit or Loss as incurred.

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

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 Statement of Profit or Loss, such the increase is recognised in the Statement of Profit or Loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

2.4.7 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 fulfillment 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.

Company as a lessee:

Finance leases that transfer to the Company 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 Statement of Profit or Loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company 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 or the lease term.

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

2.4.8 Borrowing Costs

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

2.4.9 Financial instruments - Initial Recognition and Subsequent Measurement

j) Financial Assets

Initial Recognition and Measurement

Financial assets within the scope of LKAS 39 are classified as financial assets held for trading, 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 recognized 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 include cash and bank balances, trade and other receivables 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:

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 Statement of Profit or Loss in finance costs and removed from the available-for-sale reserve.

Notes to the Financial Statements

Year Ended 31 March 2015

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 Statement of Profit or Loss.

Derecognition

Financial Assets

A financial asset is primarily derecognised when:

- (a) The rights to receive cash flows from the asset have expired, or
- (b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full.

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 reorganization 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 Statement of Profit or Loss. 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 Statement of Profit or Loss.

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 Statement of Profit or Loss is removed from Other Comprehensive Income and recognised in the Statement of Profit or Loss. Impairment losses on equity investments are not reversed through the Statement of Profit or Loss; increases in their fair value after impairment are recognise 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 derivative 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 Statement of Profit or Loss 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.

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 recognized 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 Statement of Profit or Loss.

2.4.10 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

2.4.11 Impairment of Non-Financial Assets

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

Notes to the Financial Statements

Year Ended 31 March 2015

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.4.12 Cash and Cash Equivalents

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

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

2.4.13 Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

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

2.4.14 Provisions

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

2.4.15 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 Statement of Other Comprehensive Income. 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 Effect of Sri Lanka Accounting Standards Issued but not yet Effective:

The standards that are issued but not yet effective up to the date of issuance of the Group's Financial Statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

(i) SLFRS 9 -Financial Instruments: Classification and Measurement

In December 2014, the CA Sri Lanka issued the final version of SLFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces LKRS 39 Financial Instruments, Recognition and Measurement. The standard introduces new requirements for classification and measurement impairment, and hedge accounting. SLFRS 9 is effective for annual periods beginning on or after 01 January 2018, with early application permitted. Retrospective application is required. But comparative information is not compulsory. The adoption of SLFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

(ii) SLFRS 15 -Revenue from Contracts with Customers

SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including LKAS 18 Revenue, LKAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. This standard is effective for the annual periods beginning on or after 01 January 2018.

Notes to the Financial Statements

Year Ended 31 March 2015

3. REVENUE AND OTHER INCOME

	Group		Company	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
3.1 Revenue				
Healthcare Services	8,578,849,618	7,902,485,207	2,440,580,228	2,333,174,129
Rent Income on Investment Property	14,623,656	60,000,000	-	-
	<u>8,593,473,274</u>	<u>7,962,485,207</u>	<u>2,440,580,228</u>	<u>2,333,174,129</u>
3.2 Other Income				
Rental Income	36,525,366	35,323,092	3,263,230	3,555,865
Other Laboratory Income	60,846,581	57,521,326	60,846,581	57,521,326
Profit on Sale of Property, Plant and Equipment	4,530,000	3,868,040	4,530,000	1,655,000
Dividend Income	24,698,557	45,631,307	377,601,505	662,918,344
Sundry Income	7,927,782	4,645,353	2,252,047	884,842
	<u>134,528,286</u>	<u>146,989,118</u>	<u>448,493,363</u>	<u>726,535,377</u>

4. FINANCE COST AND INCOME

	Group		Company	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
4.1 Finance Cost				
Interest Expense on Borrowings	561,458,076	595,458,908	333,611,331	222,866,082
Interest Expense on Inter Company Borrowings	-	-	60,700,438	98,141,179
Bank Charges on Interest Bearing Loans	2,531,563	9,732,614	915,485	8,637,359
Guarantee Expense	18,584	-	2,190,771	8,269,370
Loss from the Foreign Exchange Forward Contracts	28,648,820	70,129,569	9,927,747	26,383,063
Loss on Disposal of Financial Assets Held for Trading	-	1,169,500	-	1,169,500
Exchange Loss on Long Term Foreign Currency Borrowings	18,672,614	67,970,561	6,447,840	21,518,913
	<u>611,329,657</u>	<u>744,461,152</u>	<u>413,793,612</u>	<u>386,985,466</u>
4.2 Finance Income				
Interest Income	42,769,458	28,620,838	63,778,197	61,082,344
Guarantee Income	-	-	3,603,270	13,916,570
	<u>42,769,458</u>	<u>28,620,838</u>	<u>67,381,467</u>	<u>74,998,914</u>

5. PROFIT BEFORE TAX

	Group		Company	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Stated after Charging				
Included in Cost of Sales				
Depreciation	335,601,588	336,431,722	49,759,007	51,060,544
Employee benefits including the following	1,613,200,594	1,335,945,297	447,606,063	352,847,661
- Defined Contribution Plan Costs - EPF and ETF	125,951,494	107,958,844	35,070,260	28,759,602
Included in Administrative Expenses				
Depreciation	327,806,417	316,308,461	31,596,662	29,653,860
Employee Benefits including the following	553,298,900	460,389,458	196,226,478	166,997,596
- Defined Benefit Plan Costs - Gratuity	68,323,368	53,507,849	29,550,493	23,960,495
- Defined Contribution Plan Costs - EPF and ETF	41,922,175	36,602,112	13,421,179	12,273,931
Directors' Fees and Remuneration	28,660,184	27,741,950	23,600,184	23,616,950
Amortization of Leasehold Property	4,059,170	5,126,261	-	-
Donations	5,412,404	4,843,041	1,139,509	1,509,187
Legal Fees	5,584,192	1,535,930	1,372,600	1,055,734
Audit Fees and Reimbursable expense	4,099,718	3,910,003	1,540,772	1,652,976
Included in Selling and Distribution Costs				
Advertising Expenses	35,599,470	25,263,071	11,195,012	2,070,355
Impairment of Trade Debtors	12,958,690	2,080,949	(90,830)	110,430

Notes to the Financial Statements

Year Ended 31 March 2015

6. INCOME TAX

	Group		Company	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
The Major Components of Income Tax Expense for the year ended 31 March are as follows :				
Current Income Tax				
Current Income Tax charge	98,018,170	136,913,466	68,747,135	79,637,525
(Over)/Under Provision in Respect of Previous Years	(12,240,671)	27,213,805	11,877,091	26,476,780
10 % Withholding Tax on Inter Company Dividends	39,249,687	1,092,884	-	-
Deferred Income Tax				
Deferred Taxation Charge/(Reversal)	35,708,128	3,998,511	(4,031,820)	(1,512,941)
Income Tax Expense reported in the Statement of Profit or Loss	160,735,314	169,218,666	76,592,406	104,601,364
Deferred Income Tax				
Deferred Taxation Charge/(Reversal)	9,314,614	12,103,065	(1,543,392)	(298,423)
Income Tax Expense reported in the Statement of Other Comprehensive Income	9,314,614	12,103,065	(1,543,392)	(298,423)
A Reconciliation between Tax Expense and Accounting Profit				
Accounting Profit Before Tax	1,743,387,426	1,374,365,118	741,760,844	1,116,717,691
Disallowable Expenses	628,063,875	253,086,646	292,217,177	202,562,927
Deductible Expenses	(320,382,819)	(98,965,257)	(87,937,515)	(79,859,588)
Income not Liable for Tax	(539,171,176)	(50,100,556)	(377,601,505)	(662,918,344)
Profit Exempt from Tax	(615,199,875)	(628,346,178)	-	-
Assessable Income	896,697,431	850,039,773	568,439,001	576,502,686
Qualifying Payments	(132,355,871)	-	(37,025,868)	-
Tax losses brought forward and utilised	(461,599)	-	-	-
Taxable Profit	763,879,961	850,039,773	531,413,133	576,502,686
Statutory Tax Rate				
Income Tax Rate	12%	12%	12%	12%
Income Tax Rate on Other Income	28%	28%	28%	28%
Income Tax -2015-12% (2014 - 12%)	86,901,165	75,852,260	60,010,022	61,291,071
Income Tax - 2015- 28% (2014- 28%)	11,117,005	61,061,206	8,737,113	18,346,454
Current Income Tax charge	98,018,170	136,913,466	68,747,135	79,637,525

7. EARNINGS PER SHARE

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

The following reflects the income and share data used in the basic Earnings Per Share computations.

	Group		Company	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Profit Attributable to Ordinary Shareholders for Basic Earnings Per Share	1,416,733,142	950,589,495	665,168,438	1,012,116,327
	1,416,733,142	950,589,495	665,168,438	1,012,116,327

	Group/Company	
	2015 Rs.	2014 Rs.
Number of Ordinary Shares used as the Denominator		
Weighted Average Number of Ordinary Shares in Issue Applicable to Basic Earnings Per Share	1,099,092,308	1,099,092,308

8. DIVIDENDS PAID AND PROPOSED

	Group/Company	
	2015 Rs.	2014 Rs.
Declared and paid during the year		
Equity Dividends on Ordinary Shares :	549,546,154	604,500,769
- Interim Dividend for 2014/2015 : Rs. 0.50 - per share (2013/2014 : Rs.0.55-per share)	549,546,154	604,500,769

Notes to the Financial Statements

Year Ended 31 March 2015

9. PROPERTY, PLANT AND EQUIPMENT

9.1 Group

9.1.1 Gross Carrying Amounts

	Balance As at 01.04.2014 Rs.	Additions/ Transfers Rs.	Revaluation Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2015 Rs.
At Cost or Valuation					
Land	1,493,528,000	-	208,184,500	-	1,701,712,500
Buildings	6,249,426,425	38,166,588	27,403,480	-	6,314,996,493
Furniture and Fittings	1,029,170,492	65,842,670	-	(3,897,750)	1,091,115,412
Medical Equipment	3,647,710,450	630,149,614	-	(57,777,752)	4,220,082,312
Motor Vehicles	117,032,529	33,280,282	-	(8,609,000)	141,703,811
Sundry Equipment	745,009,051	75,876,800	-	3,964,077	824,849,928
	13,281,876,947	843,315,954	235,587,980	(66,320,425)	14,294,460,456
In the Course of Construction					
Buildings Work-in-Progress	15,189,675	64,851,747	-	(11,930,817)	68,110,605
	15,189,675	64,851,747	-	(11,930,817)	68,110,605
Total Value of Depreciable Assets	13,297,066,622	908,167,701	235,587,980	(78,251,242)	14,362,571,061

9.1.2 Accumulated Depreciation and Impairment

	Balance As at 01.04.2014 Rs.	Charge for the year Rs.	Revaluation Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2015 Rs.
Buildings	102,751,848	117,166,043	(59,503,185)	-	160,414,706
Furniture and Fittings	482,339,535	102,005,347	-	1,082,060	585,426,942
Medical Equipment	1,828,512,743	338,278,746	-	(27,552,317)	2,139,239,172
Motor Vehicles	45,534,319	12,426,263	-	(8,609,000)	49,351,582
Sundry Equipment	499,403,202	93,531,606	-	(3,628,607)	589,306,201
	2,958,541,647	663,408,005	(59,503,185)	(38,707,864)	3,523,738,603
Total Depreciation	2,958,541,647	663,408,005	(59,503,185)	(38,707,864)	3,523,738,603

9.1.3 Net Book Values

	2015 Rs.	2014 Rs.
Land	1,701,712,500	1,493,528,000
Buildings	6,154,581,787	6,146,674,577
Furniture and Fittings	505,688,470	546,830,957
Medical Equipment	2,080,843,140	1,819,197,707
Motor Vehicles	92,352,229	71,498,210
Sundry Equipment	235,543,727	245,605,849
	10,770,721,853	10,323,335,300
In the Course of Construction		
Buildings Work-in-Progress	68,110,605	15,189,675
Total Carrying Amount of Property, Plant and Equipment	10,838,832,458	10,338,524,975

9.1.4 During the year, the Group acquired Property, Plant and Equipment to the aggregate value of Rs 908,167,701/- (2014 - Rs.334,303,070/-). Cash payments amounting to Rs. 873,925,756/- (2014 - Rs. 334,303,070) were made during the year for purchase of Property, Plant and Equipment.

9.1.5 Group Property, Plant and Equipments with a carrying value of Rs.5,420,622,608/- (2014 - Rs. 7,461,439,569/-) have been pledged as security for term loans obtained , details of which are disclosed in Note 28.

9.1.6 Group's fixed assets include fully depreciated assets, the cost of which at the reporting date amounted to Rs. 793.9 Mn (2014 - Rs. 534.5Mn).

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

	Group/Company 2014/15
Buildings	Over 60 Years
Furniture and Fittings	Over 10 Years
Medical Equipment	Over 10 Years
Motor Vehicles	Over 5-8 Years
Sundry Equipment	Over 2-10 Years

Notes to the Financial Statements

Year Ended 31 March 2015

9 PROPERTY, PLANT AND EQUIPMENT (CONTD...)

9.1 Group (Contd...)

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

Class of Asset	Cost Rs.	Cumulative Depreciation If assets were carried at cost Rs.	Net Carrying Amount 2015 Rs.	Net Carrying Amount 2014 Rs.
Freehold Land	662,104,379	-	662,104,379	662,104,379
Building	4,688,299,782	626,054,076	4,062,245,707	4,100,409,573
	5,350,404,161	626,054,076	4,724,350,086	4,762,513,952

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

Company	Location	Extent	Valuer
Asiri Hospital Holdings PLC	No 181, Kirula Road, Colombo 05	1 A 17.23 P 2 Buildings	P B Kalugalagedara & Associates
Asiri Surgical Hospital PLC	No 21, Kirimandala Mawatha, Narahenpita	3 Buildings	P B Kalugalagedara & Associates
Asiri Hospital Matara (Private) Limited	No 15, Dharmapala Mawatha, Uyanwatta	1 A 2 R 1 P 2 Buildings	P B Kalugalagedara & Associates
Central Hospital Limited	No 114, Norris Canal Road, Colombo 10	1 A 21.03 P 1 Buildings	P B Kalugalagedara & Associates

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

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

Effective Date of Valuation	Valuation Details	Significant unobservable input (Level 3)	Range	Fair Value measurement Rs.
31 May 2012	Land - Market based evidence	land price per perch	Rs.3,250,000/-	548,000,000
	Buildings - Direct Capital Comparison Method using Depreciated replacement cost	building value per square feet	Rs. 1,500/- to Rs.5,000/-	376,500,000
31 May 2012	Buildings - Direct Capital Comparison Method using Depreciated replacement cost	building value per square feet	Rs. 3,500/- to Rs.8,000/-	2,101,936,000
30 June 2012	Land - Market based evidence	land price per perch - Frontage land price per perch - Rare	Rs. 750,000/-	112,500,000
	Buildings - Direct Capital Comparison Method using Depreciated replacement cost	Land building value per square feet	Rs. 500,000/- Rs. 2,000/- to Rs. 7,000/-	45,500,000 313,800,000
31 March 2015	Land - Market based evidence	land price per perch	Rs. 5,500,000/-	995,650,000
	Buildings - Direct Capital Comparison Method using Depreciated replacement cost	building value per square feet	Rs. 2,000/- to Rs.10,000/-	3,419,085,000

Notes to the Financial Statements

Year Ended 31 March 2015

9. PROPERTY, PLANT AND EQUIPMENT (CONTD...)

9.2 Company

9.2.1 Gross Carrying Amounts

	Balance As at 01.04.2014 Rs.	Additions/ Transfers Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2015 Rs.
At Cost or Valuation				
Land	548,047,500	-	-	548,047,500
Buildings	376,476,201	2,038,270	-	378,514,471
Medical Equipment	659,974,414	36,865,975	-	696,840,389
Furniture and Fittings	42,937,734	6,305,373	-	49,243,107
Motor Vehicles	44,670,296	12,190,000	(8,609,000)	48,251,296
Sundry Equipment	179,546,129	18,856,809	(313,750)	198,089,188
	1,851,652,274	76,256,427	(8,922,750)	1,918,985,951
In the Course of Construction				
Buildings Work-in-Progress	8,893,790	46,443,958	-	55,337,748
Total Value of Depreciable Assets	1,860,546,064	122,700,385	(8,922,750)	1,974,323,699

9.2.2 Depreciation

	Balance As at 01.04.2014 Rs.	Charge for the year Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2015 Rs.
Buildings	14,454,063	10,401,726	-	24,855,789
Medical Equipment	428,537,262	49,759,007	-	478,296,269
Furniture and Fittings	22,082,020	4,301,894	-	26,383,914
Motor Vehicles	24,272,475	3,058,064	(8,609,000)	18,721,539
Sundry Equipment	125,777,903	13,834,978	(313,750)	139,299,131
	615,123,723	81,355,669	(8,922,750)	687,556,642
Total Depreciation	615,123,723	81,355,669	(8,922,750)	687,556,642

9.2.3 Net Book Values

	2015 Rs.	2014 Rs.
Land	548,047,500	548,047,500
Buildings	353,658,682	362,022,138
Medical Equipment	218,544,120	231,437,152
Furniture and Fittings	22,859,193	20,855,714
Motor Vehicles	29,529,757	20,397,821
Sundry Equipment	58,790,057	53,768,226
	1,231,429,309	1,236,528,551
In the Course of Construction		
Buildings Work-in-Progress	55,337,748	8,893,790
Total Value of Depreciable Assets	1,286,767,057	1,245,422,341

9.2.4 During the year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 122,700,385/- (2014 - Rs. 75,402,323). Cash payments amounting to Rs.122,700,385/- (2014 - Rs.75,402,323/-) were made during the year for purchase of Property, Plant and Equipment.

9.2.5 Company's fixed assets include fully depreciated assets, the cost of which at the reporting date amounted to Rs. 254.6 Mn (2014 - Rs. 240.2 Mn).

9.2.6 Fair Value measurement disclosures relating to the properties which has been fair valued and recorded under freehold land and buildings are indicated in Note 9.1.9 to Financial Statements.

9.2.7 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 9.1.7 for depreciation rates of the Company)

Class of Asset	Cost Rs.	Cumulative Depreciation If assets were carried at cost Rs.	Net Carrying Amount 2015 Rs.	Net Carrying Amount 2014 Rs.
Freehold Land	29,616,200	-	29,616,200	29,616,200
Building	229,939,470	107,038,480	122,900,990	124,477,455
	259,555,670	107,038,480	152,517,190	154,093,655

Notes to the Financial Statements

Year Ended 31 March 2015

10. LEASEHOLD PROPERTY

	Group	
	2015 Rs.	2014 Rs.
Balance as at the beginning of the year	286,558,415	291,684,676
Leasehold additions during the year	735,071,182	-
Amortization for the year	(4,059,170)	(5,126,261)
Balance as at the end of the year	1,017,570,427	286,558,415

10.1 Leasehold Property as at 31 March 2015 consists of the below;

- a. 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 Lanka by agreement dated 29 March 2000.

Asiri Surgical Hospital PLC has accounted for leasehold 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 amortized 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.
- b. 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.
- c. The Asiri Hospital Kandy (Private) Limited has entered into lease agreement with Urban Development Authority for a lease of the land (extent of land is 2 Acres 15.5 perches) situated at Peradeniya Road, Mulgampola for period of 50 years and the additional amounts paid during the year to obtain leasehold land amount to Rs. 735 Mn.

11. INVESTMENT PROPERTY

	Group		Company	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Land and Building				
Balance as at the beginning of the year	2,184,636,000	2,100,945,500	-	-
Changes in Fair Value of Investment Property	513,364,000	83,690,500	-	-
Balance as at the end of the year	2,698,000,000	2,184,636,000	-	-

The Company has entered in to property sales transaction with a third party for a consideration of Rs. 2.7 Bn to sell the property held at No 37, Horton Place, Colombo 7 (1 A 3 R 10 P - 290 perches) as at 31 March 2015. Accordingly the Investment Property has been classified as Current Asset as at 31 March 2015.

- 11.1** The Investment Property comprising of land and building of Asiri Central Hospital PLC, situated at No 37, Horton place, Colombo 7 were revalued and the fair value of freehold land and buildings were determined by the by P.B Kalugalagedara and Associates an independent professionally qualified valuer. The basis of valuation is the Direct Capital Comparison Method using the depreciated value of buildings and Current Market Value of land.

	Fair Value measurement using Significant unobservable inputs (Level 3)	
	2015 02 May 2015 Rs.	2014 16 May 2014 Rs.
Date of valuation		
Land	2,610,000,000	2,030,000,000
Building	88,000,000	154,636,000
Significant unobservable input :		
Price per perch	9,000,000	7,000,000
Price per square feet	Rs.100 /- to Rs. 1,500/-	Rs.100 /- to Rs. 2,750/-

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

Notes to the Financial Statements

Year Ended 31 March 2015

11. INVESTMENT PROPERTY (CONTD...)

11.2 The amounts recognised to profit for loss for investment property is as follows:

	Group	
	2015 Rs.	2014 Rs.
Rental income derived from investment properties	14,623,656	60,000,000
Direct operating expenses generating rental income	(2,254,298)	(2,194,982)
	12,369,358	57,805,018

12. GOODWILL

	Group	
	2015 Rs.	2014 Rs.
Goodwill	548,706,564	548,706,564
	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 recognized 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 recognized 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 recognized in Equity.

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

13. INVESTMENT IN SUBSIDIARY COMPANIES

Company	2015		2015		2014	
	Direct Holding %	Holding %	Carrying Value Rs.	Market Value/ Directors Valuation * Rs.	Carrying Value Rs.	Market Value/ Directors Valuation * Rs.
13.1 Quoted**						
Asiri Surgical Hospitals PLC	73.68	73.68	2,382,313,348	5,918,754,129	2,381,801,889	4,555,883,112
			2,382,313,348	5,918,754,129	2,381,801,889	4,555,883,112
13.2 Un-quoted**						
Asiri Diagnostics Services (Pvt) Ltd	66.54	66.54	2,691,400	2,691,400	2,691,400	2,691,400
Asiri Hospital Matara (Pvt) Ltd	100	100	260,566,367	260,566,367	260,519,177	260,519,177
Central Hospital Ltd	55.60	55.60	3,175,809,936	3,175,809,936	3,175,429,036	3,175,429,036
Asiri Hospital Kandy (Pvt) Ltd	100	100	106,470,259	106,470,259	105,997,309	105,997,309
Asiri Central Hospitals PLC	99.7	99.32	3,679,004,589	3,679,004,589	3,655,532,789	5,547,666,930
			7,224,542,551	7,224,542,551	7,200,169,711	9,092,303,852
Carrying Value of Investment in Subsidiaries			9,606,855,899	13,143,296,680	9,581,971,600	

* 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 2015.

** Carrying values include the value recognised for the corporate guarantees provided by the Parent to the Subsidiaries.

13.3 The Shares of Subsidiary Companies owned by Asiri Hospital Holdings PLC were pledged on behalf of the loans and overdraft facilities obtained by the Company. (Note 20.2 for details of shares)

13.4 The Board of Directors of the Asiri Central Hospitals PLC has delisted the Company's ordinary shares from the official list of the Colombo Stock Exchange on 13 March 2014.

Notes to the Financial Statements

Year Ended 31 March 2015

13. INVESTMENT IN SUBSIDIARY COMPANIES (CONTD...)

13.5 Material Partly-Owned Subsidiaries

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

Proportion of equity interest held by non-controlling interests:

Company Name	2015 %	2014 %
Asiri Surgical Hospital PLC	26.32	26.32
Asiri Diagnostics Services (Private) Limited	33.46	33.46

Accumulated Balances of Material Non - Controlling Interest

Company Name	2015 Rs.	2014 Rs.
Asiri Surgical Hospital PLC	734,666,087	696,470,217
Asiri Diagnostics Services (Private) Limited	86,637,265	75,468,677

Total Comprehensive Income allocated to Material Non - Controlling Interest

Company Name	2015 Rs.	2014 Rs.
Asiri Surgical Hospital PLC	103,644,698	123,275,669
Asiri Diagnostics Services (Private) Limited	24,908,268	25,712,222

Summarised Statement of Total Comprehensive Income for year ended 31 March 2015:

	Asiri Surgical Hospital PLC Rs.	Asiri Diagnostics Services (Private) Limited Rs.
Revenue	2,653,704,728	175,276,110
Cost of sales	(1,601,495,976)	(57,106,630)
Profit for the Year	408,177,490	75,055,906
Total Comprehensive Income for the Year	393,863,460	74,441,926
Attributable to non-controlling interests	103,644,698	24,908,268

Summarised Statement of Total Comprehensive Income for year ended 31 March 2014:

	Asiri Surgical Hospital PLC Rs.	Asiri Diagnostics Services (Private) Limited Rs.
Revenue	2,508,490,641	167,040,206
Cost of sales	(1,482,444,502)	(54,268,284)
Profit for the Year	473,335,167	76,472,330
Total Comprehensive Income for the Year	468,189,604	76,844,456
Attributable to non-controlling interests	123,275,669	25,712,222

Summarised Statement of Financial Position as at 31 March 2015:

	Asiri Surgical Hospital PLC Rs.	Asiri Diagnostics Services (Private) Limited Rs.
Current Assets	626,880,855	252,373,708
Non- Current Assets	3,834,849,555	24,209,313
Current Liabilities	412,635,571	9,987,047
Non- Current Liabilities	845,572,399	7,668,103
Total equity	3,203,522,440	258,927,871
Attributable to:		
Equity holders of parent	2,468,856,353	172,290,606
Non-controlling interest	734,666,087	86,637,265

Summarised Statement of Financial Position as at 31 March 2014:

	Asiri Surgical Hospital PLC Rs.	Asiri Diagnostics Services (Private) Limited Rs.
Current Assets	1,598,814,918	210,885,592
Non- Current Assets	2,878,157,192	29,240,705
Current Liabilities	978,227,003	7,465,737
Non- Current Liabilities	479,531,270	7,111,615
Total equity	3,019,213,837	225,548,945
Attributable to:		
Equity holders of parent	2,322,743,620	150,080,269
Non-controlling interest	696,470,217	75,468,677

Notes to the Financial Statements

Year Ended 31 March 2015

14. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES

14.1 Financial Assets - Available for Sale

	Group				Company			
	2015 Number of Shares	2014 Number of Shares	2015 Market Value Rs.	2014 Market Value Rs.	2015 Number of Shares	2014 Number of Shares	2015 Market Value Rs.	2014 Market Value Rs.
Non - current								
National Development Bank PLC								
Market Value of Investment in Equity Securities	2,411,583	2,411,583	598,127,393	430,708,724	2,411,583	2,411,583	598,127,393	430,708,724
Current								
National Development Bank PLC								
Market Value of Investment in Equity Securities	3,252	3,252	755,025	290,404	-	-	-	-
	2,414,835	2,414,835	598,882,418	430,999,128	2,411,583	2,411,583	598,127,393	430,708,724

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

Except for the below indicated Loans and Borrowing non-current balance, carrying value of financial assets and liabilities based on other methods of valuation approximates the fair value. This table does not include the fair values of non-financial assets and non-financial liabilities.

	Carrying amount		Fair value (Level 2)	
	2015	2014	2015	2014
14.2.1 Group				
Financial Liabilities				
Loans and Borrowings- Non Current	7,032,828,151	5,850,962,392	7,026,083,998	5,858,262,463
14.2.2 Company				
Financial Liabilities				
Loans and Borrowings- Non Current	4,645,884,872	3,347,365,364	4,643,625,376	3,350,169,682

The following describes the methodologies and assumptions used to determine the fair values for those financial instruments which are not recorded using fair value measurement basis 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.

Financial assets and financial liabilities with variable interest rates are also considered to be carried at fair value.

Fixed Rate Financial Instruments

In fair valuing financial assets and financial liabilities with fixed rate, Average Weighted Primary Lending Rates published by the CBSL and LIBOR for foreign currency loans were used.

14.3 Fair Value Hierarchy

14.3.1 Company

		31 March 2015 Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Assets measured at fair value					
Financial Assets - Available for Sale	Equity shares	598,127,393	598,127,393	-	-
		31 March 2014 Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Financial Assets - Available for Sale	Equity shares	430,708,724	430,708,724	-	-

14.3.2 Group

		31 March 2015 Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Assets measured at fair value					
Available-for-sale financial assets	Equity shares (Non- Current)	598,127,393	598,127,393	-	-
Available-for-sale financial assets	Equity shares (Current)	755,025	755,025	-	-
		31 March 2014 Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Available-for-sale financial assets	Equity shares (Non- Current)	430,708,724	430,708,724	-	-
Available-for-sale financial assets	Equity shares (Current)	290,404	290,404	-	-

Notes to the Financial Statements

Year Ended 31 March 2015

15. INVENTORIES

	Group		Company	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Chemical and Test Materials	77,990,682	86,545,378	55,638,723	68,200,528
Pharmaceuticals & Surgical	265,318,010	230,245,383	27,953,652	33,050,370
Consumables	37,754,047	37,796,412	7,745,252	6,175,528
	381,062,739	354,587,173	91,337,627	107,426,426

16 TRADE AND OTHER RECEIVABLES

16.1 Trade and Other Receivables

	Group		Company	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Trade Debtors	332,592,946	369,403,465	79,971,488	78,148,292
Less - Impairment of Trade Debtors	(6,558,975)	(17,866,013)	(162,492)	(253,321)
	326,033,971	351,537,452	79,808,996	77,894,971
Other Debtors - Related Parties (Note 16.3)	31,720,663	113,850	454,435,590	283,002,342
Staff Loans	16,003,953	13,423,499	14,217,748	11,128,315
	373,758,587	365,074,801	548,462,334	372,025,628

16.2 Advances, Deposits and Prepayments

Advances, Deposits and Prepayments	356,713,594	318,574,414	86,503,006	93,511,493
Employee Share Trust Fund (Note 16.4)	5,000,000	5,000,000	5,000,000	5,000,000
	361,713,594	323,574,414	91,503,006	98,511,493
	735,472,181	688,649,215	639,965,340	470,537,121

16.3 Other Debtors - Related Parties

	Relationship	Group		Company	
		2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Asiri Hospital Matara (Pvt) Ltd.	Subsidiary	-	-	178,432,957	190,322,017
Central Hospital Ltd.	Subsidiary	-	-	-	5,113
Asiri Central Hospital PLC	Subsidiary	-	-	-	20,672,415
Asiri Hospital Kandy (Pvt) Ltd.	Subsidiary	-	-	202,583,629	72,002,797
Asiri Surgical Hospital PLC	Subsidiary	-	-	41,856,879	-
Softlogic Holdings PLC	Parent Company	31,562,125	360	31,562,125	-
Asian Alliance Insurance Co. Ltd	Group Company	158,538	113,490	-	-
		31,720,663	113,850	454,435,590	283,002,342

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

16.4 Employee Share 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, 2001. 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.

	2015 Rs.	2014 Rs.
Opening Balance as at 01 April	5,000,000	5,000,000
Closing Balance as at 31 March	5,000,000	5,000,000

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

Notes to the Financial Statements

Year Ended 31 March 2015

16 TRADE AND OTHER RECEIVABLES (CONTD...)

16.5 As at 31 March, the age analysis of trade receivables are as follows:

16.5.1 Group

	Total	Neither past due or nor Impaired	Past due but not impaired				Impaired > 330 days
			< 30 days	31 - 60 days	61 - 90 days	91 - 330 days	
2015							
Gross Trade Receivable Balance	332,592,946	194,838,243	52,224,602	43,088,044	16,945,351	18,755,979	6,740,727
Less - Impairment	(6,558,975)	-	-	-	-	(62,667)	(6,496,308)
	326,033,971	194,838,243	52,224,602	43,088,044	16,945,351	18,693,312	244,419
2014							
Gross Trade Receivable Balance	369,403,465	191,037,949	69,012,211	44,554,498	24,282,621	23,609,333	16,906,853
Less - Impairment	(17,866,013)	-	-	-	-	(959,160)	(16,906,853)
	351,537,452	191,037,949	69,012,211	44,554,498	24,282,621	22,650,173	-

16.5.2 Company

	Total	Neither past due or nor Impaired	Past due but not impaired				Impaired > 330 days
			< 30 days	31 - 60 days	61 - 90 days	91 - 330 days	
2015							
Gross Trade Receivable Balance	79,971,488	49,607,373	19,942,214	5,793,740	3,508,917	1,019,420	99,825
Less - Impairment	(162,492)	-	-	-	-	(62,667)	(99,825)
	79,808,996	49,607,373	19,942,214	5,793,740	3,508,917	956,753	-
2014							
Gross Trade Receivable Balance	78,148,292	32,095,459	16,354,633	20,823,554	5,673,470	2,947,855	253,321
Less - Impairment	(253,321)	-	-	-	-	-	(253,321)
	77,894,971	32,095,459	16,354,633	20,823,554	5,673,470	2,947,855	-

17. LOANS GRANTED TO RELATED PARTIES

	Relationship	Group		Company	
		2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Softlogic Holdings PLC	Parent Company	112,121,755	239,306,665	-	131,417,854
Softlogic Retail (Pvt) Ltd.	Group Company	37,442,633	35,962,474	-	-
Asiri Central Hospitals PLC	Subsidiary	-	-	-	583,915,412
		149,564,388	275,269,139	-	715,333,266

The interest for the intercompany loans granted is charged based on AWPLR+% for loans obtained from related entities.

18. STATED CAPITAL

	2015		2014	
	Number	Rs.	Number	Rs.
Fully Paid Ordinary Shares	1,099,092,308	3,902,399,998	1,099,092,308	3,902,399,998
	1,099,092,308	3,902,399,998	1,099,092,308	3,902,399,998

19. REVALUATION RESERVE

	Group		Company	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Balance at Beginning of the year	1,336,063,644	1,210,910,400	457,001,178	457,001,178
Revaluation during the year net of deferred tax				
- Revaluation Surplus	265,220,831	132,911,413	-	-
- Deferred tax on Revaluation Surplus	(11,372,346)	(7,132,786)	-	-
Deferred tax transfer on depreciation impact	3,327,624	(625,383)	-	-
Balance at End of the Year	1,593,239,753	1,336,063,644	457,001,178	457,001,178

20. INTEREST BEARING LOANS AND BORROWINGS

Group	2015 Amount Repayable Within 1 Year Rs.	2015 Amount Repayable After 1 Year Rs.	2015 Total Rs.	2014 Amount Repayable Within 1 Year Rs.	2014 Amount Repayable After 1 Year Rs.	Repayable Total Rs.
Bank Loans (Note 20.1)	1,090,474,380	7,032,828,151	8,123,302,531	1,375,191,840	5,850,962,392	7,226,154,232
Bank Overdraft (Note 26.2)	256,724,918	-	-	1,131,293,128	-	1,131,293,128
	1,347,199,298	7,032,828,151	8,123,302,531	2,506,484,968	5,850,962,392	8,357,447,360

Notes to the Financial Statements

Year Ended 31 March 2015

20 INTEREST BEARING LOANS AND BORROWINGS (CONTD...)

20.1 Bank Loans-Group

	As at 01.04.2014 Rs.	Loans Obtained Rs.	Interest Charge Rs.	Repayments Rs.	Unrealised Exchange Loss Rs.	As at 31.03.2015 Rs.
Commercial Bank of Ceylon PLC	2,860,721,758	5,042,864,000	252,739,624	(3,674,852,344)	-	4,481,473,038
Hatton National Bank PLC	53,293,990		57,173	(53,351,163)	-	-
Nations Trust Bank PLC	47,500,000		1,120,254	(48,620,254)	-	-
DFCC Bank (Development Finance Corporation of Ceylon)	156,732,423		2,948,470	(159,680,893)	-	-
International Finance Corporation	2,374,171,920		133,297,060	(452,516,008)	18,672,615	2,073,625,587
Sampath Bank PLC	553,678,658	1,051,719,834	45,703,727	(961,780,492)	-	689,321,727
Amana Bank Ltd	77,500,000		2,243,600	(79,743,600)	-	-
Bank of Ceylon	1,025,055,503		76,793,367	(222,966,691)	-	878,882,179
National Development Bank PLC	8,999,990		5,420	(9,005,410)	-	-
National Savings Bank	68,499,990		41,252	(68,541,242)	-	-
	7,226,154,232	6,094,583,834	514,949,947	(5,731,058,097)	18,672,615	8,123,302,531

20.2 Long-Term Loan Details

20.2.1 Asiri Surgical Hospital PLC

Details of the Long Term Loans	Approved Facility	Repayment Terms	Security	Security Amount Rs.
Commercial Bank of Ceylon PLC	Rs.511.4 Mn	95 equal monthly installments of Rs 5,328,000/- each and a final installment of Rs 5,266,000/- together with interest.	Concurrent Mortgage Bond No 3329/4687 with Hatton National Bank PLC over hospital property at No181, Kirula Road, Narahenpita, owned by Asiri Hospital Holdings PLC. (Hatton National Bank PLC interest Rs. 75 Mn and Commercial Bank of Ceylon PLC interest Rs. 125 Mn)	125 Mn
			Corporate Guarantee of Asiri Hospital Holdings PLC	Rs. 148.4 Mn
International Finance Corporation	USD 1.9 Mn	17 equal semi annual installments starting from 15 April 2013	Refer Note 20.2.5	

20.2.2 Asiri Hospital Matara (Pvt) Ltd.

Commercial Bank of Ceylon PLC	Rs.73.46 Mn	71 equal monthly installments of Rs. 976,000/- and a final installment of Rs. 924,000/-	Corporate Guarantee of Asiri Hospital Holdings PLC	Rs.73.46 Mn
Commercial Bank of Ceylon PLC	Rs. 14.52 Mn (rescheduled)	71 equal monthly installments of Rs. 201,700/- and a final installment of Rs. 199,300/-	Corporate Guarantee of Asiri Hospital Holdings PLC	Rs. 30 Mn

20.2.3 Central Hospital Ltd.

Sampath Bank PLC	Rs. 326 Mn	95 equal monthly installment each worth is Rs.3,396,000/- and final installment is Rs.3,380,000/-	Corporate Guarantee from Asiri Hospital Holdings PLC for Rs. 326 Mn.	Rs. 326 Mn
Bank of Ceylon	Rs. 960 Mn	Ten years including two years grace period. (96 Equal monthly installments)	Primary Concurrent Mortgage over freehold land and buildings at No114, Norris Canal Rd, Colombo 10.	Rs. 960 Mn
International Finance Corporation	US \$ 11.4 Mn	17 equal semi annual installments 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

Notes to the Financial Statements

Year Ended 31 March 2015

20 INTEREST BEARING LOANS AND BORROWINGS (CONTD...)

20.2 Long-Term Loan Details (Contd...)

20.2.4 Asiri Hospital Kandy (Private) Limited

Details of the Long Term Loans	Approved Facility	Repayment Terms	Security	Security Amount Rs.
Commercial Bank of Ceylon PLC	Rs. 630.6 Mn	Bridging loan facility that is repayable with in 6 Months from the date of granted and will be converted to term borrowing	Corporate Guarantee of Asiri Hospital Holdings PLC	Rs. 630.6 Mn

20.2.5 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, Narahenpita 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 Diagnostics 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.

20.3 Company

	2015 Amount Repayable Within 1 Year Rs.	2015 Amount Repayable After 1 Year Rs.	2015 Total Rs.	2014 Amount Repayable Within 1 Year Rs.	2014 Amount Repayable After 1 Year Rs.	2014 Total Rs.
Bank Loans (Note 20.3.1)	620,014,163	3,701,424,963	4,321,439,126	525,814,774	3,347,365,364	3,873,180,138
Bank Overdraft (Note 26.2)	168,540,968	-	168,540,968	428,391,968	-	428,391,968
Loans due to Related Party (Note 20.3.2)	-	944,459,909	944,459,909	911,631,415	-	911,631,415
	788,555,131	4,645,884,872	5,434,440,003	1,865,838,157	3,347,365,364	5,213,203,521

20.3.1 Bank Loans

	As at 01.04.2014 Rs.	Loans Obtained Rs.	Interest Charge Rs.	Repayments Rs.	Unrealised Exchange Loss Rs.	As at 31.03.2015 Rs.
Commercial Bank of Ceylon PLC	2,756,961,758	3,640,648,000	238,749,550	(3,371,860,039)	-	3,264,499,269
Hatton National Bank PLC	3,294,000	-	27,062	(3,321,062)	-	-
Nations Trust Bank PLC	47,500,000	-	1,120,254	(48,620,254)	-	-
International Finance Corporation	791,532,379	-	44,918,042	(149,280,131)	6,447,840	693,618,130
Sampath Bank PLC	196,392,001	725,719,834	31,721,740	(590,511,848)	-	363,321,727
Amana Bank Ltd	77,500,000	-	2,243,600	(79,743,600)	-	-
	3,873,180,138	4,366,367,834	318,780,248	(4,243,336,934)	6,447,840	4,321,439,126

20.3.2 Loans due to Related Parties

	As at 01.04.2014 Rs.	Temporary Finance Obtained Rs.	Interest Charge Rs.	Current Account Transfer Rs.	As at 31.03.2015 Rs.
Asiri Surgical Hospital PLC (Note 20.3.2.a)	911,631,415	33,807,499	60,700,438	(61,679,443)	944,459,909
	911,631,415	33,807,499	60,700,438	(61,679,443)	944,459,909

The interest for the intercompany loans is charged based on AWPLR+% for loans obtained from related entities.

20.3.2a Asiri Surgical Hospital PLC

The balance due to Asiri Surgical Hospital PLC including the current account balance amounting to Rs. 944,459,909/- has been classified as Non - Current Liability from the financial year ended 31 March 2015 further to decision taken by Board of Directors of Asiri Surgical Hospital PLC.

Notes to the Financial Statements

Year Ended 31 March 2015

20 INTEREST BEARING LOANS AND BORROWINGS (CONTD...)

20.4 Long Term Loan Details

Details of the Long Term Loans	Approved Facility	Repayment Terms	Security	Security Amount Rs.
International Finance Corporation	USD 6.7 Million (Rs. 868 Mn)	17 equal semi annual installments starting from April 15, 2013	Refer Note 20.2.5	200 Mn
Sampath Bank PLC	Rs. 363 Mn	60 equal monthly installments of Rs.6,050,000/- commencing the month after disbursement	Corporate Guarantee by Asiri Surgical Hospital PLC	363 Mn
Commercial Bank of Ceylon PLC	Rs 377.6 Mn	71 equal monthly installments of Rs.5,107,000/- each and final installment of Rs.5,085,000 /-together with interest	Primary Concurrent Mortgage Bond No 2365/1447 and 1559/357 totalling of Rs. 160 Mn over hospital property at No 181, Kirula Road, Narahenpita owned by Asiri Hospital Holdings PLC covering Bank's interest to the extent of Rs. 100 Mn. (Bank of Ceylon Interest - Rs. 60 Mn) Secondary Mortgage Bond No 963 for Rs. 275 Mn over the above hospital property Corporate Guarantee of Asiri Surgical Hospital PLC for Rs.380,515,000/-	100 Mn Rs. 275 Mn Rs. 380.5 Mn
Commercial Bank of Ceylon PLC	Rs 536 Mn	95 equal monthly installments of Rs.5,584,000/- each and final installment of Rs.5,520,000 /-together with interest	Corporate Guarantee of Asiri Surgical Hospital for Rs.550 Mn	550 Mn
Commercial Bank of Ceylon PLC	Rs 2401.9 Mn	95 equal monthly installments of Rs.25,025,000/- and a final installment of Rs.24,591,000/- together with interest	Primary Mortgage Bond No 3919 over 74,454,026 shares of Central Hospital Limited for Rs. 2,225Mn Corporate Guarantee of Asiri Surgical Hospital PLC for Rs. 500 Mn Corporate Guarantee of Central Hospital Limited for Rs. 562.5 Mn	2,225 Mn 500 Mn 562 Mn

21. AMOUNTS DUE ON LEASEHOLD PROPERTY

	Group		Company	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Payable to Board of Investment of Sri Lanka	38,344,667	42,416,667	-	-
	38,344,667	42,416,667	-	-

21.1. Group

	2015 Amount Repayable Within 1 Year Rs.	2015 Amount Repayable Within 2-5 Years Rs.	2015 Amount Repayable After 5 Year Rs.	2015 Total Rs.	2014 Total Rs.
Payable to the Board of Investment of Sri Lanka					
On Leasehold Land	4,072,000	16,288,000	17,984,667	38,344,667	42,416,667
	4,072,000	16,288,000	17,984,667	38,344,667	42,416,667

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

21.2.1 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.

21.2.2 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 recognized 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.

Notes to the Financial Statements

Year Ended 31 March 2015

22. DEFERRED TAX ASSETS AND LIABILITIES

22.1 Group

Net Deferred Tax Liability	2015 Rs.	2014 Rs.
At the beginning of the year	182,261,784	166,270,570
Charge recognised in Statement of Profit or Loss	35,708,128	3,998,511
Charge recognised in Statement of Other Comprehensive Income	9,314,614	12,103,065
Direct Charge to Equity	(3,327,624)	(110,362)
At the end of the year	223,956,902	182,261,784

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

	Liabilities		Assets	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Revaluation of Investment Property and Property Plant and Equipment	195,400,504	192,067,223	-	19,022,178
Accelerated depreciation for tax purpose	247,982,192	60,326,943	-	130,865,436
Employee benefit liabilities	(43,948,023)	(22,744,147)	-	(10,853,647)
Losses available for off set against future taxable income	(174,747,134)	(2,713,996)	-	(181,770,176)
Bad debts provision	(730,637)	-	-	(1,938,030)
	223,956,902	226,936,023	-	(44,674,239)

22.2 Company

Net Deferred Tax Liability	2015 Rs.	2014 Rs.
At the beginning of the year	50,109,074	51,920,438
Reversal recognised in Statement of Profit or Loss	(4,031,820)	(1,512,941)
Reversal recognised in Statement of Other Comprehensive Income	(1,543,392)	(298,423)
At the end of the year	44,533,862	50,109,074

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

Revaluation of Investment Property and Property Plant and Equipment	64,561,760	65,801,316
Accelerated depreciation for tax purpose	370,113	370,113
Employee benefit liabilities	(20,398,011)	(16,062,355)
	44,533,862	50,109,074

23. RETIREMENT BENEFIT LIABILITY

	Group		Company	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
23.1 Retirement Benefit Obligations- Gratuity				
Defined Benefit Obligation at the beginning of the year	261,892,207	214,322,560	133,852,952	116,563,812
Interest on Retirement Benefit Liability	28,808,143	23,575,481	14,723,825	12,822,019
Current Service Cost	39,515,225	29,932,368	14,826,668	11,138,476
Actuarial Loss for the year	30,977,020	12,594,947	12,861,598	2,486,856
Benefit paid during the year	(16,471,459)	(18,533,149)	(6,281,627)	(9,158,211)
Defined Benefit Obligation at the end of the year	344,721,136	261,892,207	169,983,416	133,852,952
Charge for the period				
Interest Charge for the year	28,808,143	23,575,481	14,723,825	12,822,019
Current Service Cost	39,515,225	29,932,368	14,826,668	11,138,476
Actuarial Loss for the Year	30,977,020	12,594,947	12,861,598	2,486,856
	99,300,388	66,102,796	42,412,091	26,447,351

23.2 Messrs. Actuarial and Management Consultants (Pvt) Ltd., Actuaries, carried out an actuarial valuation for Asiri Hospital Holdings PLC, Asiri Surgical Hospital PLC, Central Hospital Limited, Asiri Diagnostics Services (Pvt) Ltd and Asiri Hospital Matara (Pvt) Ltd of the defined benefit plan gratuity as at 31 March 2015. 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:

	2015	2014
Discount Rate	10% p.a	11% p.a
Salary Increase Rate	10% p.a	10% p.a
Staff Turnover Rate	Up to 50 years 10%	Up to 50 years 10%

The demographic assumptions underlying the valuation are retirement age of 55 years.
The Company will continue as a Going Concern.

Notes to the Financial Statements

Year Ended 31 March 2015

23 RETIREMENT BENEFIT LIABILITY (CONTD...)

23.3 In order to illustrate the significance of the salary escalation rates and discount rates assumed in this valuation a sensitivity analysis of all employees in Asiri Hospital Holdings PLC is as follows;

	Company 2015	Company 2014
Discount Rate as at 31 March		
Effect on Retirement Benefit Obligation due to 1% increase in discount rate	(8,512,682)	(6,602,920)
Effect on Retirement Benefit Obligation 1% decrease in discount rate	9,500,294	7,351,376
Salary Escalation Rate as at 31 March		
Effect on Retirement Benefit Obligation 1% increase in Salary Escalation rate	10,158,337	7,594,977
Effect on Retirement Benefit Obligation 1% decrease in Salary Escalation rate	(9,259,826)	(7,263,024)

23.4 In order to illustrate the significance of the salary escalation rates and discount rates assumed in this valuation a sensitivity analysis of all employees in Asiri Hospital Holdings PLC and It's Subsidiaries including Asiri Surgical Hospital PLC, Asiri Hospital Matara (Private) Limited, Central Hospital Limited and Asiri Diagnostics Services (Private) Limited is as follows;

	Group 2015	Group 2014
Discount Rate as at 31 March		
Effect on Retirement Benefit Obligation due to 1% increase in discount rate	(18,597,271)	(13,810,179)
Effect on Retirement Benefit Obligation 1% decrease in discount rate	20,850,086	15,464,115
Salary Escalation Rate as at 31 March		
Effect on Retirement Benefit Obligation 1% increase in Salary Escalation rate	22,164,523	16,575,295
Effect on Retirement Benefit Obligation 1% decrease in Salary Escalation rate	(20,109,976)	(15,044,972)

23.5 The following payments are expected contributions to the defined benefit plan in future years:

	Group 2015 Rs.	Company 2015 Rs.
within the next 12 months	72,624,513	42,152,887
between 1 to 2 years	53,847,275	25,766,352
between 3 to 5 years	75,349,685	37,721,049
between 6 to 10 years	79,570,648	37,831,056
beyond 10 years	63,329,015	26,512,072
Total expected payments	344,721,136	169,983,416

The average duration of the Company's defined benefit plan obligation at the end of the reporting period is 6 years.

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
24.1 Trade and Other Creditors				
Trade Payables	371,256,384	304,977,739	63,846,838	69,228,003
Other Payable - Related Parties (Note 24.3)	1,512,682	181,096	300,508,164	218,466,892
	372,769,066	305,158,835	364,355,002	287,694,895
24.2 Other Payables				
Sundry Creditors Including Accrued Expenses	1,553,402,280	223,793,562	125,596,220	61,730,986
	1,553,402,280	223,793,562	125,596,220	61,730,986
	1,926,171,346	528,952,397	489,951,222	349,425,881

24.3 Other Payable - Related Parties

	Relationship	Group		Company	
		2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Asiri Surgical Hospital PLC	Fellow Subsidiary	-	-	-	21,527,969
Asiri Diagnostics Services (Pvt) Ltd	Fellow Subsidiary	-	-	231,395,845	196,938,923
Asiri Central Hospital PLC	Fellow Subsidiary	-	-	69,106,023	-
Central Hospital Ltd.	Fellow Subsidiary	-	-	6,296	-
Softlogic Computers (Pvt) Ltd	Group Company	19,425	23,520	-	-
Softlogic Information Technologies (Private) Limited	Group Company	233,721	-	-	-
Softlogic Retail (Pvt) Ltd	Group Company	1,259,536	122,955	-	-
Softlogic Trading (Pvt) Ltd	Group Company	-	34,621	-	-
		1,512,682	181,096	300,508,164	218,466,892

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

Notes to the Financial Statements

Year Ended 31 March 2015

25. INCOME TAX PAYABLE

	Group		Company	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Balance at Beginning of the Year	32,061,827	12,131,561	20,388,812	15,196,884
Provision for Income Tax During the Year (Note 6)	125,027,186	165,220,155	80,624,226	106,114,305
Payments Made During the Year	(103,006,630)	(145,289,889)	(42,595,762)	(100,922,377)
Balance at the End of the Year	54,082,383	32,061,827	58,417,276	20,388,812

26. CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT

Components of Cash and Cash Equivalents

	Group		Company	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
26.1 Favorable Cash and Cash Equivalents Balance				
Cash at Banks and On Hand	201,465,686	192,421,998	33,800,413	29,852,874
Short Term Deposits - Reverse Repurchase Agreements	1,045,151,896	-	1,031,151,896	
	1,246,617,582	192,421,998	1,064,952,309	29,852,874
26.2 Unfavorable Cash and Cash Equivalents Balance				
Bank Overdraft (Note 20)	(256,724,918)	(1,131,293,128)	(168,540,968)	(428,391,968)
Total Cash and Cash Equivalents for the Purpose of the Cash Flow Statement	989,892,664	(938,871,130)	896,411,341	(398,539,094)

27. COMMITMENTS AND CONTINGENCIES

27.1 Capital Expenditure and Other Commitments

27.1.1 Capital Expenditure Commitments

There were no material commitments outstanding as at 31 March 2015 for future capital expenditure except for the below,

	2015 Rs.	2014 Rs.
Capital Expenditure Commitments	137,445,679	-
	137,445,679	-

27.1.2 Other Commitments

The Group has not entered in to Foreign Exchange Forward Contracts as at 31 March 2015 (2014 - USD - 6,241,177 (Rs. 821,260,658/-)). The Company has not entered in to Foreign Exchange Forward Contracts as at 31 March 2015 (2014 - USD 2,758,823 (Rs. 363,061,107/-)).

27.2 Contingent Liabilities

(a) Legal Claims

Pending litigations against Asiri Hospital Holdings PLC, Asiri Surgical Hospital PLC and Asiri Hospital Matara (Private) Limited with a maximum liability of Rs. 40 Mn, Rs.100 Mn and Rs. 50 Mn respectively exist as at the reporting date. (2014 - Asiri Hospital Holdings PLC - Rs. 40 Mn, Asiri Surgical Hospital PLC - Rs. 50 Mn and Asiri Hospital Matara (Private) Limited - Rs. 51 Mn)

In addition,

- 1) L.T. Case No 1/Add/19/2012 - D K Kanthi Rillagoda vs. Central Hospital Limited in relating to termination of employment were pending against the Company as at 31 March 2015 in Central Hospital Limited.
- 2) SC/(Spl) LA/100/2014/HCALT/126 - Asiri Central Hospital PLC Vs R.H.S Chandana Soyza Labour Tribunal and High Court Order has been delivered in favour of the employee and Company has filled a appeal application in Supreme Court.

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

(b) Guarantees

The respective Group Companies have signed Corporate Guarantee Bonds with the following banks securing the following banking facilities obtained by the Group.

	Group		Company	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Sampath Bank PLC	899,000,000	410,000,000	436,000,000	350,000,000
Nations Trust Bank PLC	200,000,000	377,500,000	-	-
Hatton National Bank PLC	430,000,000	280,000,000	250,000,000	100,000,000
Commercial Bank of Ceylon PLC	3,254,960,000	2,422,500,000	1,212,460,000	430,000,000
Bank of Ceylon	200,000,000	200,000,000	200,000,000	200,000,000
DFCC Bank	-	500,000,000	-	500,000,000
Cargills Bank Limited	375,000,000	-	250,000,000	-
	5,358,960,000	4,190,000,000	2,348,460,000	1,580,000,000

Notes to the Financial Statements

Year Ended 31 March 2015

28. ASSETS PLEDGED

The following assets have been pledged as security for liabilities.

Nature of Assets	Nature of liability	Group		Company	
		Carrying Amount Pledged		Carrying Amount Pledged	
		2015	2014	2015	2014
		Rs.	Rs.	Rs.	Rs.
Investment	Primary Mortgage Bond for loans and borrowings	5,554,788,973	4,612,599,817	5,554,788,973	4,612,599,817
Total Movable and Immovable properties	Primary/Secondary Mortgage Bond for loans and borrowings	5,420,622,608	7,461,439,569	548,047,500	564,405,110
Inventories and Trade Debtors	Primary Mortgage Bond for overdraft facility	350,017,019	193,534,192	-	-
		11,325,428,600	12,267,573,578	6,102,836,473	5,177,004,927

29. EVENTS OCCURRING AFTER THE REPORTING DATE

Except for the below indicated events, there have been no material events occurring after the reporting date that require adjustments to or disclosure in the Financial Statements.

- 1) Asiri Central Hospital PLC sold the land and premises bearing No 37, Horton Place, Colombo 7 for a consideration of Rs. 2.7 Bn on 9 July 2015 to a third party.
- 2) Asiri Hospital Holdings PLC purchased 26,940,945 shares of Central Hospital Limited from Asiri Central Hospital PLC at a price of Rs. 41.42 per share, amounting to a total consideration of Rs. 1,115,893,942/- on 10 July 2015.

30. RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows.

30.1 Transactions with related entities

	Group		Company	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Subsidiaries				
Opening Balance 01 April	-	-	(263,180,553)	(469,698,749)
Repayment of Temporary Finance Obtained, Fund Transfers and Interest Charged	-	-	(769,466,617)	123,964,782
Sale/(Purchase) of Goods/Services	-	-	38,514,332	4,699,822
Channeling Fee Collected by Related Party/ (Company on Behalf of the Related Party)	-	-	(16,594,300)	(16,719,334)
Expenses incurred by the Company on Behalf of Related Party	-	-	188,632,530	94,572,926
Closing Balance 31 March	-	-	(822,094,608)	(263,180,553)
Parent Entity and Key Management Personnel related entities				
Opening Balance 01 April	275,201,893	370,575,761	131,417,854	240,052,394
Repayment of Temporary Finance Obtained, Fund Transfers and Interest Charged	(96,317,525)	(113,531,605)	(100,000,000)	(120,000,000)
Interest charges on Funds transfers	8,713,337	18,019,983	144,271	11,323,135
Sale/(Purchase) of Goods/Services	(7,717,136)	(29,043)	-	-
Expenses incurred by the Company on Behalf of Related Party	(108,200)	166,797	-	42,325
Closing Balance 31 March	179,772,369	275,201,893	31,562,125	131,417,854
Balance as at 31 March	179,772,369	275,201,893	(790,532,483)	(131,762,699)
Included Under Trade and Other Receivables (Note 16.3)	31,720,663	113,850	454,435,590	283,002,342
Included Under Loans granted to Related Parties (Note 17)	149,564,388	275,269,139	-	715,333,266
Included Under Trade and Other Payables (Note 24.3)	(1,512,682)	(181,096)	(300,508,164)	(218,466,892)
Included Under Interest Bearing Loans and Borrowings (Note 20.3)	-	-	(944,459,909)	(911,631,415)
	179,772,369	275,201,893	(790,532,483)	(131,762,699)

30.2 The advance paid to Softlogic BPO Services (Private) Limited for software implementation amounting to Rs. 23,710,607/- is included in Advances and Prepayments as at 31 March 2015.

30.3 Management fees paid to Softlogic Holdings PLC amounted to Rs. 13,114,150/- in the current financial year. (2014- Rs. 33,600,000/-)

30.4 Management fees received from Asiri Diagnostic Services (Private) Limited amounted to Rs. 6,000,000/- in the current financial year. (2014- Rs. 2,400,000/-)

Notes to the Financial Statements

Year Ended 31 March 2015

30 RELATED PARTY DISCLOSURES (CONTD...)

30.5 Compensation of Key Management personnel*

	Group		Company	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
a) Short term Employee Benefits	28,660,184	27,741,950	23,600,184	23,616,950
	28,660,184	27,741,950	23,600,184	23,616,950

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

b) The Directors of the Company hold 380,738 shares of Asiri Hospital Holdings PLC as at 31 March 2015. (2014- 380,738)

c) As at 31 March 2015, Softlogic Holdings PLC, Softlogic International (Pvt) Ltd, Softlogic Communication (Pvt) Ltd, Softlogic Information Technologies (Pvt) Ltd and Asian Alliance Insurance PLC hold 565,964,414 shares (2014 - 531,369,977) shares of the Company.

d) Name of the Related Party	Details of Transactions	Group		Company	
		Goods and Services (Obtained)/ Rendered 2015 Rs.	Goods and Services (Obtained)/ Rendered 2014 Rs.	Goods and Services (Obtained)/ Rendered 2015 Rs.	Goods and Services (Obtained)/ Rendered 2014 Rs.
Softlogic Computers (Pvt) Ltd	Purchase of Computers and Accessories	(1,357,442)	(4,583,572)	(180,936)	(1,201,248)
Softlogic Holdings PLC	Technical fees, hiring charges and repairs	(39,650,857)	(39,594,885)	(39,650,857)	(39,594,885)
Softlogic Information Technologies (Pvt) Ltd	Software Maintenance Charges	(20,644,161)	(20,102,268)	(4,874,173)	(6,553,930)
Softlogic Automobiles (Pvt) Ltd	Repair	(145,961)	(201,045)	(42,389)	(201,045)
Softlogic Communication (Pvt) Ltd	Purchase of Mobile Phones	(613,434)	(1,775,992)	(60,540)	(595,380)
Softlogic Corporate Services (Pvt) Ltd	Secretarial Services	(4,259,149)	(1,747,800)	(1,109,580)	(873,600)
Softlogic Retail (Pvt) Ltd	Repair and Purchase of Furniture and Stationary, Electronic Equipments	(33,049,349)	(27,940,427)	(8,126,945)	(9,895,923)
Asian Alliance Insurance PLC	Sales of blood, drugs and others	(11,968,288)	839,573	-	-
Future Auto Mobiles (Pvt) Ltd	Purchase of Motor Vehicles	(26,688,782)	(3,700,000)	(5,161,957)	-
Softlogic BPO Services (Pvt) Ltd	System Maintains Chargers	(4,208,769)	-	(2,115,859)	-
Softlogic Brand (Pvt) Ltd	Purchase of Furniture	(188,239)	-	(111,429)	-
Softlogic Finance PLC	Purchase of Motor Vehicles	(400,000)	-	-	-
		(143,174,431)	(98,806,416)	(61,434,665)	(58,916,011)

30.6 Off Balance Sheet Items

Company

- a) Guarantees made by Asiri Hospital Holdings PLC, has been given in Note 27.2.(b) to these Financial Statements.

Asiri Hospital Holdings PLC has granted Corporate Guarantees to Hatton National Bank PLC, Commercial Bank of Ceylon PLC, Bank of Ceylon, Sampath Bank PLC and Cargills Bank Limited for the individual loans and permanent overdraft facilities to secure the banking facilities obtained by the Subsidiaries for the value of Rs.250 Mn, Rs 1,212.46 Mn, Rs.200 Mn, Rs 436 Mn and Rs. 250Mn respectively.

- b) Refer Note 28 to these Financial Statements for assets pledged by Asiri Hospital Holdings PLC in order to obtain loans.

Group

- a) Guarantees made by Group of Asiri Hospital Holdings PLC, has been given in Note 27.2.(b) to these Financial Statements.

Asiri Hospital Holdings PLC and It's Subsidiaries has granted Corporate Guarantees to Hatton National Bank PLC, Commercial Bank of Ceylon PLC, Bank of Ceylon, Sampath Bank PLC, Nations Trust Bank PLC and Cargills Bank Limited for the individual loans and permanent overdraft facilities to secure the banking facilities obtained by the Subsidiaries for the value of Rs.430 Mn, Rs 3,254.96 Mn, Rs.200 Mn, Rs 899 Mn, Rs.200 Mn and Rs.375Mn respectively.

- b) Refer Note 28 to these Financial Statements for assets pledged by Asiri Hospital Holdings PLC Group in order to obtain the loans.

30.7 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 channelling such as on 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.

Notes to the Financial Statements

Year Ended 31 March 2015

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The key Financial Risks include 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 organization's most valuable asset. "Asiri" has developed into a leading household brand name. The Company has recognized 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 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 minimize 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 admit patients who are corporate clients. There is a risk of a patient not having adequate funds to settle his / her bill at the time of discharge. In order to mitigate such risk, the Company issues interim bills to the patients requesting periodic bill settlement. Further there is a risk of corporate clients' payments being delayed or not being paid. The Company evaluates credit worthiness of companies before granting credit facilities to corporate clients in order to minimize the non-collection of bills.

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 negotiate 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).

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.

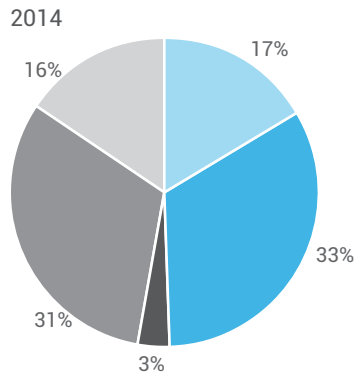
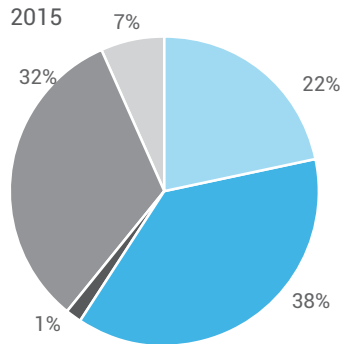
Liquidity Risk

Cash flow forecasting is performed by the finance division. The finance division monitor 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.

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.

Distribution of Economic Value Added



2015	2014	
643,832	519,845	Employees
1,112,816	1,032,634	Operating Cost
42,596	104,601	Government
960,233	982,048	Capital Providers
196,978	487,311	Expansion and Growth

	31-Mar-2015	%	31-Mar-2014	%
	Rs. '000		Rs. '000	
Direct Economic Value Generated				
Turnover	2,440,580	83	2,333,174	75
Finance Income	67,381	2	66,730	2
Other Income	448,493	15	726,535	23
	2,956,454	100	3,126,439	100
Employees				
Employee wages & Benefits	643,832	21.8	519,845	16.6
Economic Value Distributed				
Operating Cost	1,112,816	37.6	1,032,634	33
Government				
Taxes Paid	42,596	1.4	104,601	3.3
Capital Providers				
To lenders as interest	394,312	13.3	356,028	11.4
To Shareholders as dividends	549,546	18.6	604,501	19.3
Currency Fluctuation	16,375	0.6	21,519	0.7
Expansion and Growth				
Depreciation	81,356	2.8	80,714	2.6
Retained Earnings	115,622	3.9	405,427	13
Provision For Fluctuation of Shares	-	-	1,170	-
	2,956,455	100.0	3,126,439	100.0

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, 2015 and copies of this annual report have been submitted to The Colombo Stock Exchange.

DISTRIBUTION OF SHAREHOLDERS

Shareholdings	31st March 2015			31st March 2014		
	No of Shareholders	Total Holding	Total Holding %	No of Shareholders	Total Holding	Total Holding %
1 to 1000 shares	2,381	832,931	0.08	2,153	713,404	0.06
1001 to 10,000 shares	2,095	8,646,051	0.79	1,843	7,674,540	0.70
10001 to 100,000 shares	1,048	36,125,340	3.02	981	33,721,431	3.07
100001 to 1,000,000 shares	263	72,694,052	6.63	238	61,442,162	5.59
Over 1,000,001 shares	33	980,793,934	89.48	39	995,540,771	90.58
Total	5,820	1,099,092,308	100	5,254	1,099,092,308	100
Composition of Shareholders						
Individual	5,630	150,461,897	14	5,113	204,325,330	19
Institutional	190	948,630,411	86	141	894,766,978	81
Total	5,820	1,099,092,308	100	5,254	1,099,092,308	100
Residence	5,765	765,804,295	70	5,210	805,889,543	73
Non-Residence	55	333,288,013	30	44	293,202,765	27
	5,820	1,099,092,308	100	5,254	1,099,092,308	100

	As at 31st March 2015		As at 31st March 2014	
		%		%
Softlogic Holdings PLC	406,068,130	36.95	327,075,398	29.76
Actis Investment Holdings SL Limited	287,670,207	26.17	287,670,207	26.17
Commercial Bank of Ceylon PLC/Softlogic Holdings PLC	47,033,338	4.28	73,233,338	6.66
HSBC INTL NOM LTD - SSBT- Wasatch International opportunities Fund	29,536,611	2.69	-	-
Softlogic Holdings PLC A/C No 2	26,184,018	2.38	26,184,018	2.38
Softlogic Holdings PLC A/C No 3	26,184,018	2.38	26,184,018	2.38
Softlogic International (Pvt) Ltd	23,689,854	2.16	9,197,104	0.84
Softlogic Information Technologies (Private) Limited	23,151,323	2.11	3,918,293	0.36
Deutsche Bank AG/National Equity Fund	22,750,781	2.07	22,750,781	2.07
Deutsche Bank AG/Namal Acuity Value Fund	10,665,149	0.97	10,665,149	0.97
Mr. P P Subasinghe	10,634,702	0.97	10,574,702	0.96

Shareholder Information

	As at 31st March 2015		As at 31st March 2014	
		%		%
Mr.Chaminda Dilantha Weerasinghe (Deceased)	9,375,000	0.85	9,375,000	0.85
MAS Capital (Pvt) Ltd	5,379,574	0.49	-	-
Asian Alliance Insurance PLC A/C 02 (Life Fund)	5,000,000	0.45	5,000,000	0.45
Union Bank of Colombo Ltd/Softlogic International (Pvt) Ltd	4,905,390	0.45	4,905,390	0.45
HSBC INTL NOM LTD - BBH-Grandeur Peak Emerging Markets Opportunities	4,000,000	0.36	-	-
Dr. L.D.A.C. Luvis	3,441,720	0.31	3,541,720	0.32
Dr. W.M.S.Welagedara	3,375,000	0.31	-	-
Mr. A.U. Maniku	3,036,050	0.28	-	-
Estate of Mr. Tissa Weerasinghe	3,000,000	0.27	-	-
	955,080,865	86.90	820,275,118	74.63
Shares held by the balance shareholdings	144,011,443	13.10	278,817,190	25.37
Total Issued Shares	1,099,092,308	100.00	1,099,092,308	100.00
Public Shareholding	252,026,350	22.93%	252,026,350	22.93%
Total number of public shareholders	5,812		5,246	

SHARE TRADING

Market Price (Rs)	2014/15	2013/14
Highest (07-11-2014)	25.40	22.90
Lowest (31-03-2015)	19.10	11.40
As at year end (31-03-2015)	20.20	22.20
No of Trades	4,077	3,492
No of Shares Traded	51,286,649	59,146,594
Value of the Shares Traded (Rs)	1,168,381,332	927,060,593
Earning per Share	1.29	0.86
Divdends per Share	0.50	0.55
Net Assets per Share	6.55	5.33

Five Year Summary

Year Ended 31st March	2015 Rs.'000	2014 Rs.'000	2013 Rs.'000	2012 Rs.'000	2011 Rs.'000
Revenue	8,593,473	7,962,485	7,075,680	6,096,766	4,917,092
Cost of Sales	(4,641,170)	(4,073,338)	(3,579,556)	(3,083,768)	(2,675,799)
Gross Operating Profit	3,952,303	3,889,147	3,496,124	3,012,998	2,241,293
Other Laboratory Income	60,847	57,521	58,373	46,138	38,172
Administration & Distribution Expenses	(2,288,248)	(2,029,621)	(1,833,532)	(1,480,382)	(1,332,583)
Profit from Operations	1,724,902	1,917,047	1,720,966	1,578,754	946,882
Other Income	73,682	89,468	48,301	57,973	55,816
Fair Value Adjustment of the Investment Property	513,364	83,690	61,309	205,381	-
Exchange Gain/(loss)	(47,321)	(138,100)	21,397	(231,374)	-
Profit Before Interest & Tax	2,264,627	1,952,105	1,851,973	1,610,734	1,002,698
Finance Income	42,769	28,621	92,094	-	-
Finance Expenses	(564,008)	(606,361)	(892,547)	(668,744)	(710,526)
Profit Before Tax	1,743,388	1,374,365	1,051,520	941,990	292,172
Income Tax	(160,735)	(169,219)	(164,793)	(90,630)	(29,037)
Profit After Tax	1,582,653	1,205,146	886,727	851,360	263,135
Minority Interest	(165,919)	(254,557)	(200,994)	(242,028)	(72,339)
Profit after Minority Interest & Tax	1,416,734	950,589	685,732	609,332	190,796
Property, Plant & Equipment	11,856,403	10,625,083	10,706,576	9,272,110	11,064,055
Investment Property	2,698,000	2,184,636	2,100,945	2,039,636	-
Intangible Assets	548,707	548,707	548,707	548,707	548,707
Financial Assets - Available for Sale	598,127	430,709	397,611	295,919	1,938
Deferred Tax Assets	-	44,674	223,623	227,376	161,051
Inventories	381,062	354,587	329,705	297,523	286,648
Trade and Other Receivables	373,759	365,075	287,171	393,047	295,042
Other Current Assets	361,714	323,574	189,167	232,438	199,100
Loans Granted to Related Parties	149,564	275,269	370,795	-	-
Financial Assets - Held For Trading	-	-	31,941	28,687	47,500
Financial Assets - Available for Sale	755	290	-	-	-
Cash and Bank Balances	1,246,618	192,422	170,995	119,871	44,384
Total Assets	18,214,709	15,345,026	15,357,236	13,455,314	12,648,425

Five Year Summary

Year Ended 31st March	2015 Rs.'000	2014 Rs.'000	2013 Rs.'000	2012 Rs.'000	2011 Rs.'000
Issued Share Capital	3,902,400	3,902,400	3,902,400	1,636,244	1,636,244
Reserves	1,593,240	1,336,064	1,210,910	427,992	358,403
Available for sale reserve	296,713	128,829	95,958	(5,666)	-
Reserve on Consolidation	(2,345,962)	(2,338,291)	(1,144,554)	-	-
Retained Earnings	2,575,322	1,731,408	1,392,250	1,302,364	942,464
Minority Interest	1,182,652	1,100,819	2,217,564	2,203,649	2,091,571
Total Equity	7,204,365	5,861,229	7,674,528	5,564,583	5,028,682
Non Interest Bearing Long Term Liabilities	34,273	38,344	42,417	46,489	50,561
Interest Bearing Long Term Liabilities	7,032,828	5,850,962	4,285,988	5,001,344	1,895,396
Deferred Tax	223,957	226,936	389,894	177,384	131,449
Deferred Liabilities	344,721	261,892	214,323	200,335	170,370
Trade Creditors	372,769	305,159	265,320	472,794	545,086
Other Payables	1,650,525	289,947	381,879	85,522	133,505
Non Interest Bearing Loans and Borrowings	4,072	4,072	4,072	4,072	5,113
Interest Bearing Borrowings & Bank Overdraft	1,347,199	2,506,485	2,098,815	1,902,791	4,688,263
Total Equity & Liabilities	18,214,709	15,345,026	15,357,236	13,455,314	12,648,425

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Thirty Fifth Annual General Meeting of Asiri Hospital Holdings PLC will be held at Hotel Janaki, Fife Road, Colombo 05 on Tuesday the 29th day of September 2015 at 11.45 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 2015 together with the Report of the Auditors thereon.
2. To ratify the Interim Dividend of Rs. 0.50 per share paid on 27th March 2015 as the Final Dividend for the year ended 31st March 2015.
3. To re-elect Dr. S Selliah who retires by rotation in terms of Article 24(6) of the Articles of Association, as a Director of the Company.
4. To re-elect Dr. K M P Karunaratne who retires by rotation in terms of Article 24(6) of the Articles of Association, as a Director of the Company.
5. To re-appoint Messrs Ernst & Young as the Auditors of the Company for the ensuing year and to authorize the Directors to fix their remuneration.
6. To authorize the Directors to determine and make donations for the year ending 31st March 2015 and up to the date of the next Annual General Meeting.

By Order of the Board

Sgd.

Softlogic Corporate Services (Pvt) Ltd

Secretaries

Colombo

24 July 2015

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. J E Huxtable	of Colombo or failing him
Mr. S P Mukherjee	of India

as *my/our Proxy to represent *me/us and to speak and vote for *me/us on *my/our behalf at the 35TH ANNUAL GENERAL MEETING OF THE COMPANY to be held at Hotel Janaki, Fife Road, Colombo 05 at 11.45 a.m. on Tuesday the 29th day of September 2015 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 2015 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 27th March 2015 as the final dividend for the year ended 31st March 2015.	<input type="checkbox"/>	<input type="checkbox"/>
3) To re-elect Dr. S Selliah who retires by rotation in terms of Article 24(6) of the Articles of Association, as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
4) To re-elect Dr. K M P Karunaratne who retires in terms of Article 24(6) of the Articles of Association, as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
5) To re-appoint retiring Auditors Messrs Ernst & Young and to authorize the Directors to fix their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
6) To authorize the Directors to determine and make donations for the year ending 31st March 2016 and up to the date of the next Annual General Meeting.	<input type="checkbox"/>	<input type="checkbox"/>

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

.....
 *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.

Form of Proxy

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. 07 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/Chief Executive Officer
Mr. G.L.H Premaratne
Mr. S.A.B Rajapakse
Mr. A.H.E Rodrigo
Mr. J. E. Huxtable
Mr. S. P. Mukherjee

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.

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ASiRi
HOSPITAL HOLDINGS PLC