

Unprecedented

Asiri
SURGICAL
HOSPITAL PLC

Excellence in Surgical Care

Our Vision : To be one of the best speciality hospitals in the South Asian region with cutting-edge technology.

Our Mission : To care for and improve the quality of human life through the provision of ethical health care solutions together with professional and compassionate staff.

Our Values:

- Professional care to all patients with dignity
- Caring with a human touch
- Innovation and forward focus

Unprecedented

Asiri Surgical is one of Sri Lanka's leading surgical hospitals and a group company of the well-known Asiri Group of Hospitals. For several years now, we have been building our reputation as the most efficient, caring and technologically advanced surgical hospital in Sri Lanka. Offering more than most in a very competitive industry, our mission to grow our business while maintaining the highest standards of quality healthcare and corporate value, remains steadfast.

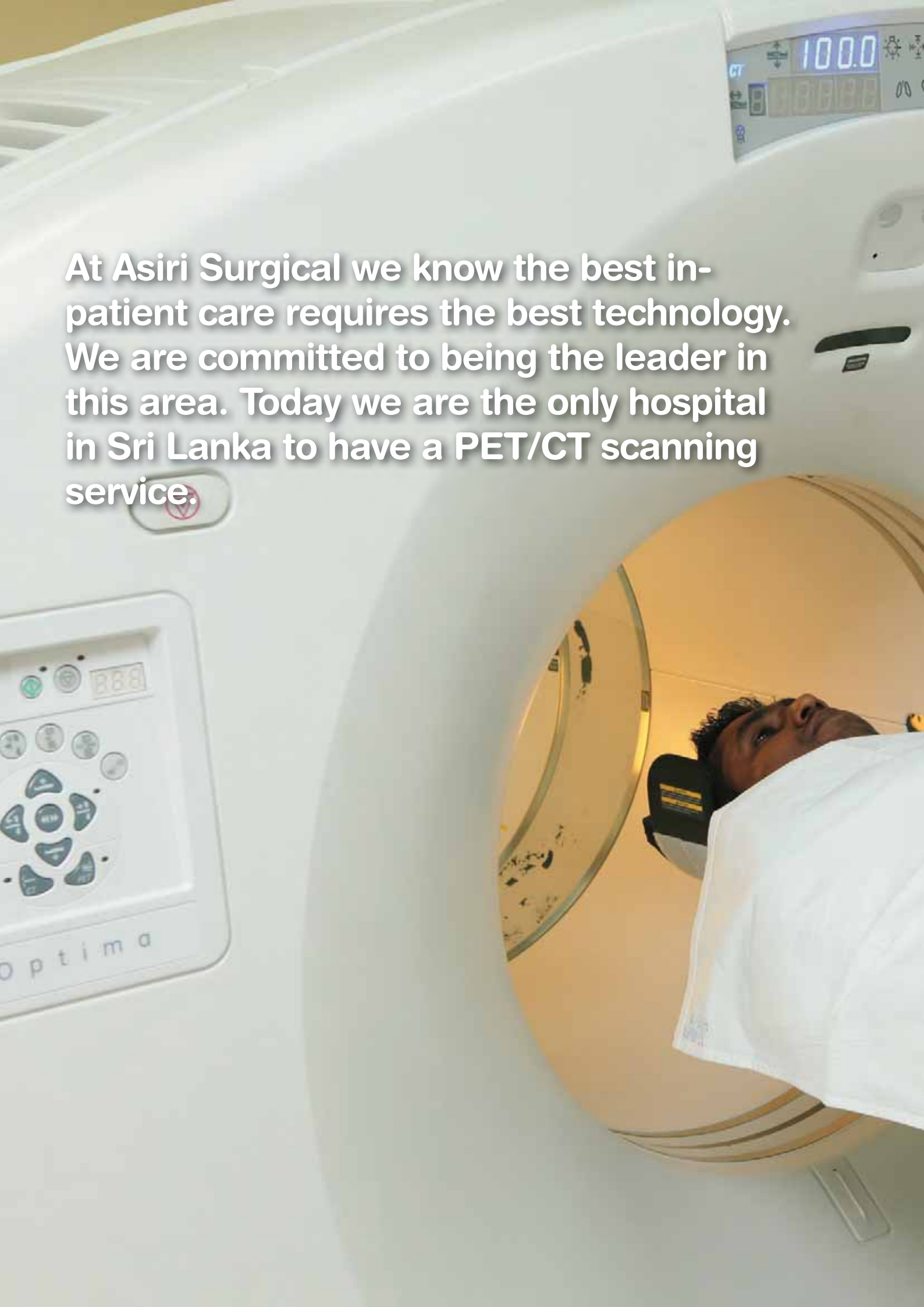
This year we have clearly excelled and we present to our shareholders an unprecedented set of results, setting a new benchmark of value and reinforcing our position as the nation's leading surgical healthcare provider.

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Service Overview

	Emergency		Diagnostic Laboratory Services
	Asiri Heart Services		Rehabilitation Centre
	Dental Clinic		X Ray CT/MRI
	Eye Clinic		Blood Bank Department
	Nuclear Medicine		General Surgery
	Genetic Laboratory		Catheterization Laboratory
	Health Check		Lithotripsy Unit
	Urology Unit		Urodynamic Unit

A photograph of a patient lying on a table inside a PET/CT scanner. The patient is wearing a white blanket and a headrest. The scanner's gantry is visible, with a digital display showing '1000'. The machine is white and has a control panel with various buttons and a small screen. The patient is looking towards the camera.

At Asiri Surgical we know the best in-patient care requires the best technology. We are committed to being the leader in this area. Today we are the only hospital in Sri Lanka to have a PET/CT scanning service.





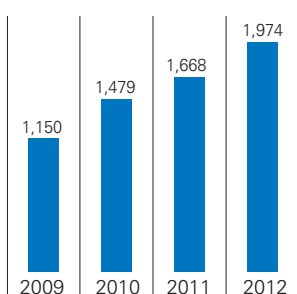
Unprecedented

MANAGEMENT REPORTS

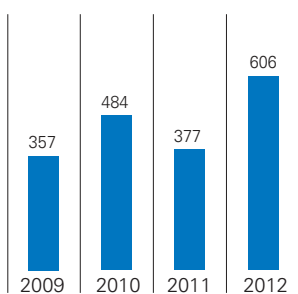
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Financial Highlights

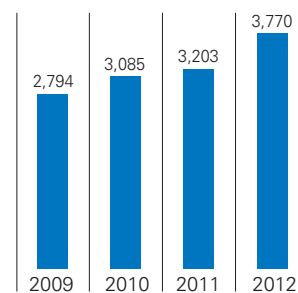
Year Ended 31st March		2012	2011	% Change
Operating Results				
Revenue	Rs. 000	1,973,666	1,668,484	18.29
Profit before Interest and Tax	Rs. 000	606,731	376,966	60.95
Profit after Tax	Rs. 000	506,921	267,226	89.69
Cash from Operations	Rs. 000	291,134	389,084	-25.17
Balance Sheet Highlights				
Total Assets	Rs. 000	3,770,457	3,203,430	17.70
Total Shareholders' Funds	Rs. 000	2,459,421	2,140,807	14.88
Gearing	%	32%	29%	66.67
Shareholder Information				
Return on Total Equity	%	21	12	75.00
Earnings per Share	Rs.	0.86	0.47	82.98
Net Assets per Ordinary Share	Rs.	4.26	3.65	16.17
Market Price of a Share as at 31st March	Rs.	7.9	8.5	7.06
Market Capitalisation as at 31st March	Rs. 000	4,174,814	4,491,889	7.06



Turnover




Profit Before Interest And Tax



Total Assets

Chairman's Statement



“I have no doubt that the clarity and consistency of our strategy, our discipline in sticking to it, and unwavering commitment to our distinctive culture and values have been crucial to our continued success.”

Chairman's Statement

Dear Stakeholder,

It is with great pleasure I present to you the Annual Report for Asiri Surgical PLC for the year 2011/12.

Strong Financial Position

I am happy to state that your company has achieved revenues of Rs. 1.974 Bn which is a growth of 18.3% when compared to the corresponding period of the previous year. The Profit Before Tax (PBT) achieved is Rs. 514 Mn and Profit After Tax (PAT) is Rs 507 Mn, being growths of 88% and 90% respectively when compared to the previous financial year.

The Government of Sri Lanka has recognized the vital role played by private hospitals in providing essential health care that the rate of tax applicable on the profits and income from health care services were reduced to a maximum of 12% in the 2012 budget.

Macro Environment

With Economic and social indicators for Sri Lanka displaying high growth rates indicating that we are in the right path of economic growth and social development, as a hospital, we need to play our part in providing adequate medical care that would enable the country to have productive healthy citizens. It is fortunate that Sri Lankans are privy to free health care, especially in the prevention and treatment of communicable diseases. Even though in recent times the government has identified that non communicable diseases (NCD) are on the rise and developed a national policy on NCDs in 2009, the government recognises that the public sector preventive care for NCDs is still inadequate.

We are proud to be one of the leading hospitals specializing in one of the major NCDs - heart disease - amongst many others. Asiri Surgical with its qualified medical personnel and latest cutting edge technology have been providing cardiac patients with excellent treatment in cardiology, cardiovascular surgery and paediatric cardiology. In addition, we specialize in preventive cardiology services whilst also providing wellness packages for the benefit of the young and

the old so that they could make life style changes for a healthier future.

Healthcare and Technology

In keeping with the latest cutting edge technology, I am happy to state that as mentioned in the last annual report, we invested in Sri Lanka's first PET/CT Scan during the financial year. This ultra fast scanner is an advanced imaging tool providing the most accurate diagnosis for treatment and management of cancer, neurological disorders, and fevers of unknown origin together with various cardiac applications. We are also in the process of installing a RadiAnalyzer Xpress which is used in the Cath Lab in the measurement of Fractional Flow Reserve that determines the severity of the blood flow blockages in the coronary arteries and a Rotablator Rotational Atherectomy System that is used to pulverize hardened plaque within the coronary artery. Both will be the first such installations in the country

With measures that are being taken by Asiri Surgical, we will be able to provide advanced health care service to our patients both local and foreign. With the investments that are being made and the research being conducted by our able management team, you can be assured of Asiri Surgical along with the other Asiri Group of Hospitals being in the forefront of providing the best health care solutions to all.

Sustainability

We are proud to be a part of the Asiri Brand. Asiri Group of Hospitals has taken the lead as Sri Lanka's Most Valuable medicare provider, in the recently concluded Brands Annual 2012 with a brand rating of A+.

We are proud to be part of the Asiri Laboratory services, the leading medical laboratory in the country that has received the ISO 9001:2008 certification from Moody International UK for quality management systems, a first in Sri Lanka and the Laboratory is also accredited for ISO 15189:2007 with the Sri Lanka Accreditation Board. Our patients can place their trust in our services knowing that it is not just another laboratory but one that meets international quality standards!

Our Group of Hospitals have also received the ISO 14001:2004 certification which demonstrates our commitment to environmental management which is indicative of the on-going processes and procedures that are in place.

As evident from the above, Asiri Group is committed to enhancing the quality of service in our hospitals and the safety of our patients and employees. We have therefore, placed a high importance to obtaining and maintaining ISO and OHSAS certifications for our services.

Asiri Surgical Hospital is also in the process of implementing ISO 9001 (Quality Management System) and OHSAS 18001 (Occupational Health and Safety Management System) Standards which will be completed by end of August.

Asiri Surgical also cares about the community and have taken steps to help the needy. A program was initiated during the financial year to provide free heart surgery for Underprivileged Children. This continuing programme currently accepts patients referred by the Lady Ridgway Hospital for Children and 15 surgeries were performed during the year. Our reach extends beyond the city limits of Colombo. Free health camps were introduced in 2011 and camps were conducted for the public in Kandy, Matara, Kalutara, and Jaffna in collaboration with social organizations in the area. We also have provided free testing facilities for underprivileged patients referred by the Maharagama Cancer Hospital to perform Laboratory tests, MRIs, CT scans, X-rays and other tests as necessary. The programme has provided free tests for over 50 patients during the year.

Appreciation

I must express my sincere gratitude to the staff at Asiri Surgical for living by our mission of “improving quality of human life through the provision of ethical clinical care and service excellence.” I also take this opportunity to thank the Senior Management team and the Board of Directors for the trust and confidence that they have

placed in my leadership and especially the Board of Directors for their guidance and support given during the year. I must also thank our valued shareholders for their support and cooperation and our customers for placing their trust in us.

(Sgd.)

Ashok Pathirage
Chairman

30th July 2012

A healthcare professional, likely a nurse or doctor, is shown from the chest up, wearing blue scrubs and a stethoscope. They are holding a large, rectangular medical scan, possibly an ultrasound or X-ray, which is the central focus of the image. The background is a blurred hospital hallway with green and blue walls. The lighting is soft and clinical.

Patient safety and quality care are our main priorities and we are committed to making sure that all our patients receive the highest possible standards of care and treatment...”



Board of Directors





Front row seated L to R

Dr. S Selliah

Mr. A K Pathirage

Mr. G L H Premaratne

Back row standing L to R

Dr. D S Rajapaksa

Mr. S G Wijesinha

Mrs. D Wimalasundera

Dr. M Karunaratne

Mr. S A B Rajapaksa

Board of Directors

Mr. Ashok K. Pathirage

Chairman / Managing Director

Mr. Ashok K. Pathirage was appointed to the Board as the Managing Director in July 2006 and appointed as the Chairman in March 2008. He is the Managing Director of Asiri Hospital Holdings PLC and is the Chairman/ Managing Director of Asiri Central Hospitals PLC, Central Hospital Limited and Asiri Hospital Kandy (Private) Limited.

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

He also serves as the Deputy Chairman of the National Development Bank PLC Board and the Chairman of the Capital Development and Investment Company PLC Board.

He started his career at a leading Blue Chip Company in Sri Lanka and has over 25 years of experience at Senior Managerial capacity in the Information Technology Industry and in the Business world.

Dr. S Selliah (MBBS, M.Phil)

Deputy Chairman

Dr. Sivakumar Selliah is the Deputy Chairman of Asiri Hospitals Holdings PLC, and Deputy Chairman of Asiri Surgical Hospital PLC. Dr. Selliah holds a MBBS degree and a Master's Degree (M.Phil). He has over 20 years of experience in various fields.

He is also the Deputy Chairman of Lanka Walltiles PLC and Lanka Floor Tiles PLC. He is a Director of Horana

Plantation PLC, Softlogic Holdings PLC, Expolanka Holdings PLC, Swisstek (Ceylon) PLC, Swisstek Aluminium Pvt Ltd, and Unidil Packaging Ltd.

He is also the Deputy Chairman of Central Hospital Limited. Dr. Selliah is the Chairman of Cleanco Lanka (Pvt) Ltd.

Dr. Selliah serves on the Remuneration Committees of Asiri Hospital Holdings PLC, Asiri Surgical Hospital PLC, Lanka Walltiles PLC, Lanka Floortiles PLC and Expolanka Holdings PLC. He is currently a member of the Audit Committee of Lanka Floor Tiles PLC, Softlogic Holdings PLC, Expolanka Holdings PLC and Swisstek (Ceylon) PLC.

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

Director (Medical) /Chief Operating Officer

Dr. Manjula Karunaratne was appointed to the Board of Asiri Hospital Holdings PLC and Asiri Surgical Hospital PLC in 2006.

Had previously also held the post of Medical Director of Asiri Hospital Holdings PLC. A Specialist in Sports/ Orthopaedic Medicine, with over 20 years professional experience is responsible for the overall medical policy of the Group. He also serves on the Boards of Central Hospital Limited, Asiri Central Hospital PLC, Asiri Hospital Matara (Pvt) Ltd, Matara Medi House (Pvt) Ltd and Asiri Diagnostic Services (Pvt) Ltd.

Mrs. D Wimalasundera

Director - Administration

Mrs. Wimalasundera a senior board member, has been functioning as an Executive Director for over 20 years. She is a Director of Asiri Hospital Holdings PLC, Asiri Central Hospitals PLC, Asiri Diagnostic Services (Pvt) Ltd, Asiri Hospital Matara (Pvt) Ltd, Matara Medi House (Pvt) Ltd and Central Hospital Limited.

Dr. D S Rajapaksa *MS, FRCOG (UK)*

Director

Dr. Rajapaksa, a Fellow of the Royal College of Obstetricians and Gynaecologists, is currently a consultant in private practice. He was one of the founder directors of Asiri Hospital Holdings PLC and is also a member of the Asiri Central Hospitals Board. Dr. Rajapaksa has over 16 years experience as a Company Director and is also the Chairman of DSI Samson Group of Companies. He serves on the Remuneration Committees and Audit Committees of all three companies. He is also a member of Central Hospital Ltd.

Mr. G L H Premaratne

Director

Mr. Premaratne was appointed to the Board in March 2008 after 40 years of banking experience with Commercial Bank. Mr. Premaratne is specialized in Corporate Banking, and is an Associate of the Chartered Institute of Bankers of London. He served as the Managing Director at Sampath Bank PLC from 2009 to December 2011. He held the position of Chairman of Sri Lanka Banks Association. He also serves on the Board of Asiri Hospital Holdings PLC and Central Hospital Limited.

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

Mr. S A B Rajapaksa *MBA, FCA, FCMA, MCIM*

Director

Mr. Samantha Rajapaksa counts more than twenty five years of both local and international experience in finance, venture capital, information technology, change management and communication sectors. He was appointed to the Board in March 2008 and also serves on the Board of Asiri Hospital Holdings PLC.

He functions as the Chairman of the Audit Committee of Asiri Hospital Holdings PLC, Asiri Surgical Hospitals PLC and Asiri Central Hospitals PLC. He is currently the Group Managing Director of Associated Motorways (Pvt) Ltd.

Mr. Rajapaksa is a Fellow of the Institute of Chartered Accountants of Sri Lanka and of the Chartered Institute of Management Accountants of UK. He is also a Member of the Chartered Institute of Marketing - UK and holds a MBA from the Postgraduate Institute of Management of the University of Sri Jayawardapura.

Sunil G Wijesinha

Director

Mr. Sunil G Wijesinha is considered one of Sri Lanka's leading promoters of productivity, quality management, and Japanese style management. He is the former Chairman and Managing Director of Dankotuwa Porcelain PLC., and the former Deputy Chairman of Sampath Bank PLC. He is the Deputy President of the National Chamber of Commerce of Sri Lanka. He is also on the Committee of the Ceylon Chamber of Commerce and the Deputy Chairman of the Employers' Federation of Ceylon. He is a member of many national advisory and business councils. Mr Wijesinha has a multi-disciplinary background with qualifications in Engineering, Accountancy, and Management Services and has a Master's Degree in Business Administration.

The Post Graduate Institute of Management Alumni Association has conferred the "Distinguished Service to Society" Award on Mr Wijesinha. The Institute of Personnel Management conferred on him Honorary Membership. The Asian Productivity Organization has conferred on him the National Award and the Asia Pacific Region Award for Productivity Promotion.

Consultant Medical Team



Front row seated L to R

Dr. S D Athukorala *Consultant Clinical Bacteriologist*
Dr. Maya Atapattu *Consultant Mycologist*

Back row standing L to R

Dr. Menik Goonewardhena *Consultant Neonatologist*
Dr. Manoj Gupta *Consultant Nuclear Medicine Physician*
Dr. Chrishantha Mendis *Consultant Anaesthesiologist*
Dr. Dinesh de Silva *Consultant Eye Surgeon*
Dr. Lushantha Padmasiri *Consultant Anaesthesiologist*
Dr. Lakmali Paranaheva *Consultant Interventional Radiologist*



Front row seated L to R

Dr. Manjula Karunaratne *Group Director Medical Services*
 Dr. Darshani Amarasinghe *Consultant Anaesthesiologist*

Back row standing L to R

Dr. Gamini Jayaweera *Consultant Transfusion Medicine*
 Dr. Gayani Senanayake *Consultant Anaesthesiologist*
 Dr. Narme Wickramasinghe *Consultant Occupational Physician*
 Dr. Anil Perera *Consultant /Head Dept. of Anaesthesiology*
 Dr. Natasha Pieris *Resident Physician*
 Dr. Saman Perera *Consultant Radiologist*



Front row seated L to R

Dr. Gulpa Subasinghe *Consultant Radiologist*
 Prof. L R Amarasekara *Consultant Histopathologist*

Back row standing L to R

Dr. Vajira Dissanayake *Consultant Medical Geneticist*
 Dr. Shantha Hettiarachchi *Consultant Radiologist*
 Dr. Y K M Lahie *Consultant Cardiac Surgeon*
 Dr. Stella Fernando *Consultant Anaesthesiologist*
 Dr. Vivek Gupta *Senior Consultant Cardiothoracic Surgeon*
 Dr. Rangika Goonaratne *Consultant Eye Surgeon*

Senior Management Team

Senior Management Team ▶



Front row seated L to R

Mr. N P John *Director, Laboratory Services*
Mrs. Hasanthi De Saram Karandagaspitiya
Group Head, Human Resources and Human Resource Development
Mr. Kosala Dissanayake *Group Director, Finance*
Dr. Tissa Wickramasuriya *Medical Director*

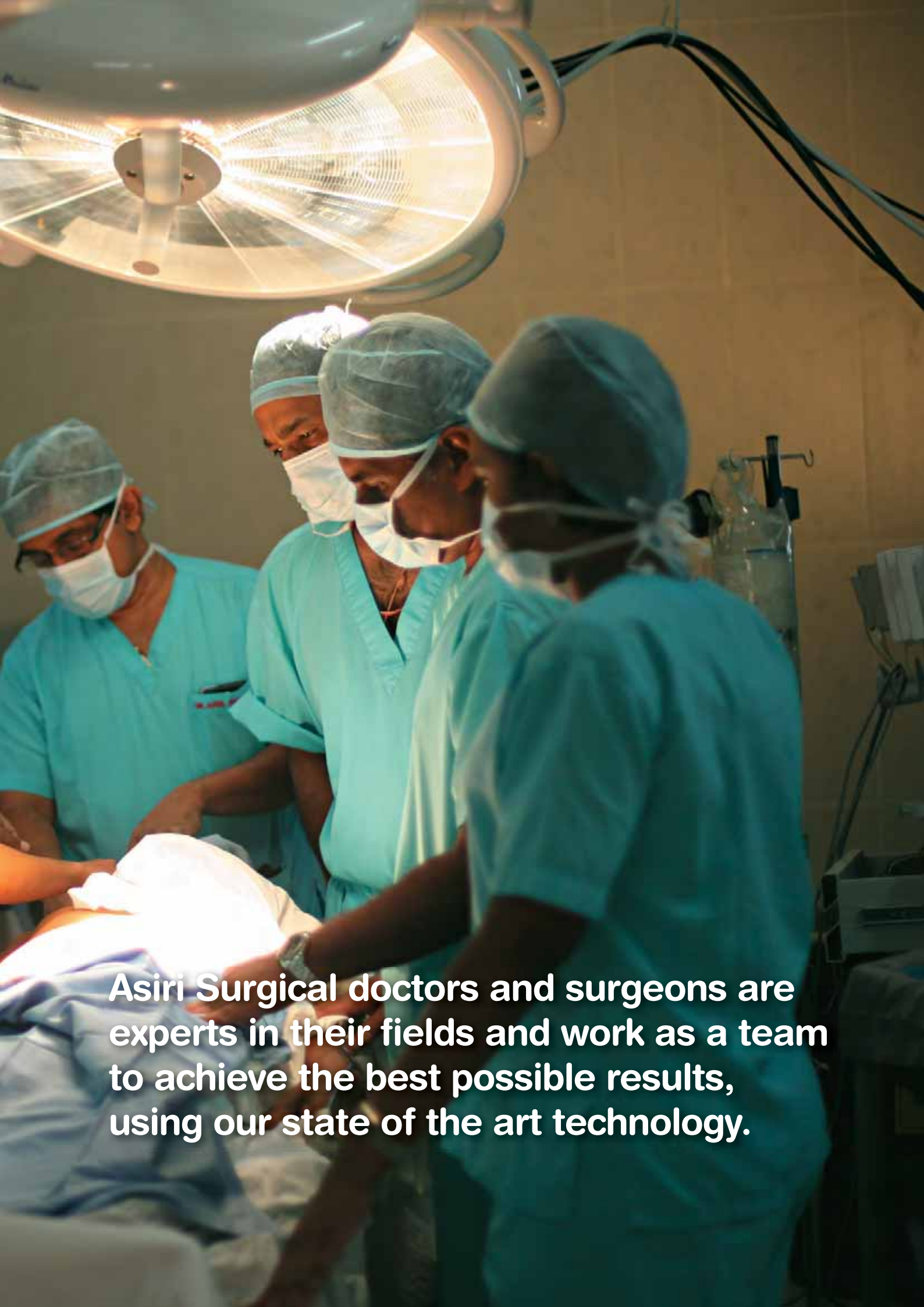
Back row standing L to R

Mr. Dasarath Hettiararchchi *Marketing Manager*
Mr. K S L Hewage *Group Pharmacy Manager*
Mr. Samitha Premaratne *Group IT Manager*
Dr. (Mrs.) Aruni Munasinghe *Medical Registrar, Asiri Heart Centre*
Mr. Prasad Koralage *Housekeeping Manager*
Mr. Kasun Rupasinghe *Group Internal Auditor*
Dr. (Mrs.) Shanika Algama *Chief Medical Officer*
Mr. Salinda De Silva *Finance Manager*



Mr. L J P Silva *Group Maintenance Manager*
Ms. Senani Deegala *Chief Nursing Officer*
Mr. Kamal Wijetillaka *Group Marketing Manager, Laboratory Services*
Mrs. V P Wanasinghe *Principal Nurses, Training School*
Mr. Upul Wijekoon *Group Head, Food and Beverage*
Mrs. K V D Hemanthi *Group Purchasing and Shipping Manager*
Mr. Samantha Vidanaarachchi *Front Office Manager*





Asiri Surgical doctors and surgeons are experts in their fields and work as a team to achieve the best possible results, using our state of the art technology.

Unique

GOVERNANCE INFORMATION

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Corporate Governance

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

The primary responsibility of the Board of Directors' is to foster the Company's long-term success, consistent with the Board's fiduciary duty to shareholders. In keeping with current concepts of corporate governance, the Board believes that the Company has designed effective corporate governance principles and practices to provide a strong framework to assist its stakeholders and on creating long term shareholder value. This statement sets out the Corporate Governance policies and practices adopted by the Board.

Board of Directors

The Board establishes broad corporate policies, sets strategic direction and oversees management, which is responsible for Company's day-to-day operations. The Board comprises of three executive Directors and five non-executive Directors. Their profiles appear on page 16 of the Annual Report.

Board Meetings and Attendance

The Board generally meets once in two months. Special Board Meetings are also held as and when needed. To facilitate active and informed discussion at Board and committee meetings, directors receive background materials in advance 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.

Over the past year the Board held 5 meetings and the attendance is given below.

Mr A K Pathirage	ED	(Chairman / Managing Director)	5/5
Dr S Selliah	I	(Deputy Chairman)	5/5
Dr K M P Karunaratne	ED		5/5
Mrs D Wimalasundera	ED		5/5
Mrs S D Nimalasuria	ED	(Resigned w.e.f. 31st May 2011)	2/2
Dr D S Rajapaksa	I		4/5
Mr G L H Premaratne	I		5/5
Mr S A B Rajapaksa	NED		5/5
Mr S G Wijesinha	I		5/5

Key

- ED - Executive Director
- I - Independent non-executive Director
- NED - Non-executive Director

The Chairman of the Board

The Board generally believes that the Managing Director should also serve as the Chairman of the Board. The Chairman's main responsibility is to lead and manage the work of the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities.

Appraisal of the Managing Director

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

Time Commitment

The Board dedicates adequate time to discharge their duties effectively. In addition to Board meetings, they

attend sub-committee meetings and make decisions via circular resolutions.

Appointment to the Board

New appointments to the Board are based on collective decisions of the Board. In making new appointments, the Board considers the composition of the Board in order to assess whether they have the right mix of skills and experience to be better prepared for the managing of the Company.

Re-election of Directors

As per the Articles of Association of the Company one third of the directors shall retire from office at each Annual General Meeting (AGM) and offer themselves for re-election. The Board may select directors to fill vacancies in existing or new director positions. Such directors serve until the next AGM and seek re-election. The Managing Director is not subject to retirement by rotation.

Independence of Directors

Mr. S G Wijesinha, Dr. S Selliah, Dr. D S Rajapaksa and Mr. G L H Premaratne function as independent directors of the Company.

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

Dr. S Selliah, Dr. D S Rajapaksa and Mr. G L H Premaratne are Directors of Asiri Hospital Holdings PLC and Dr. D S Rajapaksa and Mr. G L H Premaratne are also Directors of Asiri Central Hospitals PLC, in which majority of other Directors of Asiri Surgical Hospital PLC are employed as directors.

Dr. D S Rajapaksa was appointed to the Board on 3rd March 2000 and therefore has been serving on the Board for more than 9 years.

The Board having evaluated all the factors concluded that their independence have not been impaired due to them serving on the Board for more than 9 years and serving on the Boards of other companies in which majority of other Directors of Asiri Surgical Hospital PLC is employed and/or directors.

Access to independent professional advice

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

Remuneration of the Directors

The remuneration of the Directors is determined by the Board and disclosed on page 70 of the Annual Report.

Company Secretary

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

Board Committees

The Board may establish committees from time to time to discharge their duties effectively. There are currently two Board committees.

The Audit Committee comprises of the following members.

Audit Committee

Mr. S A B Rajapaksa - Chairman

Dr. D S Rajapaksa

Dr. S Selliah (stepped down w.e.f. 1st February 2012)

Mr. G L H Premaratne

Mr. S G Wijesinha (appointed w.e.f. 1st February 2012)

Corporate Governance

The Audit Committee meets at least four times a year with the Finance Director and the external/internal auditors to monitor the Company's financial reporting processes and systems of internal accounting control, the independence and the performance of the independent auditors and the performance of the internal auditors. Periodically, it also approves and reviews the appointment and retirement of external Auditors, as well as their relationship with the Company.

The Remuneration Committee of the parent company (i.e. Asiri Hospital Holdings PLC) acts as the Remuneration Committee of the Company.

Remuneration Committee

Mr. G L H Premaratne - Chairman

Dr. D S Rajapaksa

Dr. S Selliah

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

- Remuneration policy for Executive Directors
- Remuneration policy and specific packages for certain senior executives
- Employee benefits and long terms incentive schemes

The committee is not responsible for setting the level of remuneration of Non-Executive Directors, which is determined by the Board.

Responsibilities

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

- 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
- 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 ensuring 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

Investor relations

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

Compliance with the Corporate Governance Rules of the Colombo Stock Exchange

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

Section	Criteria	Has the Company met the Criteria
7.10.1	Non-executive directors	Complied with. Out of 8 directors 5 are non-executive directors.
7.10.2	Independent Directors	Complied with. There are three independent directors on the Board. Please refer Page No. 26.
7.10.3	Disclosures relating to directors	Mr. S G Wijesinha meets all the criteria set out in Rule 7.10.4 for determining the independence of directors. Dr. S Selliah and Mr. G L H Premaratne meet all the criteria except one. Dr. D S Rajapaksa meets all the criteria except two. Please refer to Page No. 27.
7.10.5	Remuneration Committee	Complied with. Comprises of three non-executive independent directors. The remuneration committee of Asiri Hospital Holdings PLC (parent company) acts as the remuneration committee of Asiri Surgical Hospital PLC. The names of the members of the committee are given in the Page No. 28 of the Annual Report.
7.10.6	Audit Committee	Complied with. Comprises of four non-executive directors including three independent directors. The Group Finance Director attends all the meetings. The report of the committee is given on Page No. 34.

Corporate Social Responsibility

Asiri Hospitals Holdings remains committed to help raise the living standards of the community we live in. Our staff and management have contributed generously to many worthy causes during the years, and also volunteered their services to uplift the lives of those less fortunate.

We finished another successful year of performing free surgeries and offering health facilities to the less privileged people in our community.

Heart Surgeries

During the year, our staff continued to perform free heart surgery for under-privileged children. These patients are referred to our hospital by the state-run Lady Ridgeway Hospital in Colombo that provides free medical care. Our staff performed 15 heart surgeries on children during the year.

Health Camps

Our staff volunteered their time and professional expertise to conduct free health camps for people living in Kandy, Matara, Kalutara, Trincomalee and Jaffna. These medical clinics were conducted with collaboration with social service organisations in those areas. We have treated over 5000 patients during these camps covering all ethnic communities of Sri Lanka.

Facilities for Cancer Patients

Around a 1,000 patients seek daily treatment at the Maharagama Cancer Hospital, the only state-run specialised cancer facility in Sri Lanka. Many of those who seek treatment come from less affluent families from across Sri Lanka.

To give them some relief in their hour of need, Asiri Surgical offers free testing facilities since 2006. These patients are referred to us by the Maharagama Cancer Hospital for no cost. We conducted free of charge laboratory tests/MRI, CT scans/X ray and other tests.

Cancer Transit Home

Some of our major contributions towards community welfare development during the year includes a cash donation of Rs. 10 million to the CCC Foundation of Sri Lanka through the National Health Development Fund to construction of Transit Home at National Cancer Hospital Maharagama.

The funds will be used to build the first stage of the 140-bed Cancer Care Transit Home, to house scores of patients who only need the treatment but do not have to be warded at the hospital to receive treatment. Most of these out-patients, travel from remote parts of Sri Lanka and cannot afford to rent out private lodgings.



Cash donation to CCC foundation of Sri Lanka



Consultant Cardiac Surgeon of Asiri Heart Centre examining a patient at a medical camp in Jaffna

Some 1,000 patients seek daily treatment at the Maharagama Hospital, only around 850 enjoy the comfort of a bed, while the rest literally camp on the floor. Currently there are around 500 people who attend daily outpatient clinics.

The CCC House, which stands for Courage, Compassion and Commitment, is a Rs. 170 million project that will also accommodate 30 carers. The donation from Asiri will be used to build a ward, which will be named accordingly.

The project is expected to be completed in 2012, will offer comfortable facilities to over 170 less privileged patients who are already suffering with cancer.

The transit home aims to attract patients undergoing radiotherapy and day chemotherapy.

Medical supplies

We continue to donate drugs and pharmaceutical items to noteworthy projects like the medical camp organised by the Narahenpita police station, medical camp for school children and economically challenged re-settled community in Vidutaltivu, Mannar.

Other projects

Our philanthropic work was extended to rebuild the male and female psychiatric unit of the Anuradhapura teaching hospital.

During the year under review, we donated a main Nurse's Station to the Medical ward 09 at Kalubowila Teaching Hospital.

Since 2008, we have been an active member of the Lanka Business Coalition on HIV/AIDS – that works to raise awareness programmes across the country.

Our hospital has donated assets to the Third International Vipassana Meditation Centre at Maneruwa, Palagala.



Free health camp conducted in Jaffna collaboration with Sri Lanka Army



20 year old Kajenthini recovering from the heart surgery

Human Resources

Bringing smiles to our people

We are committed to serve our valuable clients and patients with the highest standards of service quality. The ultimate objective of 'Patient First' Policy cannot be achieved without the dedication and contribution of our most important asset – 'People'

In order to attract, develop, motivate, retain, recognize and compensate our staff and to provide them with a safe working environment, we have embarked on several HR initiatives across the Group that caters to the needs of our people. This will greatly assist them in providing the highest standards of service quality in a sustainable manner.

Building capacity

The Training and Development function was revamped, focusing on a comprehensive Training Need Analysis (TNA) covering organizational, unit and individual requirements. Training sessions on soft skills, on the job training, and development for career advancement were undertaken according to the TNA, with a combination of outsourced trainers of repute and trained internal resources. There was emphasis on customer service, quality and service delivery that are essential at all levels to deliver service at the highest levels.

Performance culture through accountability

The performance management cycle was streamlined in three main areas; objective setting, annual evaluation and feedback. Corporate objectives set by the management team have been cascaded to unit and individual goals. Going forward we will introduce reward and recognition schemes to recognize high performers and develop them. The remuneration scales were closely scrutinized and re-structured to create uniformity and align annual increments to performance.

This year the management team got together to re-visit our Vision, Mission, and Values in the context of the current healthcare market to determine our future focus.

Quality focus through people engagement

Meeting Quality Standards of ISO 9001:2008 Quality Management System has validated our HR processes and has ensured that the organizational objectives are met systematically and ethically. Further we are moving into Total Quality Management with the implementation of 5 S system and further develop Kaizen and quality circles next year. This was initiated during "Asiri Quality Week" that was hosted in the month of November where all employees engaged in different quality initiatives, sessions conducted by quality champions and competitions conducted to recognize talent and rewarding them. Understanding the need to deliver at international standards, Asiri Surgical Hospital has also embarked on several quality standard initiatives including ISO 22000 and OHSAS.

Home away from home

We have understood, today's needs of our staff especially those who come from different parts of the island. Therefore, we continuously strive to come up with innovative solutions to delight and protect our staff and make them feel at home by introducing staff welfare activities, counseling facilities, get-togethers, compensation and reward strategies, and subsidized accommodation. These initiatives have also been exclusively tailor-made for our student nurses to create a homely environment for them while developing them for future professional careers.

We strongly believe that we can create the competitive edge through right values and a dedicated and a knowledgeable workforce. Human Resources division will continuously work with commitment, camaraderie and creativity to build and maintain our HR processes on par with global best practices.

Ethics Committee

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 the same. The committee has so far reviewed experimental therapy and clinical trial protocols submitted to it by clinicians at Asiri. These include protocols on experimental stem cell therapy for Parkinson Disease and spinal cord transaction and a phase II trial for rheumatoid arthritis using an anti TNF alpha antibody. The committee is constituted and operates according to International Committee on Harmonization of Good Clinical Practice Guidelines (ICH-GCP) and is a member of the Forum for Ethics Review Committees in Sri Lanka.

Members:

Prof. Rohan W Jayasekara, (Chairperson)

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

Dr. Malik Fernando

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

Mr. Arittha Wickramanayake

Attorney at Law /Precedent Partner, Nithya Partners

Dr. Siva Selliah,

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

Dr. Fred Perera,

Consultant Neurosurgeon

Prof. Kemal I Deen,

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

Mrs.Varuni Amunugama Fernando

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

Dr. Indrani Amarasinghe

Consultant Oncologist

(Sgd.)

Prof. Rohan Jayasekara

Chairperson – Ethics Committee

30th July 2012

Audit Committee Report

The Audit Committee appointed by the Board of Directors and comprises of three Independent Directors and one Non-Executive Directors. The Names of the Committee members are stated in the Corporate Governance Report on Page No. 27.

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

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

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

The Audit Committee recommend to the Board of Directors that M/s Ernst & Young be re-appointed as the auditors of the company for the financial year ending 31st March 2013, subject to the approval of the shareholders at the Annual General Meeting.

(Sgd.)

Samantha Rajapaksa

Chairman – Audit Committee

30th July 2012

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 1 Non-Executive Independent Director and 2 Non-Executive Directors. The names of the Committee members are stated in the Corporate Governance Report on Page No. 28.

The Directors' emoluments are disclosed on Page No. 70.

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

(Sgd.)

G.L.H. Premaratne

Chairman – Remuneration Committee

30th July 2012

Risk Management

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 occurrence of such risks in advance and to exercise remedial measures to minimize the impact.

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 from patients who resort to legal action for professional negligence.

Clinical Risk

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

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

Operational Risk

The Company has a satisfactory system of internal controls in place to mitigate operational risk. Periodic checks are carried out to ensure that the system of internal controls in place is of the highest quality and also cost effective. Regular reviews are undertaken to ensure that appropriate infrastructure and adequate insurance cover is available to safeguard the Company's assets and minimize any financial losses.

Credit Risk

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

The Company evaluates credit worthiness of companies before granting credit facilities to corporate clients.

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

Interest Rate Risk

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

Compliance with Laws and Regulations

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

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

Foreign Exchange Risk

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

Technological Obsolescence

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

Investment Risk

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

Information Security and Loss of Data

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

Unrivalled

FINANCIAL REPORTS

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Annual Report of the Board of Directors

The Directors of Asiri Surgical Hospital PLC have pleasure in presenting to the members their report together with the audited financial statements of the Company for the year ended 31st March 2012.

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.

The Company setup its first Nuclear Medicine Department and commenced operations of its PET Scan unit on 9th November 2011.

Review of Operations

A review of the operations of the Company and its performance during the year is contained in the Chairman's Review on pages 09 to 11 of the Annual Report. This review together with the Financial Statements reflects the state of affairs of the Company. These reports form an integral part of the Directors' Report.

Financial Statements

The financial statements of the Company are given on pages 46 to 75.

Auditor's Report

The Auditor's Report on the financial statements is given on page 45.

Accounting Policies

The accounting policies adopted in the preparation of the financial statements are given on pages 50 to 56 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 organization 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

Mrs. D Wimalasundera

Dr. D S Rajapaksa

Mrs. S D Nimalasuria (resigned w.e.f. 31st May 2011)

Mr. G L H Premaratne

Mr. S A B Rajapaksa

Mr. S G Wijesinha

In terms of Article 24(6) of the Articles of Association of the Company, Dr. S Selliah and Mrs. D Wimalasundera retire by rotation and being eligible offer themselves for re-election with the unanimous support of the Board.

Directors' Shareholding

Directors' interest in shares of the Company as at 31st March 2012 were as follows.

Name of Director	No. of shares as at 31/03/2012
Mr. A K Pathirage	-
Dr. S Selliah	170,000
Dr. K M P Karunaratne	133
Mrs. D Wimalasundera	1,200,013
Dr. D S Rajapaksa	150,014
Mr. G L H Premaratne	-
Mr. S A B Rajapaksa	-
Mr. S G Wijesinha	-

Interest Register

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

Directors' interests in contracts and proposed contracts with the Company

Directors' interests in contracts with the Company, both direct and indirect are given below. These interests have been declared at the Board Meetings. The Directors have no direct or indirect interest in any other contracts or proposed contracts with the Company.

Directors' Remuneration

Directors' remuneration in respect of the Company for the financial year 2011/2012 are given in note 18 to the Financial Statements on page 70.

Donations

The donations made by the Company during the year amounted to Rs. 448,419/- (2010/2011 Rs. 49,354/-).

Auditors

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

The following payments were made to them during the year.

Company	Particulars of Transaction	Name of Directors	Nature of Interest	Amounts (Paid) Received
Asiri Hospital Holdings PLC	Repayment of Temporary Finance Obtained, Staff Related Income/Expenses, Channeling Fees Collected on behalf of and Expense Reimbursement to Related Party Sales/ Purchases of Goods/ Services	Note 01	Common Directors	294,870,315
Asiri Matara Hospital (Pvt) Ltd	Repayment of Temporary Finance Obtained, Staff Related Income/Expenses, Channeling Fees Collected on behalf of and Expense Reimbursement to Related Party	Note 02	Common Directors	1,252,844
Medi House (Pvt) Ltd	Staff Related Income/Expenses, Expenses Reimbursement to Related Party	Note 02	Common Directors	435,423
Asiri Central Hospital PLC	Repayment of Temporary Finance Obtained, Staff Related Income/Expenses, Channeling Fees Collected on behalf of and Expense Reimbursement to Related Party	Note 03	Common Directors	48,886,894
Central Hospital Ltd	Repayment of Temporary Finance Obtained, Staff Related Income/Expenses, Channeling Fees Collected on behalf of and Expense Reimbursement to Related Party	Note 04	Common Directors	13,459,626
Asiri Diagnostic Services Pvt Ltd	Temporary Finance Obtained, Debtors Related Income/Expenses Reimbursement	Note 05	Common Directors	2,663,407

Annual Report of the Board of Directors

Company	Particulars of Transaction	Name of Directors	Nature of Interest	Amounts (Paid) Received
Asir Hospital Kandy (Pvt) Ltd	Expenses Reimbursement to Related Party	Note 06	Common Directors	342,488
Softlogic Holdings LTD & Subsidiaries	Purchase of Computers & Software Maintance	Note 07	Common Directors	446,134,166
Uniwalkers Ltd	Purchace of Electronic Items	Note 08	Common Directors	-
D Samson & Sons Pvt Ltd	Shoe Supplier	Dr. D.S. Rajapaksa	Director	-
Mount Spring Water Pvt Ltd	Drinking Water Supplier	Dr. D.S. Rajapaksa	Director	-

Note 1: Messers. A.K.Pathirage, Dr. D.S. Rajapaksa, Dr.S. Selliah, Dr. K.M.P. Karunaratne, D. Wimalasundera, G.L.H Premarathna, S A B Rajapakse

Note 2: Messers. Dr. D.S. Rajapaksa, Dr. K.M.P. Karunaratne, D. Wimalasundera

Note 3: Messers. A.K.Pathirage, Dr. K.M.P. Karunaratne, D. Wimalasundera, G.L.H Premarathna, Dr. D S Rajapakse, S A B Rajapakse

Note 4: Messers. A.K. Pathirage, Dr.S. Selliah, D. Wimalasundera, Dr.K.M.P. Karunaratne, G.L.H.Premarathna, S.A.B.Rajapakse

Note 5: Messers.Dr. K.M.P.Karunaratne, D.Wimalasundera

Note 6: Messers.A.K. Pathirage, Dr. K.M.P.Karunaratne, D.Wimalasundera

Note 7: Messers. A.K.Pathirage, S Selliah

Note 8: Messers.A.K.Pathirage

Audit Fees - Rs. 953,238/-

Fees for other Services - -

Other services consisted tax related work.

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

Financial Statements

The financial statements which include the Income Statement, Balance Sheet, Statement of Changes in

Equity, Cash Flow Statement and notes to the financial statements are given on pages 46 to 75.

Capital Expenditure

The capital expenditure of the Company during the year amounted to Rs. 207,683,100/- (2010/2011 – Rs. 143,473,575/-) details of which are given in note 3 to 4 the financial statements.

Property, Plant & Equipment

The movement in property, plant and equipment during the year under review is set out in note 3 to 4 the financial statements.

Dividends

The Directors recommend to the shareholders that the Interim Dividend of Rs. 0/13 on 23rd February 2012 as the Final Dividend for the year ended 31st March 2012.

Stated Capital

The stated capital of the Company as at 31st March 2012 was Rs. 1,393,327,565/-. There was no change in the stated capital of the Company during the year under review.

Reserves

The total reserves of the Company as at 31st March 2012 amounted to Rs. 1,066,093,524/- The composition of reserves is shown in the Statement of Changes in Equity in the financial statements.

Shareholders' Information

The twenty largest shareholders of the Company as at 31st March 2012 are given on page 79 together with an analysis of the shareholding. There were 2,944 registered shareholders as at 31st March 2012.

Share Information

Information on share trading is given on page 79 of the Annual Report.

Post Balance Sheet Events

No circumstances have arisen and no material events have occurred since the Balance Sheet date, which would require adjustments to, or disclosure in the accounts other than those disclosed in the note 24 of the Financial Statements and this Report.

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 Twelfth Annual general Meeting of the Company will be held at Hotel Janaki, Fife Road, Colombo 05 on the 13th day of September 2012 at 11.30 a.m. The Notice of the 12th Annual General Meeting is on page 82 of the Annual Report.

For and on behalf of the Board

(Sgd.)	(Sgd.)	(Sgd.)
Ashok Pathirage	Dr. Manjula Karunaratne	Softlogic Corporate Services (Pvt) Ltd
Director	Director	Secretaries

30th July 2012
Colombo

Statement of Directors' Responsibility

The responsibility of the Directors, in relation to the financial statements of the Company differ from the responsibilities of the Auditors, which are set out in the Report of the Auditors on page 45.

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

The Directors consider that, in preparing financial statements set out on pages 46 to 75 of the Annual Report, appropriate accounting policies have been selected and applied in a consistent manner and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed. The Directors confirm that they have justified in adopting the going concern basis in preparing the financial statements since adequate resources are available to continue operations in the foreseeable future.

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

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

The Directors are required to prepare financial statements and to provide the external auditors with every opportunity to take whatever steps and undertake whatever inspections they may consider to

be appropriate to enable them to give their independent audit opinion.

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

Compliance Report

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

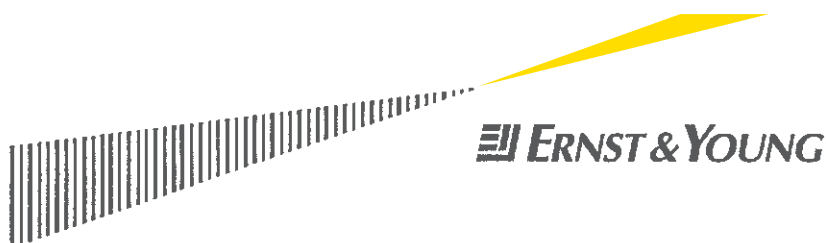
For and on behalf of the Board

(Sgd.)

SOFTLOGIC CORPORATE SERVICES (PVT) LTD
SECRETARIES

Colombo
30th July 2012

Independent Auditors' Report



Chartered Accountants

201 De Saram Place
P.O. Box 101
Colombo 10
Sri Lanka

Tel : (0) 11 2463500
Fax Gen : (0) 11 2697369
Tax : (0) 11 5578180
eyst@lk.ey.com

TO THE SHAREHOLDERS OF ASIRI SURGICAL HOSPITAL PLC

Report on the Financial Statements

We have audited the accompanying Financial Statements of Asiri Surgical Hospital PLC ("Company"), which comprise the Balance Sheet as at 31 March 2012, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

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

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

Opinion

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended 31 March 2012 and the Financial Statements give a true and fair view of the Company's state of affairs as at 31 March 2012 and its profit and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

In our opinion, these financial statements also comply with the requirements of Section 151(2) of the Companies Act No. 7 of 2007.

(Sgd.)

Ernst & Young

30 July 2012

Colombo

Balance Sheet

As at 31st March	Note	2012 Rs. '000 Rs.	2011 Rs. '000 Rs.
ASSETS			
Non-current Assets			
Property, Plant and Equipment	3	1,681,024,310	1,638,948,155
Leasehold Property	4	90,386,044	91,422,977
Investment in Associate	5	763,175,776	726,994,222
Investments in Equity Securities	6	216,973,011	216,973,011
		2,751,559,141	2,674,338,365
Current Assets			
Inventories	7	120,285,960	105,885,729
Trade and Other Receivables	8	878,005,814	409,988,593
Short Term Deposit		-	5,000,000
Cash and Cash Equivalents	14.1	20,605,716	8,217,563
		1,018,897,490	529,091,885
Total Assets		3,770,456,631	3,203,430,250
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	9	1,393,327,565	1,393,327,565
Retained Earnings		1,066,093,525	747,479,063
Total Equity		2,459,421,090	2,140,806,628
Non-current Liabilities			
Amount Due on Leasehold Property	10	46,488,666	50,560,667
Interest Bearing Loans and Borrowings	11	598,038,946	320,787,514
Retirement Benefit Liability	12	23,975,939	19,037,974
		668,503,551	390,386,155
Current Liabilities			
Amount Due on Leasehold Property	10	4,072,000	5,113,277
Interest Bearing Loans and Borrowings	11	495,647,475	537,094,248
Trade and Other Payables	13	136,685,228	126,375,876
Tax Payable		4,951,229	2,472,246
Dividend Payable		1,176,058	1,181,820
		642,531,990	672,237,467
Total Equity and Liabilities		3,770,456,631	3,203,430,250

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

(Sgd.)

Kosala Dissanayake

Group Director Finance

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.)

A K Pathirage

Director

(Sgd.)

Mrs. D Wimalasundara

Director

The Accounting Policies and Notes on pages 50 through 75 form an integral part of these Financial Statements.

30th July 2012

Colombo

Income Statement

For the Year ended 31st March	Note	2012 Rs. '000	2011 Rs. '000
Revenue		1,973,665,799	1,668,484,233
Cost of Services		(1,009,143,532)	(890,041,290)
Gross Profit		964,522,267	778,442,943
Other Income and Gains	15	8,327,143	11,053,132
Administrative Expenses		(394,718,791)	(360,227,004)
Selling and Distribution Costs		(8,796,070)	(5,374,469)
Finance Cost	16.1	(92,443,824)	(103,119,411)
Finance Income	16.2	18,002,864	10,808,514
Share of Profit/(Loss) of Associate	5.3	36,181,554	(57,738,456)
Net Foreign Currency Exchange Loss	17	(16,787,882)	-
Profit Before Tax		514,287,261	273,845,249
Income Tax Expense	19	(7,366,121)	(6,619,197)
Profit for the Year		506,921,140	267,226,052
Earnings Per Share Basic	20	0.86	0.47
Dividend Per Share - Ordinary Shares	21.1	0.255	0.100
- Preference Shares	21.2	0.255	0.100

The Accounting Policies and Notes on pages 50 through 75 form an integral part of these Financial Statements.

Statement of Changes in Equity

Year ended 31 March 2012	Note	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
As at 01 April 2010		1,393,327,565	554,101,630	1,947,429,195
Profit for the Year		-	267,226,052	267,226,052
Dividend Paid - Ordinary Shares	21.1	-	(52,848,619)	(52,848,619)
- Preference Shares	21.2	-	(21,000,000)	(21,000,000)
As at 31 March 2011		1,393,327,565	747,479,063	2,140,806,623
Profit for the Year		-	506,921,140	506,921,140
Dividend Paid - Ordinary Shares	21.1	-	(134,756,678)	(134,756,678)
- Preference Shares	21.2	-	(53,550,000)	(53,550,000)
As at 31 March 2012		1,393,327,565	1,066,093,525	2,459,421,090

The Accounting Policies and Notes on pages 50 through 75 form an integral part of these Financial Statements.

Cash Flow Statement

Year ended 31 March 2012		2012	2011
	Note	Rs. '000	Rs. '000
Cash Flows From Operating Activities			
Profit Before Income Tax Expense		514,287,261	273,845,249
Adjustments for			
Amortisation of Leasehold Land	18	1,036,933	1,036,933
Depreciation	3.2	165,606,944	151,457,613
Share of Loss /(Gain) of Associate	5.3	(36,181,554)	57,738,457
Gain on Transfer of Assets		-	(2,819,690)
Provision for Bad Debts		3,761,455	1,542,624
Provision for Obsolete Stocks		-	1,933,992
Finance Income	16.2	(18,002,864)	(10,808,514)
Finance Costs	16.1	92,443,824	103,119,411
Unrealised Foreign Currency Exchange Loss	17	31,091,465	-
Provision for Gratuity	12.1	5,843,470	7,017,271
Operating Profit Before Working Capital Changes		759,886,934	584,063,346
(Increase)/Decrease in Inventories		(14,400,231)	5,853,221
(Increase)/Decrease in Trade and Other Receivables		(464,662,290)	(217,548,668)
Increase/(Decrease) in Trade and Other Payables		10,309,353	16,716,250
Cash Generated From Operations		291,133,765	389,084,149
Income Tax paid		(4,887,137)	(4,271,483)
Finance Costs paid		(92,443,824)	(103,836,531)
Defined Benefit Plan Costs paid		(905,505)	(516,922)
Net Cash From Operating Activities		192,897,297	280,459,213
Cash Flows From/(Used in) Investing Activities			
Acquisition of Property, Plant & Equipment	3.1	(207,683,100)	(127,657,999)
Finance Income Received		18,002,864	10,808,514
Upliftment of Short term Investment		5,000,000	-
Net Cash Flows Used in Investing Activities		(184,680,236)	(116,849,485)
Cash Flows from/(Used in) Financing Activities			
Proceeds From Interest Bearing Loans & Borrowings		706,830,716	607,549,000
Repayment of amount due on leased hold property		(5,113,278)	(4,072,000)
Repayment of Interest Bearing Loans & Borrowings		(585,396,522)	(808,258,162)
Repayment of Finance Lease installment		(1,192,133)	(976,134)
Dividend Paid	21	(188,306,678)	(73,627,256)
Net Cash Flows/(Used in) Financing Activities		(73,177,895)	(279,384,552)
Net Increase/(Decrease) in Cash and Cash Equivalents		(64,960,835)	(115,774,824)
Cash and Cash Equivalents at the beginning of the year		(129,798,231)	(14,023,407)
Cash and Cash Equivalents at the end of the year	14	(194,759,065)	(129,798,231)

The Accounting Policies and Notes on pages 50 through 75 form an integral part of these Financial Statements.

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1 General

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

1.2 Principal Activities and Nature of Operations

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

1.3 Parent Enterprise and Ultimate Parent Enterprise

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

In the opinion of the Directors, up to 03 February 2011 the Company’s ultimate parent undertaking and controlling party was Asiri Hospitals Holdings PLC and with effect from 03 February 2011 Softlogic Holdings Limited is the ultimate parent undertaking and controlling party of the Company.

1.4 Date of Authorization for Issue

The Financial Statements of Asiri Surgical Hospital PLC for year ended 31 March 2012 was authorized for issue in accordance with a resolution of the Board of Directors dated 30th July 2012.

2. GENERAL ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The Financial Statements have been prepared on a historical cost basis unless otherwise stated. The Financial Statements are presented in Sri Lankan Rupees.

2.1.1 Statement of Compliance

The Financial Statements of Asiri Surgical Hospital PLC have been prepared in accordance with the Sri Lanka Accounting Standards (SLAS) laid down by the Institute of Chartered Accountants of Sri Lanka, and also in compliance with the requirements of the Companies Act No. 7 of 2007.

2.1.2 Change in Accounting Policies and Comparative Information

The accounting policies have been consistently applied by the Company in consistent with those used in the previous year.

Previous year’s figures and phrases have been rearranged wherever necessary to conform to current year’s presentation.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense and the disclosure of contingent liabilities at the reporting date. The key judgments, estimates and associated assumptions are assessed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following key judgments, estimates and assumptions addresses amongst others that require subjective and complex judgment.

(a) Inventories

Company reviews the existence and usability of inventories based on a perpetual inventory count. Provisions are made when Management determines obsolete stock and/or assesses a reduction in recoverable value.

(b) Allowance for Doubtful Debts

The company reviews at each balance sheet date all receivables to assess whether an allowance should be recorded in the income statement. Management uses judgment in estimating such allowance considering the duration of outstanding and any other factors management is aware of that indicates uncertainty in recoverability.

(c) Impairment of Assets

The Company assesses whether there are any indicators of impairment for its non financial assets, long term investment and investment in associate at each reporting date. Such assessment is made as described under accounting policy No. 2.3.10 to these Financial Statements. In this regard, the fair value measurement included the Company's ability to benefit from synergies and value of other tangible/intangible assets that arise from its holding.

(d) Revaluation of Investment Property

The associate carries its investment properties at fair value, with changes in fair value being recognized in the income statement. The associate engages independent valuation specialists to determine fair value of investments properties as at 31 st March 2012, by using the market value base technique. Details relating to fair value and impact to the Company's Financial Statements are disclosed in Note 5.5 to these Financial Statements.

(e) Depreciation of Property, Plant and Equipment

Provision for Depreciation is calculated on a straight line basis over the useful life of the assets. The useful life of an asset is defined in terms of the asset's expected utility to the entity. Therefore, the useful life of an asset may be shorter than its economic life. The estimation of the useful life of the asset is a matter of judgment based on the experience of the entity with similar assets. Estimation made over the useful life

of the assets are disclosed under Note 3.7 to these Financial Statements.

(f) Defined Benefit Plans

The cost of defined benefit plans – Gratuity is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and going concern of the Company. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date. Assumptions made for the current financial period are disclosed under Note 12.2 to these Financial Statements.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.3.1 Foreign Currency Translation**

The Financial Statements are presented in Sri Lanka Rupees, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to 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

2.3.2 Taxation**a) Income Tax**

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

Notes to the Financial Statements

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 commencing from 31 March 2004. This exemption expires on 31 March 2014.

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

b) Economic Service Charge

As per the provisions of the Economic Service Charge Act No.13 of 2006 and subsequent amendments thereto, Economic Service Charge (ESC) is payable on relevant turnover. The rate of ESC relating to the revenue referred to in the BOI agreement where the corresponding profit is exempt from income tax is 0.25% and the rate relating to other income is 1%. ESC paid is deductible from the Company's income tax liability. Any unclaimed amount can be carried forward and set off against the income tax payable for a further four years.

c) Value Added Tax (VAT)

As per item XII of Part II (b) of first schedule to the Value Added Tax Act No. 14 of 2002 and subsequent amendments thereto the supply of health care services provided by the Company is exempt whilst other revenue would be liable at the prevailing rate.

d) Social Responsibility Levy (SRL)

As per the provisions of the Finance Act No. 5 of 2005 and subsequent amendments thereto, the Company is liable to pay SRL at the rate of 1.5% on all taxes and levies chargeable as specified in the first schedule of the Act.

e) Deferred Taxation

As the Inland Revenue Act does not apply as stated above, temporary differences do not exist during the tax exemption period. Therefore deferred tax does not apply.

2.3.3 Borrowing Cost

Borrowing costs are recognized as an expense in the period in which they are incurred, except to the extent where borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of that asset.

2.3.4 Inventories

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

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

2.3.5 Trade and Other Receivables

Trade receivables are stated at the amounts they are estimated to realise net of allowances for bad and doubtful receivables.

Other receivables and dues from Related Parties are recognised at cost less allowances for bad and doubtful receivables.

2.3.6 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 Cash in hand and Deposits in Banks 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.

2.3.7 Property, Plant and Equipment

All items of property, plant and equipment is stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met.

Depreciation is calculated on a straight line basis over the useful life of the assets.

When each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

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

2.3.8 Leases

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception 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 the 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 charged and reflected in the income statement.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term. The depreciation policy for depreciable leased assets is consistent with that for depreciable asset that are owned as described in 2.3.7

Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

2.3.9 Investments

a) Investment in Associates

The Company's investment in associate is accounted for using the equity method of accounting. An associate is an entity in which the Company has significant influence and which is neither a subsidiary nor a joint venture.

Under the equity method, the investment in the associate is carried in the balance sheet at cost plus post acquisition changes in the Company's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. The income statement reflects the share of the results of operations of the associate. Where there has been a change recognized directly in the equity of the associate, the Company recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Profits and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

Notes to the Financial Statements

The reporting dates of the associate and the Company are identical and the associate's accounting policies conform to those used by the Company for like transactions and events in similar circumstances.

b) Other Investments

Initial Recognition:

Cost of investment includes purchase cost and acquisition charges such as brokerages, fees, duties and bank regulatory fees. The company distinguishes and presents non-current investment in the balance sheet.

Measurement

Long Term Investments

Long term investments are stated at cost. Carrying amounts are reduced to recognize a decline other than temporary, determined for each investment individually. These reductions for other than temporary declines in carrying amounts are charged to income statement.

2.3.10 Impairment of assets

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

2.3.11 Provisions

Provisions are recognized when the Company 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.

2.3.12 Retirement Benefit Obligations

a) Defined Benefit Plan – Gratuity

The Company measures the present value of the promised retirement benefits for 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 required by Sri Lanka Accounting Standard 16, Employee Benefits (Revised 2006). Accordingly, the employee benefit liability is based on the actuarial valuation carried out by Messrs Actuarial and Management Consultants (Pvt) Ltd., Actuaries.

As per the payment of Gratuity Act No. 12 of 1983, this liability only arises upon completion of 5 years of continued service. The gratuity liability is not externally funded. The item is stated under Retirement Benefit Liability in the balance sheet.

b) Defined Contribution Plan- Employees Provident Fund & Employees Trust Fund

Employees are eligible for Employees' Provident Fund and Employees' Trust Fund Contributions in line with respective statutes and regulations. The Company contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

2.3.13 Income Statement

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to

the Company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes. The following specific criteria are used for the purpose of recognition of revenue.

a) Rendering of Services

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

b) Interest

Interest income is recognized as the interest accrued unless recoverability is in doubt.

c) Others

Other income is recognized on an accrual basis.

2.3.14 Gains and losses from foreign exchange forward contracts

Foreign exchange forward contracts are fair valued at each reporting date. Unrealised gains and losses arising from changes in fair value are included in the income statement in the period in which they arise.

2.4 SRI LANKA ACCOUNTING STANDARDS EFFECTIVE FROM 01 JANUARY 2012

The Company will be adopting the new Sri Lanka Accounting Standards (new SLAS) comprising LKAS and SLFRS applicable for financial periods commencing from 01 March 2012 as issued by the Institute of Chartered Accountants of Sri Lanka. The Company has commenced reviewing its accounting policies and financial reporting in readiness for the transition. As the Company has a 31 March year end, priority has been given to considering the preparation of an opening balance sheet in accordance with the new SLASs as at 01 April 2011. This will form the

basis of accounting for the new SLASs in the future, and is required when the Company prepares its first new SLAS compliant financial statements for the year ending 31 March 2013. Set out below are the key areas where accounting policies will change and may have an impact on the Financial Statements of the Company. The Company is in the process of quantifying the impact on the Financial Statements arising from such changes in accounting policies.

(a)

SLFRS 1 – First Time Adoption of Sri Lanka Accounting Standards requires the Company to prepare and present opening new SLFRS Financial Statements at the date of transition to new SLAS. The Company shall use the same accounting policies in its opening new SLAS Financial Statements and throughout all comparable periods presented in its first new SLAS Financial Statements.

(b)

LKAS 1 – Presentation of Financial Statements requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non owner changes in equity are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). This standard also requires the Company to disclose information that enables users of its Financial Statements to evaluate the entity's objectives, policies and processes for managing capital.

(c)

LKAS 16 – Property Plant and Equipment requires a company to initially measure an item of property plant and equipment at cost, using the cash price equivalent at the recognition date. If payment is deferred beyond normal credit terms, the difference between the cash price equivalent and the total payment is recognized as interest over the period, unless such interest is capitalized in accordance with LKAS 23 Borrowing Costs.

This standard requires depreciation of assets over their useful lives, where the residual value of assets

Notes to the Financial Statements

is deducted to arrive at the depreciable value. It also requires that significant components of an asset be evaluated separately for depreciation.

- (d)** LKAS 32 – Financial Instruments: Presentation, LKAS 39 – Financial Instruments: Recognition and Measurement and SLFRS 7 – Disclosures will result in changes to the current method of recognizing financial assets, financial liabilities and equity instruments. These standards will require measurement of financial assets and financial liabilities at fair value at initial measurement. The subsequent measurement of financial assets classified as fair value through profit and loss and available for sale will be at fair value, with the gains and losses routed through the statements of comprehensive income and other comprehensive income respectively.

Financial assets classified as held to maturity and loans and receivables will be measured subsequently at amortized cost. These assets will need to be assessed for any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') coupled with a reliable estimate of the loss event (or events) impact on the estimated future cash flows of the financial asset or group of financial assets. As such the current method of assessing for impairment will have to be changed to meet the requirements of these new standards.

Financial liabilities will be either classified as fair value through profit or loss or at amortized cost. At present, the Company does not identify, categorise and measure financial assets and liabilities as per the requirements of the standard and also does not recognise certain derivative instruments on the balance sheet.

- (e)** LKAS 12 – Income Tax requires deferred tax to be provided in respect of temporary differences which will arise as a result of adjustments made to comply with the new SLAS.

- (f)** LKAS 18 – Revenue requires the company to measure revenue at fair value of the consideration received or receivable. It also specifies recognition criteria for revenue, and the Company needs to apply such recognition criteria to the separately identifiable components of a single transaction in order to reflect the substance of the transaction.

The Institute of Chartered Accountants of Sri Lanka has resolved an amendment to Sri Lanka Accounting Standard 10, whereby the provision contained in paragraphs 30 and 31 of SLAS 10 – Accounting Policies, Changes in Accounting Estimates and Errors, would not be applicable for Financial Statements prepared in respect of financial periods commencing before 1 January 2012 and hence the impact of this transition is not required to be disclosed in these Financial Statements.

	Balance As at 01.04.2011 Rs.	Additions/ Transfers Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2012 Rs.
3. PROPERTY, PLANT AND EQUIPMENT				
3.1 Gross Carrying Amounts				
At Cost				
Building on Leasehold Land	940,518,493	22,269,782	-	962,788,275
Medical Equipment	780,632,825	165,446,153	-	946,078,978
Office Equipment	68,483,567	6,734,390	-	75,217,957
Furniture and Fittings	98,506,368	4,568,159	-	103,074,527
Kitchen Equipment	14,385,147	2,090,372	-	16,475,519
Generator	27,605,125	-	-	27,605,125
Air Conditioners	94,315,145	4,773,124	-	99,088,269
Housekeeping Equipment	3,206,567	462,329	-	3,668,896
Laundry Equipment	8,387,030	-	-	8,387,030
Motor Vehicle	13,218,569	269,400	-	13,487,969
Tools and Equipment	37,062,103	227,952	-	37,290,055
Fixtures and Fittings	119,332,260	841,439	-	120,173,699
Elevators	30,251,505	-	-	30,251,505
	2,235,904,704	207,683,100	-	2,443,587,804
Assets on Finance Leases				
Motor Vehicle	5,577,728	-	-	5,577,728
	5,577,728	-	-	5,577,728
Total Value of Depreciable Assets	2,241,482,432	207,683,100	-	2,449,165,532

Notes to the Financial Statements

	Balance As at 01.04.2011 Rs.	Charge for the period Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2012 Rs.
3. PROPERTY, PLANT AND EQUIPMENT (Contd.)				
3.2 Depreciation				
Building on Leasehold Land	90,508,534	18,937,404	-	109,445,938
Medical Equipment	249,560,687	84,474,267	-	334,034,954
Office Equipment	39,415,807	14,377,640	-	53,793,447
Furniture and Fittings	44,130,221	10,095,809	-	54,226,030
Kitchen Equipment	7,146,715	1,586,262	-	8,732,977
Generator	8,404,515	2,760,513	-	11,165,028
Air Conditioners	40,425,178	9,584,876	-	50,010,054
Housekeeping Equipment	1,532,163	343,162	-	1,875,325
Laundry Equipment	5,828,521	838,703	-	6,667,224
Motor Vehicles	4,061,965	2,835,755	-	6,897,720
Tools and Equipments	22,275,981	3,726,901	-	26,002,882
Fixtures and Fittings	74,242,180	12,096,996	-	86,339,176
Elevators	13,020,332	3,025,151	-	16,045,483
	600,552,799	164,683,439	-	765,236,238
Assets on Finance Leases				
Motor Vehicle	1,981,479	923,505	-	2,904,984
	1,981,479	923,505	-	2,904,984
Total Depreciation	602,534,278	165,606,944	-	768,141,222

	2012 Rs.	2011 Rs.
3.3 Net Book Values		
Building on Leasehold Land		
	853,342,337	850,009,959
Medical Equipment	612,044,024	531,072,138
Office Equipment	21,424,510	29,067,760
Furniture and Fittings	48,848,497	54,376,147
Kitchen Equipment	7,742,542	7,238,432
Generator	16,440,097	19,200,610
Air Conditioners	49,078,215	53,889,967
Housekeeping Equipment	1,793,571	1,674,404
Laundry Equipment	1,719,806	2,558,509
Motor Vehicles	6,590,249	9,156,604
Tools and Equipments	11,287,173	14,786,122
Fixtures and Fittings	33,834,523	45,090,080
Elevators	14,206,022	17,231,174
	1,678,351,566	1,635,351,906
Assets on Finance Leases		
Motor Vehicles	2,672,744	3,596,249
	2,672,744	3,596,249
Total Carrying Amount of Property, Plant and Equipment	1,681,024,310	1,638,948,155

- 3.4** During the year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs.207,683,100/- (2011-Rs.129,494,677/-). Cash payments amounting to Rs.207,683,100/- (2011-Rs.127,657,999/-) were made during the year for purchase of Property, Plant & Equipment.
- 3.5** The Company has received the leasehold right to the land, for a period of 99 years from the BOI and the lease-hold right of the property vested with the Company along with the building has been mortgaged to Hatton National Bank PLC as security for the loan facility of Rs. 200 Mn obtained by Asiri Hospital Holdings PLC on July 09, 2004 with the approval of the BOI.
- 3.6** Secondary mortgage of the land and building referred to under Note 3.6 has been given in favour of Commercial Bank of Ceylon PLC and Hatton National Bank PLC for a syndicated loan of Rs 350 Mn obtained by Asiri Surgical Hospital PLC.

3.7 Depreciation

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

Buildings on Leasehold Land	Over 50 Years	Over 50 Years
Medical Equipment	Over 10 Years	Over 10 Years
Office Equipment	Over 5 Years	Over 5 Years
Furniture and Fittings	Over 10 Years	Over 10 Years
Kitchen Equipment	Over 10 Years	Over 10 Years
Generator	Over 10 Years	Over 10 Years
Air Conditioners	Over 10 Years	Over 10 Years
Housekeeping Equipment	Over 10 Years	Over 10 Years
Laundry Equipment	Over 10 Years	Over 10 Years
Motor Vehicles	Over 5 Years	Over 5 Years
Tools and Equipments	Over 10 Years	Over 10 Years
Fixtures and Fittings	Over 10 Years	Over 10 Years
Elevators	Over 10 Years	Over 10 Years

4. LEASEHOLD PROPERTY

	2012 Rs.	2011 Rs.
Balance as at the beginning of the year	91,422,977	92,459,910
Amortization for the year	(1,036,933)	(1,036,933)
Balance as at the end of the year	90,386,044	91,422,977

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

Refer Note 3.6 to these Financial Statements.

Notes to the Financial Statements

5. INVESTMENT IN ASSOCIATE

Asiri Central Hospitals PLC

5.1 The Company has a 32.71% (2011 - 32.71%) interest in Asiri Central Hospital PLC which is involved in managing and holding of Investment Property.

5.2 Carrying Value of the Investment

	Number of Shares			
	2012	2011	2012 Rs.	2011 Rs.
Quoted				
Carrying Value of the Investments	7,303,257	7,303,257	727,563,277	727,563,277
Post acquisition profit net of dividends (Note 5.4)			35,612,499	(569,055)
Net Carrying Value of the Investments			763,175,776	726,994,222
Share of Associate's Balance Sheet				
Current Assets			12,356,466	2,814,592
Non-current Assets			964,855,020	868,456,387
Current Liabilities			(181,261,746)	(283,458,534)
Non- Current Liabilities			(139,860,599)	
Net Assets			656,089,141	587,812,445
Fair value, Good will and other adjustments on acquisition			417,889,295	417,889,295
Fair value incorporated in the books of the Associate Company (5.4)			(278,707,517)	(278,707,517)
Fair value incorporated in the books of the Associate Company - During the year			(32,095,143)	
Net Carrying Value of the Investments			763,175,776	726,994,223

5.3 Share of the Associates Revenue and Loss

	2012 Rs.	2011 Rs.
Revenue	21,686,730	9,708,448
Loss before Income Tax	39,523,765	(57,510,072)
Income Tax	(3,342,211)	(228,384)
Loss after Income Tax	36,181,554	(57,738,456)

	2012 Rs.	2011 Rs.
5.4 Post Acquisition Profit Net of Dividends as of end of the year		
Post acquisition operational Loss	35,612,499	(569,055)
	35,612,499	(569,055)

- 5.5** The land of Asiri Central Hospital PLC, situated at No. 37, Horton Place Colombo 7 was revalued during the financial year 2010 by Messers. P.B. Kalugalgedara & Associates- Chartered Valuation Surveyors. The land was valued at their open market values and the results of such revaluation were incorporated in the Financial Statements as at 31 st December 2010. The surplus arising from the revaluation was transferred to the revaluation reserve.

The land occupied together with building was classified from owner occupied property to an investment property with effect from 1st April 2011.

The Building of Asiri Central Hospital PLC situated at the above land was also revalued during the financial year 2010 by Messers. P.B. Kalugalgedara & Associates- Chartered Valuation Surveyors. At the time of transferring the building from owner occupied property to investment property, the Directors decided to incorporate the results of such revaluation and the surplus arising from such revaluation net of deferred tax is transferred to revaluation reserve.

6. INVESTMENT IN EQUITY SECURITIES

Non-current	Holding	Carrying Value	Directors' Valuation	Carrying Value	Directors' Valuation
%	%	Rs.	Rs.	Rs.	Rs.
Non-Quoted					
Central Hospital Ltd.	7.38	7.38	216,973,011	216,973,011	216,973,011
			216,973,011	216,973,011	216,973,011

7. INVENTORIES

	2012	2011
	Rs.	Rs.
Pharmaceuticals	22,082,097	24,363,094
Surgical	62,017,229	61,143,357
Genetic Lab	14,844,781	8,217,070
X-Ray and Radiology Consumables	1,820,766	3,481,788
Kitchen/ Canteen	952,024	618,800
House Keeping Consumables	1,303,088	784,406
Stationery	8,582,947	4,540,968
Others	8,683,028	6,603,495
	120,285,960	109,752,978
Less: Provision for Obsolete Stocks	-	(3,867,249)
	120,285,960	105,885,729

Notes to the Financial Statements

8. TRADE AND OTHER RECEIVABLES

		2012 Rs.	2011 Rs.
Trade Debtors		91,681,831	70,183,618
Less: Provision for Bad Debts		(7,479,960)	(4,138,810)
		84,201,871	66,044,808
Other Debtors - Related Party (8.1)		664,140,714	303,482,560
Advances, Deposits and Prepayments		122,541,083	40,461,225
Other Assets		7,122,146	-
		878,005,814	409,988,593
8.1 Other Debtors - Related Party	Relationship		
Asiri Hospitals PLC	Parent Company	362,101,781	67,231,466
Asiri Central Hospitals PLC	Associate Company	109,094,165	60,207,270
Asiri Diagnostic Services (Pvt) Ltd	Fellow Subsidiary	3,467,444	804,036
Asiri Hospital Kandy (Pvt) Ltd	Fellow Subsidiary	342,488	-
Central Hospital (Pvt) Ltd	Fellow Subsidiary	188,471,007	175,011,382
Matara Medi House (Pvt) Ltd.	Fellow Subsidiary	663,829	228,406
		664,140,714	303,482,560

8.2 OTHER ASSETS

	2012 Rs.	2011 Rs.
Unrealised Exchange Gain from Forward Contracts (9.1)	7,122,146	-

The Forward Contracts entered into by the Company and are existing as at the balance sheet date have been Fair Valued. The above balance represents the assets whilst the corresponding have been considered in arriving at profit/loss for the year. (Note 17).

9. STATED CAPITAL

	2012		2011	
	Number	Rs.	Number	Rs.
Fully Paid Ordinary Shares (10.1)	528,457,545	1,183,327,565	528,457,545	1,183,327,565
Fully Paid Cumulative Non Redeemable Preference Shares (10.1)	210,000,000	210,000,000	210,000,000	210,000,000
		1,393,327,565		1,393,327,565

9.1 Rights, Preferences and Restrictions of Classes of Capital

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at a meeting of the Company.

Holders of preference shares will confer the right to a dividend which will be equal to any dividend declared on the ordinary shares. The holders of preference shares will have a priority right over the ordinary shareholders to the payment of such dividend. The preference shareholders do not carry the right to vote at a general meeting.

In a winding-up the preference shares will confer the right to the payment of the paid preference share capital to the holders thereof in priority to the payment of the paid up ordinary share capital to the holders of such capital. Thereafter, all shares rank equally with regard to the Company's residual assets, after the return to the ordinary shareholders of the paid up ordinary shares.

9.2 Fully Paid Ordinary Shares

	2012		2011	
	Number	Rs.	Number	Rs.
Balance at beginning of the period	528,457,545	1,183,327,565	528,457,545	1,183,327,565
Balance at end of the period	528,457,545	1,183,327,565	528,457,545	1,183,327,565

9.3 Fully Paid Cumulative

	2012		2011	
	Number	Rs.	Number	Rs.
Non Redeemable Preference Shares				
Balance at beginning of the period	210,000,000	210,000,000	210,000,000	210,000,000
Balance at end of the period	210,000,000	210,000,000	210,000,000	210,000,000

10. Amount due on Leasehold Property

	2012			Total	2011 Total
	Amount Repayable Within 1 Year Rs.	Amount Repayable Within 2-5 Years Rs.	Amount Repayable After 5 Years Rs.		
Payable to the Board of Investment of Sri Lanka					
Gross Liability on Leasehold Land	4,275,600	17,102,400	31,710,700	53,088,700	57,364,300
Less: Finance Charges allocated to future periods	(203,600)	(814,400)	(1,510,034)	(2,528,034)	(2,731,633)
Net Liability on Leasehold Land	4,072,000	16,288,000	30,200,666	50,560,666	54,632,667
On-re-location (11.1.3)	-	-	-	-	1,041,277
	4,072,000	16,288,000	30,200,666	50,560,666	55,673,944

Notes to the Financial Statements

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

10.1.1 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.

10.1.2 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 recognised as an expense each year from year 2010/11.

-If BOI exercises same right, at the end of 5 years (i.e. after the financial year of 2013/14) and every 5 years thereafter at the maximum allowed rate of 10%, the Company would have to incur a gross liability of Rs.113,100,004/- including future finance costs of Rs. 8,567,470/-.

-All payments are subject to taxes prevailing at the time of payment.

10.1.3 - An amount of Rs. 7,288,940/- is payable in seven equal annual installments on account of re-location fees commencing from the financial year 2004/2005.

11. INTEREST BEARING LOANS AND BORROWINGS

	2012			2011	2011	2011
	Repayable Within 1 Year	Repayable After 1 Year	Total Amount			
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Finance Leases (12.1)	1,351,983	-	1,351,983	1,151,672	1,392,444	2,544,116
Bank Loans (12.2) - Short Term	-	-	-	198,608,810	-	198,608,810
- Long Term	278,930,711	598,038,946	876,969,657	199,317,972	319,395,070	518,713,042
Bank Overdraft (15.2)	215,364,781	-	215,364,781	138,015,794	-	138,015,794
	495,647,475	598,038,946	1,093,686,421	537,094,248	320,787,514	857,881,762

11.1 Finance Leases

	As at 01.04.2011	New Leases Obtained	Repayment	As at 31.03.2012
	Rs.	Rs.	Rs.	Rs.
Hatton National Bank PLC				
Gross Liability	3,012,379	-	(1,515,996)	1,496,383
Finance Charges allocated to future periods	(468,263)		323,863	(144,400)
Net liability	2,544,116	-	(1,192,133)	1,351,983

INTEREST BEARING LOANS AND BORROWINGS (Contd.)**11.2 Bank Loans**

	As at 01.04.2011 Rs.	Loans Obtained Rs.	Repayments Rs.	Exchange Difference	As at 31.03.2012 Rs.
Commercial Bank of Ceylon PLC	384,680,000	-	(214,840,000)	-	169,840,000
Hatton National Bank PLC	129,300,000	48,860,000	(84,800,000)	-	93,360,000
Nations Trust Bank PLC	15,750,000	-	(9,000,000)	-	6,750,000
DFCC Bank	138,983,042	300,000,000	(78,147,712)	-	360,835,330
Pan Asia Banking Corporation PLC	48,608,810	150,000,000	(198,608,810)	-	-
International Finance Corporation	-	207,970,716	-	38,213,611	246,184,327
	717,321,852	706,830,716	(585,396,522)	38,213,611	876,969,657

11.3 Details of the Long Term Loans

Details of the Long Term Loans	Approved Facility	Purpose	Repayment Terms	Security	Security Amount Rs.
Commercial Bank of Ceylon PLC	Rs.300 Million	To part finance the cost of construction of Phase 2 of the hospital complex	60 equal monthly installments Commencing from 12 Months after first disbursement	Corporate Guarantee from Asiri Hospital Holdings PLC	300 Mn
Commercial Bank of Ceylon PLC	Rs.100 Million	To establishment of irrevocable documentary Letters of Credits for the importation of medical equipment	60 equal monthly installments with one year grace period Commencing from 25th December 2009	Primary Mortgage over machinery to be imported & Corporate Guarantee from Asiri Hospital Holdings PLC	350 Mn
Commercial Bank of Ceylon PLC	Rs.175 Million	To part refinance the term loan granted to finance the Purchase of 6,577,981 Shares of Asiri Central Hospitals PLC	59 Equal monthly installment of Rs. 2.9 Mn each and final installment of Rs. 3.9 Mn	Secondary Concurrent Mortgage Bond with Hatton National Bank PLC over property of the Company	175 Mn
Commercial Bank of Ceylon PLC	Rs. 100 Million	To finance the working capital requirements of the Company	Each loan will be repaid in 30 days	Secondary Concurrent Mortgage Bond with Hatton National Bank PLC over property of the Company & Corporate Guarantee from Asiri Hospital Holdings PLC	225 Mn
Hatton National Bank PLC	Rs.175 Million	To part settle temporary facilities obtained to purchase stake in Asiri Central Hospitals PLC	59 Equal monthly installment of Rs. 2.9 Mn each and final installment of Rs. 3.9 Mn	Leased hold Land and Buildings	175 Mn
Hatton National Bank PLC	Rs.50 Million	For operational requirements	Each loan will be repaid in 30 days	Corporate Guarantee from Asiri Hospital Holdings PLC	150 Mn
Nation Trust Bank PLC	Rs 36 Million	For importation of Cardiac Monitoring and Resuscitation system	48 equal monthly installments Commencing from January 2009	Mortgage over Equipment Corporate Guarantee from Asiri Hospital Holdings PLC	36 Mn

Notes to the Financial Statements

Details of the Long Term Loans	Approved Facility	Purpose	Repayment Terms	Security	Security Amount Rs.
Pan Asia Banking Corporation PLC	Rs.50 Million	To finance the working capital requirements of the Company	Each loan will be repaid in 90 days	Corporate Guarantee from Asiri Hospital Holdings PLC	100 Mn
DFCC Bank	Rs.200 Million	To settle part of the short term borrowings	50 equal monthly installments (capital) after a grace period of one month commencing from 25 December 2009	66,000,000 ordinary shares of Asiri Surgical Hospital PLC held by Asiri Hospitals PLC	200 Mn
DFCC Bank	Rs. 200 Million	To settle part of the short term borrowings	59 equal monthly installments after a grace period of one month from the date of first disbursement.	134,915,107 ordinary shares of Asiri Surgical Hospital PLC held by Asiri Hospital Holdings PLC	200 Mn
DFCC Bank	Rs.100 Mn	To finance importation of a PET/CT Scanning Machine	56 equal monthly instalments after a grace period of 4 months	Corporate Guarantee from Asiri Hospital Holdings PLC bearing registration No:PQ204	100 Mn
International Finance Corporation	USD 1.9 Million	To settle part of the short term borrowings	17 equal semi annual starting from April 15, 2013.	A sum of USD 16,000,000 to be secured by, a primary mortgage in respect of leasehold rights over the property are 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.	

Details of the Long Term Loans	Approved Facility	Purpose	Repayment Terms	Security	Security Amount Rs.
International Finance Corporation	USD 1.9 Million	To Settle part of the short term borrowings	17 equal semi annual starting from April 15, 2013.	A sum of USD 4,000,000 to be secured by, a primary mortgage in respect of all shares of Central Hospital Ltd, Asiri Diagnostic Services (Pvt) Ltd, Asiri Hospital Matara (Pvt) Ltd belonging to Asiri Hospital Holdings PLC, a primary additional security mortgage in respect of all shares of Central Hospital (Pvt)Ltd belonging to The Central Hospital Ltd, a primary additional security mortgage in respect of all shares of Central Hospital Ltd and The Central Hospital Ltd belonging to Asiri Surgical Hospital 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.	

	2012 Rs.	2011 Rs.
12. RETIREMENT BENEFIT LIABILITY		
12.1 Retirement Benefit Obligations- Gratuity		
Balance as at the beginning of the year	19,037,974	12,537,625
Charge for the year	5,843,470	7,017,271
Benefits Paid	(905,505)	(516,922)
Balance as at the end of the year	23,975,939	19,037,974

- 12.2** Messrs. Actuarial and Management Consultants (Pvt) Ltd Actuaries, carried out an actuarial valuation of the defined benefit plan gratuity on 31 March 2012. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used are as follows:

Notes to the Financial Statements

Principal Actuarial Assumption

The principal financial assumptions underlying the valuation are as follows:

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

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

13. TRADE AND OTHER PAYABLES

Trade Payables	79,400,068	55,836,885
Contract Retention	1,264,587	4,473,213
Sundry Creditors Including Accrued Expenses	53,612,454	50,494,266
Other Liabilities	79,851	11,990,400
Other Payable - Related Party (14.1)	2,328,268	3,581,112
	136,685,228	126,375,876

13.1 Other Payable - Related Party

	2012	2011
	Relationship	
Asiri Hospital Matara (Pvt) Ltd	Fellow Subsidiary	
	2,328,268	3,581,112
	2,328,268	3,581,112

	2012 Rs.	2011 Rs.
14. CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT		
Components of Cash and Cash Equivalents		
14.1 Favourable Cash and Cash Equivalents Balance		
Cash and Bank Balances	20,605,716	8,217,563
	20,605,716	8,217,563
14.2 Unfavourable Cash and Cash Equivalents Balance		
Bank Overdraft	(215,364,781)	(138,015,794)
Total Cash and Cash Equivalents for the Purposes of the Cash Flow Statement	(194,759,065)	(129,798,231)

	2012 Rs.	2011 Rs.
15. OTHER INCOME AND GAINS		
Car Park Rental	4,800,000	4,800,000
Dialog Antenna Rental	1,607,143	1,607,143
Restaurant Rental	1,200,000	1,101,800
Mobitel Income Account	720,000	720,000
Gain on Transfer of Assets	-	2,819,689
Sundry Income	-	4,500
	8,327,143	11,053,132
16. FINANCE COST AND INCOME		
	2012 Rs.	2011 Rs.
16.1 Finance Cost		
Interest Expense on Overdrafts	10,251,176	10,329,861
Interest Expense on Loans, Borrowings and Finance Leases	82,192,648	92,789,550
	92,443,824	103,119,411
16.2 Finance Income		
Interest Income	18,002,864	10,808,514
17. NET FOREIGN CURRENCY EXCHANGE LOSS		
Unrealised Exchange Loss on International Finance Corporation Loan Conversion	38,213,611	-
Realised Gain on Forward Contracts	(14,303,583)	-
Unrealised Gain on Forward Contracts	(7,122,146)	-
	16,787,882	-

Notes to the Financial Statements

	2012 Rs.	2011 Rs.
18. PROFIT BEFORE TAX		
Stated after Charging		
Included in Cost of Sales		
Depreciation	84,474,267	74,628,543
Employee Benefits including the following	278,185,060	227,865,165
- Defined Contribution Plan Costs - EPF and ETF	24,784,727	20,377,325
Included in Administrative Expenses		
Depreciation	81,132,676	76,828,922
Employee Benefits including the following	56,608,578	47,026,907
- Defined Benefit Plan Costs - Gratuity	5,843,470	7,017,271
- Defined Contribution Plan Costs - EPF and ETF	2,753,859	2,264,147
Directors' Fees and Remuneration	11,632,000	10,467,000
Amortisation of Leasehold Property	1,036,933	1,036,933
Donations	448,419	49,354
Legal Fees	1,793,714	900,603
Audit Fees and Reimbursable expense	953,238	745,000
Included in Selling and Distribution Costs		
Advertising Costs	5,034,615	3,831,845
Provision for Bad Debts	3,761,455	1,542,623
19. INCOME TAX EXPENSE		
Income Tax on Other Income	7,366,121	6,619,197
	7,366,121	6,619,197

20. EARNINGS PER SHARE

Basic Earnings Per Share is calculated by dividing the net profit for the year attributable to ordinary shareholders (after deducting preference share dividends) 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.

	2012 Rs.	2011 Rs.
Profit for the year	506,921,140	267,226,051
Dividend on Preference Shares	(53,550,000)	(21,000,000)
Profit Attributable to Ordinary Shareholders for Basic Earnings Per Share	453,371,140	246,226,051

	2012 Number	2011 Number
Number of Ordinary Shares used as the Denominator		
Weighted Average number of Ordinary Shares in issue applicable to Basic Earnings Per Share	528,457,545	528,457,545

	2012 Rs.	2011 Rs.
21. DIVIDENDS PAID AND PROPOSED		
Declared and paid during the year		
21.1 Equity dividends on ordinary shares :		
Interim dividend for 2011/2012 : Rs.0.255-per share (2010/ 2011: Rs0.10 per share)	134,756,678	52,848,619
	134,756,678	52,848,619
21.2 Dividends on Preference shares :		
Interim dividend for 2011/12 : Rs.0.255-per share (2010/11: Rs0.10 per share)	53,550,000	21,000,000
	53,550,000	21,000,000
	188,306,678	73,848,619

22. COMMITMENTS AND CONTINGENCIES

22.1 Capital Expenditure and Other Commitments

22.1.1 Capital Expenditure Commitments

The Company does not have significant capital commitments as at the balance sheet date.

22.1.2 Other Commitments

As at 31 March 2012, outstanding Currency Forward Agreements amount to Rs.170, 313,059 (USD1,300,326). These agreements were entered into in March 2012 and will mature in the month of May 2012.

Notes to the Financial Statements

22.2 Contingent Liabilities

(a) Legal Claims

There is no significant legal claims as at balance sheet date.

(b) Guarantees

The Directors of the Company have signed Corporate Guarantee Bonds with the following banks securing the following banking facilities obtained by Asiri Hospital Holdings PLC.

	2012 Rs. Mn.	2011 Rs. Mn.
Sampath Bank PLC	60	60
Seylan Bank PLC	25	25
Nations Trust Bank PLC	377	377
Hatton National Bank PLC	200	200
Commercial Bank of Ceylon PLC	380	280
Bank of Ceylon	-	30
	1,042	972

23. ASSETS PLEDGED

The following assets have been pledged as security for liabilities.

Nature of Assets

	Nature of liability	Carrying Amount Pledged	
		2012 Rs.	2011 Rs.
Lease hold Land and Buildings	Primary/Secondary Mortgage	943,728,379	941,432,936
	Bond for loans and borrowings		
Inventories and Trade debtors	Primary Mortgage Bond for overdraft facility	120,272,143	171,930,537
Cardiac Monitoring and Resuscitation System	Primary Mortgage for finance facility	21,600,000	25,200,000
Medical Equipment			
Primary Mortgage Bond for loans and borrowing		70,000,000	80,000,000
		1,155,600,522	1,218,563,473

Refer Note 3.6, 3.7 and 11.3 to these financial statements for assets pledged.

24. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There have been no material events occurring after the Balance Sheet date that require adjustments or Disclosures in the Financial Statements.

25. RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows.

25.1 Transactions with Parent and Related Entities

Nature of Transaction	Asiri Hospitals Holdings PLC		Transactions with Affiliate Companies*		Total	
	2012 Rs.	2011 Rs.	2012 Rs.	2011 Rs.	2012 Rs.	2011 Rs.
As at 1 April	67,231,466	40,408,504	232,669,983	1,948,308	299,901,449	42,356,812
Repayment of Temporary Finance Obtained, Fund transfers and Interest Charged	(5,000,000)	163,424,875	(47,206,111)	153,198,310	(52,206,111)	316,623,185
Temporary Finance Obtained/Granted	270,000,000	(156,174,696)	113,071,927	(2,000,000)	383,071,927	(158,174,696)
Sale/(Purchase) of goods/services including staff related items	4,198,592	5,995,241	(2,683,517)	10,297,311	1,515,075	16,292,552
Sale/(Purchase) of Non-Current Assets	-	-	596,920	68,384,131	596,920	68,384,131
Channeling fee collected by Related Party (Company on behalf of the Related Party)	11,412,417	13,096,400	-	477,810	11,412,417	13,574,210
Expenses incurred by the Company on behalf of Related Party	14,259,306	481,142	3,261,462	364,112	17,520,768	845,254
As at 31 March	362,101,781	67,231,466	299,710,664	232,669,982	661,812,445	299,901,448
Included under Trade and Other Receivables	362,101,781	67,231,466	302,038,932	236,251,094	664,140,713	303,482,560
Included under Trade and Other Payables	-	-	(2,328,268)	(3,581,112)	(2,328,268)	(3,581,112)
	362,101,781	67,231,466	299,710,664	232,669,982	661,812,445	299,901,448

* Affiliate Companies include Asiri Hospital Matara (Pvt) Ltd, Asiri Central Hospitals PLC, Asiri Diagnostics Services (Pvt) Ltd, Matara Medi House (Pvt) Ltd and Central Hospital Ltd.

b. The Company has invested in equity shares of Asiri Central Hospitals PLC and Central Hospital Ltd as disclosed in Note 5 and 6 of these financial statements.

c. During the year, the Company has paid Dividends of Rs. 60,780,261/- for Ordinary shares and Rs. 53,550,000/- for preference Shares to Asiri Hospital Holdings PLC.

Notes to the Financial Statements

RELATED PARTY DISCLOSURES (Contd.)

25.2 Off Balance Sheet Items

Guarantees made on behalf of Asiri Hospital Holdings PLC, has been given in Note 21.2.(b) and Note 3.6 to these Financial Statements.

- a) Asiri Hospital Holdings PLC has granted Corporate Guarantees to Commercial Bank of Ceylon PLC, Hatton National Bank PLC, Nations Trust Bank PLC, Sampath Bank and Seylan Bank PLC to secure the banking facilities obtained by the Company, for the value of Rs. 380 Mn, Rs. 200 Mn, Rs. 377 Mn, 60Mn and Rs. 25 Mn respectively.
- b) Refer Note 11.3 to these Financial Statements for assets pledged by Asiri Hospital Holdings PLC to DFCC Bank in order to obtain a loan of Rs. 200Mn by Asiri Surgical Hospital PLC.

25.3 Transactions with Key Management Personnel of the Company or its parent

The key management personnel of the Company are the members of its Board of Directors.

	2012 Rs.	2011 Rs.
a) Key Management Personnel Compensation		
Short Term Employment Benefits	11,632,000	10,467,000
Total Compensation Paid to Key Management Personnel	11,632,000	10,467,000

b) Share Transactions and Dividends

During the year 2011/12 Key Management Personnel and their close family members have sold 1,250,000 (2011 - 4,633,872) shares of the Company. Dividends have been paid amounting to Rs. 1,172,246/- (2011 - Rs.1,005,403/-) and acquired 90,200 shares.

c) Transactions with entities that are controlled, jointly controlled or significantly influenced by key management personnel

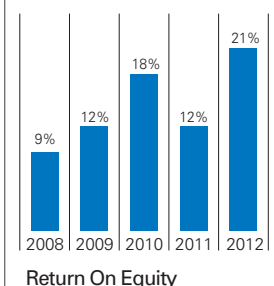
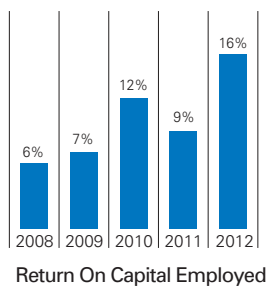
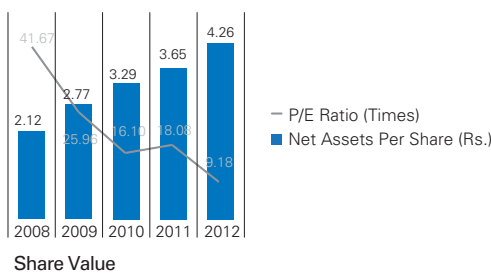
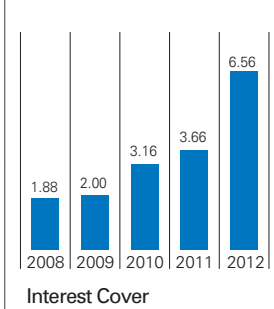
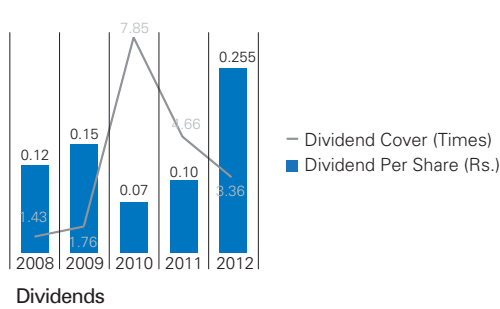
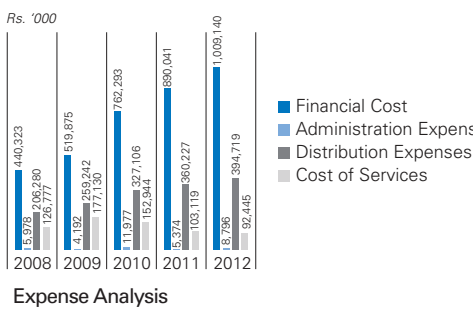
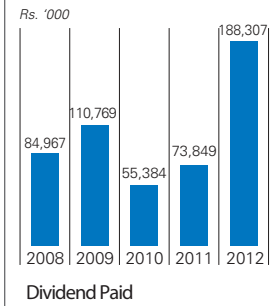
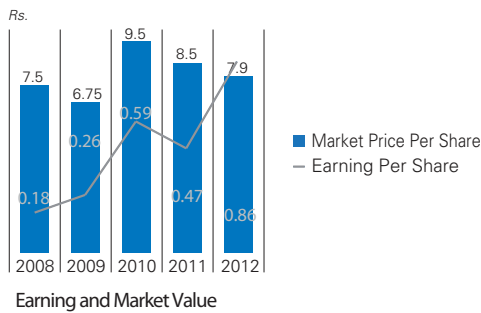
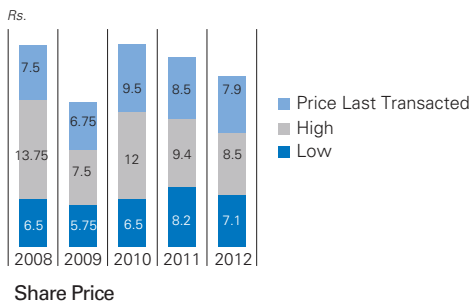
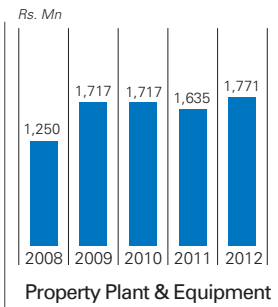
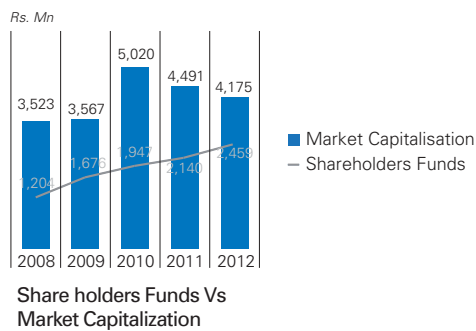
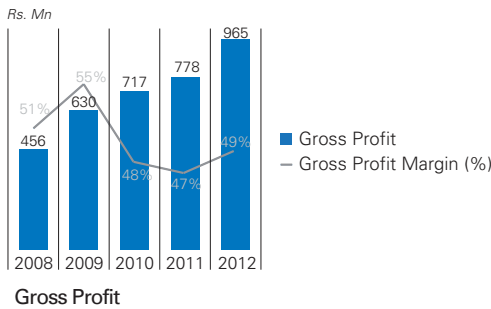
Name of the Related Party	Details of Transactions	Services (Obtained)/ Rendered	Services (Obtained)/ Rendered
		2012 Rs.	2011 Rs.
Softlogic Trading (Pvt) Ltd	Purchase of Computers and Accessories	(327,745)	(3,827,452)
Softlogic Computers (Pvt) Ltd	Purchase of Computers and Accessories	(259,240)	(881,500)
Softlogic Information Systems (Pvt) Ltd	Software Maintenance	(2,048,000)	(2,016,000)
Softlogic Communications (Pvt) Ltd	Purchase of Mobile Phones	(533,070)	(455,155)
Uniwalkers Ltd	Purchase of Electronic Equipment	(6,656,775)	(4,098,412)
D.Samson and Sons (Pvt) Ltd	Supply of Goods	(616,199)	(860,460)
Samson Information Technologies (Pvt) Ltd	Purchase of Computers and Accessories	-	-
Mount Spring Water (Pvt) Ltd	Purchase of Drinking water	(3,389,208)	(2,109,391)

25.4 Other Transactions

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

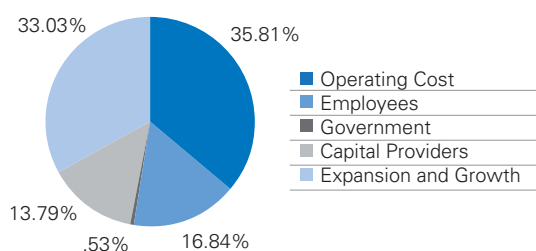
This facility is extended to the shareholder and three nominees, subject to the above limit.

Graphical Review



Economic Value Added Statement

		2011/12 Rs.'000	2010/11 Rs.'000	
Direct economic value generated				
Revenue		1,973,666	1,668,484	
Other Income		8,327	11,053	
Finance Income		18,003	10,808	
Share of loss of an Associate		36,182	(57,738)	
Net gain on Deemed Disposal Of Investment		-	-	
		2,036,178	1,632,607	
Economic Value Distributed				
	%			%
Operating Cost	35.81	729,140	744,665	45.31
Employees				
Employee wages & Benefits	16.84	342,879	285,358	17.48
Government				
All Taxes	0.53	10,880	12,777	0.78
Capital Providers				
Interest on loan	4.54	92,444	103,119	6.32
Shareholders	9.25	188,307	73,849	4.52
Expansion and Growth				
Depreciation	8.13	165,607	151,458	9.22
Retained Profit	24.90	506,921	267,226	16.37
	100	2,036,178	1,632,607	100.00



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

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

Through its operations during the financial year 2011/12, the company created a total wealth of Rs.2.03 billion, which was a 25% increase over the previous year.

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, 2012 and copies of this annual report have been submitted to the Colombo Stock Exchange

Shareholdings	3/31/2012			3/31/2011		
	No of Shareholders	Total Holding	No of Holding %	Total Shareholders	Total Holding	Holding %
1 to 1000 shares	1,400	473,699	0.09	1,279	451,239	0.09
1001 to 10,000 shares	857	3,559,340	0.67	899	3,744,318	0.71
10001 to 100,000 shares	537	15,356,461	2.91	558	16,220,558	3.07
100001 to 1,000,000 shares	121	34,444,202	6.51	124	35,163,500	6.65
Over 1,000,001 shares	29	474,623,843	89.82	28	472,877,930	89.48
Total	2,944	528,457,545	100.00	2,888	528,457,545	100.00
Composition of Shareholders						
Individual	2,837	162,894,086	30.83	2,787	169,095,910	32.00
Institutional	107	365,563,459	69.17	101	359,361,635	68.00
Total	2,944	528,457,545	100.00	2,888	528,457,545	100.00
Resident	2,920	527,656,188	99.85	2,867	52,711,415	99.86
Non-Resident	24	801,357	0.15	21	746,130	0.14
Total	2,944	528,457,545	100.00	2,888	53,457,545	100.00

Major Shareholdings

The 20 major shareholders as at the end of the financial year and their percentage holding are as follows:

	31st March 2012	%	31st March 2011	%
1 Asiri Hospital Holdings PLC	247,909,653	46.91	235,225,553	44.51
2 Sri Lanka Insurance Corporation Ltd-General Fund	53,107,298	10.05	60,070,498	11.37
3 Mr. D. K. Subasinghe/Mrs. S. N. Subasinghe	52,446,666	9.92	52,446,653	9.92
4 Sri Lanka Insurance Corporation Ltd- Life Fund	15,493,000	2.93	15,493,000	2.93
5 Mrs. Neetha Wickramasinghe	14,166,681	2.68	7,500,015	1.42
6 Softlogic International (Pvt) Ltd	13,700,000	2.59	20,337,133	3.85
7 Mr. P.P Subasinghe	9,000,014	1.70	9,000,014	1.70
8 Mrs. N. Weerasinghe/Miss L. I. Weerasinghe	7,499,999	1.42	7,499,999	1.42
9 Mrs. N. Weerasinghe/Miss. T. T. Weerasinghe	7,499,999	1.42	7,499,999	1.42
10 Seylan Bank PLC/Softlogic International (Pvt) Ltd	6,637,133	1.26	-	-
11 Union Bank of Colombo PLC/ Softlogic Communication (Pvt) Ltd	6,543,966	1.24	6,543,966	1.24
12 Mr. Kailasapillai Aravithan	6,000,000	1.13	6,000,000	1.14
13 Seylan Bank PLC/Softlogic Information Technologies (Pvt) Ltd	4,902,200	0.93	4,902,200	0.93
14 Mr. M.R. Weerasinghe	3,333,333	0.63	3,333,333	0.63
15 Mr. D. M. Rajapaksa	3,151,050	0.60	3,010,850	0.57
16 Mrs. A. Selliah	2,250,000	0.43	3,500,000	0.66
17 Mr.M.D.N. Jayaratne/Mrs.H.C.D.Jayaratne	2,249,998	0.43	2,249,998	0.43
18 Miss Sivamalar Subramaniam	2,200,000	0.42	3,500,000	0.66
19 Mr. V. Kailasapillai	2,200,000	0.43	3,500,000	0.66
20 Mrs. A.Kailasapillai	2,200,000	0.42	3,500,000	0.66
Shares held by the other shareholdings	462,490,990	87.52	459,529,879	86.96
Total No. of Shares issued	528,457,545	100.00	528,457,545	100.00
Public Shareholding	182,609,036	34.56	213,630,586	40.43

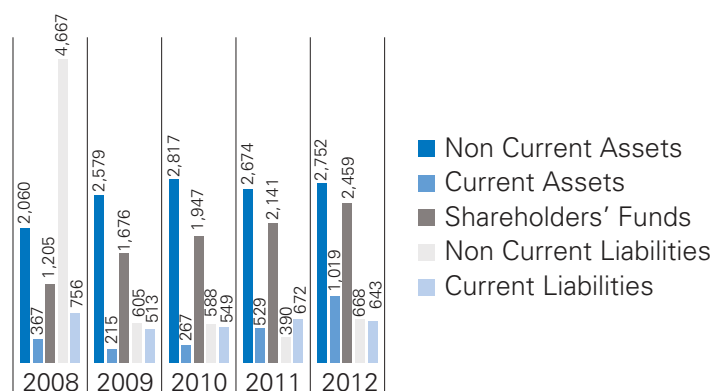
	2011/12		2010/11
Share Trading			
Market Price (Rs.)			
Highest	8.5	(24/02/12)	9.4 (10/01/11)
Lowest	7.1	(20/01/12)	8.2 (23/03/11)
As at year end	7.9	(31/03/12)	8.5 (31/03/11)
No of Trades	412		604
No of Shares Traded	8,107,728		1,654,700
Value of the Shares Traded (Rs.)	64,810,415		14,711,120
Earnings per Share (Rs.)	0.86		0.47
Dividends per Share (Rs.)	0.255		0.10
Net Assets per Ordinary Share (Rs.)	4.26		3.65

Five Year Summary

Year ended 31 March 2012 Rs.'000	2012	2011	2010	2009	2008
Income Statements					
Revenue	1,973,666	1,668,484	1,479,344	1,149,832	896,373
Cost of Services	(1,009,144)	(890,041)	(762,293)	(519,875)	(440,323)
Gross Operating Profit	964,522	778,443	717,051	629,957	456,050
Other Income	8,327	21,862	10,352	15,176	4,808
Administration and Distribution Expenses	(403,515)	(365,601)	(339,083)	(263,434)	(212,259)
Profit Before Interest	569,334	434,703	388,320	381,699	248,599
Finance Cost	(74,442)	(103,119)	(152,944)	(177,130)	(126,777)
Share of Loss of an Associate	36,182	(57,738)	(9,476)	(27,640)	(9,838)
Foreign Currency Exchange Loss	(16,788)	-	-	-	-
Net Gain on Deemed Disposal of Investment	-	-	104,283	-	-
Profit before Tax	514,286	273,846	330,183	176,929	111,984
Income Tax Expense	(7,366)	(6,619)	(3,347)	(5,717)	(1,700)
Net Profit for the year	506,920	267,226	326,836	171,212	110,284
Balance Sheet					
Property Plant & Equipment	1,771,410	1,730,371	1,815,673	1,818,179	1,415,826
Investment in Associates	763,176	726,994	784,733	761,303	643,772
Investment in Equity Securities	216,973	216,973	216,973	-	-
Inventories	120,286	105,886	113,673	89,837	61,545
Receivables	878,006	409,989	130,697	111,057	294,724
Cash and Bank balance	20,606	13,218	22,915	13,978	10,606
Total Assets	3,770,457	3,203,430	3,084,664	2,794,354	2,426,476
Stated Capital	1,393,328	1,393,328	1,393,328	1,393,328	982,305
Accumulated Profits	1,066,093	747,479	554,102	282,650	222,206
Shareholders' Funds	2,459,421	2,140,807	1,947,430	1,675,978	1,204,511
Non Interest Bearing Long Term Liabilities	46,489	50,561	54,633	59,746	64,248
Interest Bearing Long Term Liabilities	598,039	320,788	521,309	541,512	398,024
Deferred Retirements Obligations	23,976	19,038	12,538	3,645	3,783
Trade Creditors	136,685	127,558	111,337	139,734	57,656
Other Payables	6,127	2,472	124	437	-
Non Interest Bearing Loans and Borrowings	4,072	5,113	5,113	5,113	5,317
Interest Bearing Short Term Borrowings	495,647	537,094	432,180	368,189	692,935
Total Equity and Liabilities	3,770,457	3,203,430	3,084,664	2,794,354	2,426,474
Cash Flow					
Net Cash Flow from operating activities	192,897	280,459	312,928	478,714	(19,528)
Net Cash Flow used in Investing activities	(184,680)	(116,849)	(289,078)	(587,030)	(936,264)
PBIT/Turnover	31%	26%	26%	34%	28%
GP Margin	49%	47%	48%	55%	51%
Gearing	32%	30%	34%	37%	49%

Financial Position, Liquidity and Capital Resources

(Rs.Mn)	%	2012	%	2011
Item				
Non current assets				
Property, Plant and equipment	46.97	1,771	54.01	1,730
Investment in associates and in Equity Securities	25.99	980	29.47	944
Current assets				
Inventories	3.18	120	3.31	106
Trade and other receivable	23.28	878	12.80	410
Short term investment and cash in hand	0.56	21	0.41	13
	100.00	3,770	100.00	3,203
Shareholder's funds	65.22	2,459	66.82	2,141
Non current liabilities				
Non Interest Bearing Loans	1.22	46	1.59	51
Retirement Benefit Liability	0.64	24	0.59	19
Interest bearing borrowings	15.86	598	10.02	321
Current liabilities				
Trade and other payables	3.79	143	4.06	130
Current Portion of interest bearing borrowings	13.15	496	16.76	537
Current Portion of Non interest bearing borrowings	0.11	4	0.16	5
	100.00	3,770	100.00	3,204



Notice of Meeting

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting of Asiri Surgical Hospital PLC will be held at Hotel Janaki, Fife Road, Colombo 05 on Thursday the 13th day of September 2012 at 11.30 a.m. for the following purposes:

- 1) To receive and consider the Annual Report of the Board of Directors, Statements of Accounts and the Balance Sheet of the Company for the year ended 31st March 2012 together with the Report of the Auditors thereon.
- 2) To ratify the Interim Dividend of Rs. 0/13 per share paid on 23rd February 2012 as the Final Dividend for the year ended 31st March 2012.
- 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 Mrs. D Wimalasundera who retires 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 Auditors of the Company for the ensuing year and to authorize the Directors to fix their remuneration.
- 6) **Special Business**
 - I. To authorize the Directors to determine and make donations for the year ending 31st March 2013 and up to the date of the next Annual General Meeting.

By Order of the Board

SOFTLOGIC CORPORATE SERVICES (PVT) LTD

(Sgd.)

SECRETARIES

Colombo

30th July 2012

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, 21, Kirimandala Mawatha, 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 SURGICAL HOSPITAL
 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. D S Rajapaksa	of Colombo or failing him
Dr. K M P Karunaratne	of Colombo or failing him
Mrs. D Wimalasundera	of Colombo or failing her
Mr. G L H Premaratne	of Colombo or failing him
Mr. S A B Rajapaksa	of Colombo or failing him
Mr. S G Wijesinha	of Colombo

as *my/our Proxy to represent me/us and to speak and vote for *me/us on *my/our behalf at the 12th ANNUAL GENERAL MEETING OF THE COMPANY to be held at HOTEL JANAKI, Fife Road, Colombo 05 at 11.30 a.m. on Thursday the 13th day of September 2012 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, Statements of Accounts and the Balance sheet of the Company for the year ended 31st March 2012 together with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2) To approve the Interim Dividend of Rs. 0/13 per share paid on 23rd February 2012 as the final dividend for the year ended 31st March 2012.	<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 Mrs. D Wimalasundera 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"/>
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) Special Business		
I. To authorize the Directors to determine and make donations for the year ending 31st March 2013 and up to the date of the next Annual General Meeting.	<input type="checkbox"/>	<input type="checkbox"/>

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

.....
 *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.

Corporate Information

Name of the company

Asiri Surgical Hospital PLC

Registered office

No. 21, Kirimandala Mawatha,
Colombo 05, Sri Lanka.
Telephone : 4524400
Email : info@asiri.lk
Web : www.asiri.lk

Legal form

A Quoted Public Company incorporated in Sri Lanka, under the Companies Act No. 17 of 1982 with limited liability.

The Company has re-registered under the Companies Act:7 of 2007. An undertaking approved by the Board of Investment of Sri Lanka (BOI) under the Board of Investment of Sri Lanka Law No. 4 of 1978.

Stock exchange listing

The Ordinary Shares of the Company are listed with the Colombo Stock Exchange.

Company registration number

PQ (208)

Date of Incorporation

2nd March 2000

Directors

Mr. A. K. Pathirage
Chairman/Managing Director
Dr. S. Selliah
Deputy Chairman
Dr. Manjula Karunaratne
Director (Medical)/Chief Operating Officer
Mrs. D. Wimalasundera
Director Administration
Dr. D. S. Rajapaksa
Mr. C. D. Weerasinghe
Mr. G. L. H. Premaratne
Mr. S. A. B. Rajapaksa
Mr. S. G. Wijesinha
Mrs. S. D. Nimalasuria
(resigned w.e.f.31st May 2011)

Auditors

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

Secretaries

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

Stock Code

AMSL.N0000

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