



**ANNUAL
REPORT
2011/12**





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Panasian Power aims to
operate as a commercially
focused sustainable company
providing green energy solutions

***Powering the Nation,
the People and the Environment***



Vision

“To provide sustainable shareholder value by generating hydro and such alternative power to enhance the power requirement of the region while ensuring that all the stake holder interests are looked after”

Mission

Shareholder	a sustainable return
CEB	reliable standard of operation in providing electricity
Community	consider them as partners of the operation
Environment	value and preserve the environment that is critical to the sustainability of the project



Chairman and Chief Executive Officer's Message

As another financial year unfolds, it is with pleasure I welcome all of you to the Annual General Meeting of Panasian Power PLC and to present the Annual Report and the Consolidated Audited Financial Statements for the year ended 31 March 2012.

After a year which noted an outstanding performance in 2010/ 2011, the current financial year saw a decline in both the number of units produced as well as the price per unit. Having its only source of income being generation of hydropower, the adverse weather pattern that prevailed in the country reduced the Group's power generation by 19.6% while the reduction in tariff rates which further contributed to the reduction in revenue by Rs 49.89 Million. This resulted in a decrease in the net profit attributable to the shareholders from Rs 151.2 Million to 81.8 Million (Company Rs 88.6 Mn to 82 Mn).

Despite a decline of 46% of the profit, the Company paid an interim dividend of Rs 0.15 per share in June 2012 for the year ended 31 March 2012 and would like to recommend it as the final dividend for the said financial year.

More information on the company's performance is provided in the Management Commentary, Financial review and the Financial Statements in the latter part of this report.

Moving forward and keeping with the promises made to the shareholders at the time of the Initial Public Offering, the Board has accepted the offer made by Padiyapelella Hydro-power Limited to acquire 90% stake of that Company for Rs. 910 Million subject to the shareholders' approval. Detailed discussion of the transaction appears in page 10 and in the Circular to the shareholders for the Extra Ordinary General Meeting (EGM) to be held on the Wednesday, 26 September 2012. I strongly believe that you as our valued shareholder will support the decision taken by the Board of Directors to expand the operations of the Company and vote favourably at the EGM.

Further, expansion activities of Rathganga power plant by 1 MW will commence during the financial year 2012/2013 since the final approval from the Government Authorities will be obtained by end of third quarter of the financial year 2012/2013. The total capacity of the Company will rise up to 12MW on completion of the projects in the pipeline.

My fellow Board members gave me great support throughout the year; their constructive input had been valuable to discharge my duties efficiently. I wish to place on record my sincere appreciation for their support. I also thank our valuable shareholders for the support and trust vested upon us and look forward to your continuous support in the future as well.

Dr Prathap Ramanujam
Chairman and Chief Executive Officer

Board of Directors



Dr Prathap Ramanujam
 Chief Executive Officer /Chairman

After completing extensive years of service in the Public Sector, Dr Prathap Ramanujam who initiated the first mini hydro power project in Sri Lanka back in 1993 joined the private sector by taking up the directorship of Panasian Power in 2010 with his diversified expertise from his distinguished career in Public Sector over a period 38 years. He was appointed as the Chairman and the Chief Executive Officer in the same year.

Dr Ramanujam holds a First Class B.Sc. (Hons.) degree from the University of Peradeniya Sri Lanka, a M.Sc. degree in Economics from the University of Bristol, U.K and a Ph.D in Economics from the Australian National University, Canberra, Australia.

He was appointed as the Chairman of Onally Holdings PLC (2008) and Waters Edge Limited (appointed by the Supreme Court of Sri Lanka in 2009) Currently he is the Chairman of Manelwala Hydropower (Pvt) Limited and Padiyapelella Hydro-power Limited and serves in the board of Ceylon Agro-Industries Limited, Senkadagala Finance PLC, Euro Asian International (Pvt) Limited and Panasian Investments (Pvt) Limited.



Mr Mohd Hairol bin Mohd Shariff
 Executive Director (Finance)

Mr Mohd Shariff has served several organizations including C.K.Ooi & Co an Audit Firm in the Capacity of Audit Assistant under Internship, Arab Malaysian Finance Bhd, a Listed Finance Company as an Accounts Officer, MK Land Bhd, a Listed Property Development Company as Finance Manager, Land & General Bhd, a Listed Property Development Company as Finance Manager and PT Wapoga Mutiara Timber, Indonesia – subsidiary of Land & General Bhd as Head of Finance, Legal and Admin.

He holds a Diploma in Accountancy and is a Bachelor of Accountancy from the University Technology Mara, Malaysia.

At present he is the Chief Executive Officer of Power Hub International Sdn Bhd and Chief Operating Officer of Majulia Sdn Bhd.

Board of Directors



Mr. Mohideen Rifky Badurdeen Executive Director (Operations)

Mr. Badurdeen who started his business career in the garment industry exported garments to USA and European countries for more than 15 years. A businessman with hands on experience in many different business fields completed the construction work of 85,000sq ft modern office complex in Colombo in collaboration with German Partners.

He currently serves as the Chairman of Asia Trust Investment (Pvt) Limited and is a director of Power Hub International Sdn Bhd, Manelwala Hydropower (Pvt) Limited, Lakeside Property Developers Limited, Padiyapelella Hydropower Limited and Panasian Investments (Pvt) Limited.

Dato' Shamsuddin bin Hayroni

Dato Shamsuddin bin Hayroni has served the Works Ministry of Malaysia during the period 1978-1993 and North South Highway Project (PLUS) i.e. a highway project connecting the north and south of Malaysia during the period 1993-1995.

He holds a Diploma in Civil Engineering from the University Technology Malaysia Skudai Johor and is a Bachelor of Civil Engineering of the University of New Hampshire USA (1983).

He is the Founder / Executive Chairman of Majulia Sdn Bhd, Electronic Commerce Technology Sdn Bhd and AIM Berhad a listed Company in KLSE and hold directorship in Power Hub International Sdn Bhd and Getrahome Sdn Bhd.

Board of Directors



Mr. Thirunavukarasu Someswaran

Mr Someswaran is the former Senior Partner of SJMS Associates a firm of Chartered Accountants, an Independent Correspondent Firm to Deloitte Touche Tohmatsu .

He serves on the Audit Committee of the Institute of Chartered Accountants Sri Lanka and Serendib Lands (Pvt) Limited. He also serves on the committee of European Chamber of Commerce, Equity Based Community Support and Training, International Chamber of Commerce and Business Council of Indonesia of the Ceylon Chamber of Commerce & the vice president of The International Chamber of Commerce.

He is a member of Tax faculty, Organisation for Professional Association, International Fiscal Association & Sri Lanka Institute of Directors. Also he is the Secretary of Ashoka Innovators for the public.

He is also a fellow member of CMA and a member of its Governing Council.

Currently he serves as a director in the Boards of Abans Finance PLC, Commercial Credit and Finance PLC and CleanCo Lanka Limited and is the Chairman of SMB Leasing PLC.



Mr Herman Bin Abd Latiff

Mr Latiff is directly involved in a 10 Mw mini hydro development at Sg. Berok, Gua Musang, Kelantan and the development of a 2.2 Mw mini hydro at Sg. Kerling Kuala Kubu, Ulu Selangor in the state of Selangor under the Small Renewable Energy Program (SREP) launched by the Malaysian Government under the Ministry of Green Energy.

He holds a Diploma in Land Surveying from MARA Institute of Technology, Shah Alam and B. Sc. (Civil Engineering) from South Dakota State University, U.S.A.

Mr Latiff is a Director of Laman Megah Sdn. Bhd, Renewable Power Sdn. Bhd and Power Hub International Sdn Bhd.

Board of Directors



Mr Deepal Sooriyaarachchi

Mr Sooriyaarachchi, counts over thirty years of experience in the fields of sales, advertising, marketing to human resource development and strategy. He is a renowned speaker and a trainer with several publications to his credit, mainly in the local language to support the majority of Sri Lankan businesses.

He is a Fellow member of the Chartered Institute of Marketing (CIM) UK, and holds an MBA from the Post Graduate Institute of Management, University of Sri Jayewardenepura.

Mr Sooriyaarachchi is the Chairman of Sri Lanka Inventors Commission, former managing director of AVIVANDB Insurance PLC (Earlier known as Eagle Insurance PLC) currently serves as a director. He is also a director of Sampath Bank PLC and Hemas Manufacturing (Pvt) Limited.

Mr Dilith Susantha Jayaweera

Mr Jayaweera, an Attorney-at-Law, holds an LLB from the University of Colombo and an MBA from the University of Wales. He is the co-founder of a dynamic conglomerate of 22 companies with diverse interests in communications, mass media, leisure, finance, property development and manufacturing. An entrepreneur committed to building strong and sustainable Sri Lankan businesses, Dilith has built a reputation for challenging convention with his can-do spirit.

He serves as a director in the boards of Colombo Land PLC and Citrus Leisure PLC.

Management Commentary

With the country's economy robust growth in the recent past, it had in turn accelerated the demand for power in the nation. Sri Lanka is the fourth largest electricity producing country in South Asia, behind India, Pakistan and Bangladesh. At the start of the new millennium in 2000, electricity power generation capacity in Sri Lanka stood at around 1,838 Mega watts (MW). By 2011, it had increased to 3,141 Mega watts (MW).

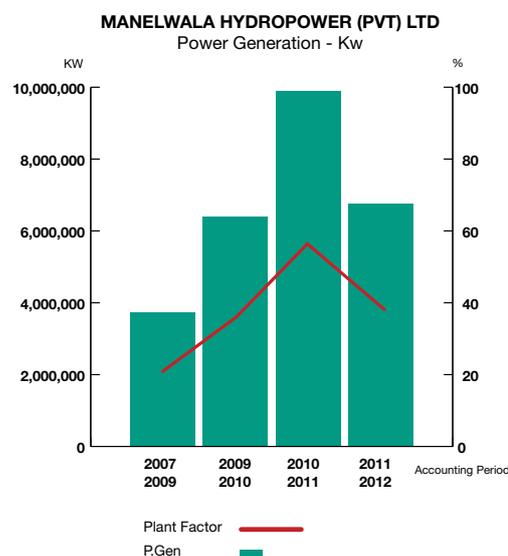
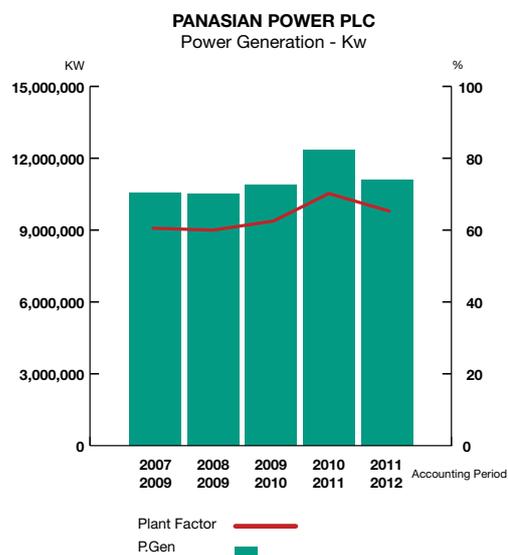
Over the past decade, the private sector's contribution has continued to rise, with the sector fulfilling around 43% of the country's power requirements during 2011, compared to less than 10% in 2000. The country's IPP sector comprised 115 producers as at end-December 2011, with 90 players focusing on mini-hydro power.

Panasian Power, which has been part of the drive to develop the mini hydropower industry in Sri Lanka, is focused to produce hydroelectricity which is clean, domestic and renewable source of energy that offers immense benefits to the Country. Keeping in line with the promise made during the Initial Public Offer, the Company is in the move to reach its target capacity of 15MW in a few years.

PHL, a Company registered with the Board of Investment of Sri Lanka is implementing its power projects in two phases. Phase 1, consisting of a 3.6MW power plant is nearing completion stage of construction and is expected to commission its commercial operations by third quarter of 2012/13. In addition, necessary licenses have already been obtained for the Phase 2, consisting of 3MW which is yet to commence construction. With the BOI status, PHL will enjoy tax holidays for the first five years from its commercial operation. The Standardised Power Purchase Agreements signed with the Ceylon Electricity Board are based on newly introduced Non-Conventional Renewable Energy (NCRE) tariff system. The Phase 1, which is fed by Beliuloya catchment area of 75km² is expected to generate 12.5GW per year. Further, the Company is in the final phase of obtaining approval for the sale of Carbon Trading which will bring in another Rs 70 Mn per year income to the Company. In the above context, The Board of Directors have given their consent to acquire 90% stake of Padiyapelella Hydropower Limited (PHL) subject to shareholders' approval for a consideration of Rs 910 Million which was based on a valuation done by NDB Investment Bank. The management believes that the shareholders will vote favourable at the Extra Ordinary General Meeting on the above.

The year under review had been unfavourable for all mini hydropower developers as they were hit from both ends poor

production levels, with the prolonged drought and the price, with the reduction in tariff rates by 7%. This has resulted in reduction of revenue by 22% with a drop in net profit from Rs 88.6 Mn (2010/11) to 82 Mn (2011/12) (Group – Rs 151.2 Mn to 80.8 Mn). The graph below depicts the power generation along with the plant factors for the Company and its Subsidiary Manelwala Hydropower (Pvt) Limited.



Management Commentary

The Rathganga plant fed by Kalu Ganga river maintains adequate water level throughout the year which is favourable condition to mini hydropower plants. To make use of available resources, the management decided to enhance the capacity of the Plant situated at Rathganga by additional 1 MW. The approval process is in its last phase and it is expected that the final approval will be obtained in the third quarter of 2012/13. Upgrading of the plant will be geared up on finalisation of approval procedures.

The management with the direction of the Audit Committee has established an effective system of internal control to safeguard Company's assets. An Internal Audit was performed during the year by Ernst & Young, Chartered Accountants, and the recommendations were adopted by the management to enhance the effectiveness of the system and processes in place. As it is vital for any business to identify, evaluate, measure and take remedial actions to mitigate the risks that are inherent, Panasian Power has analysed the risks under three categories; Financial, Operational and Legal. The impact, likelihood and steps taken to mitigate the risks are analysed for each risk identified under these categories. The risk grid is monitored by the management regularly as the risk factors are subject to change. Overall, the Company is exposed mainly to the following risks:

- Economic risk
- Credit risk
- Environment risk
- Social risk
- Fraud risk
- Information risk
- Operational risk
- Physical risk
- Business risk
- Human resource risk
- Regulatory and Compliance risk

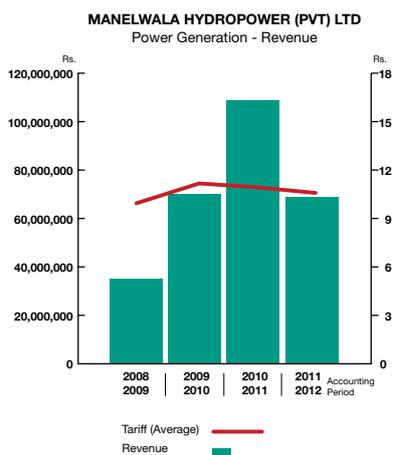
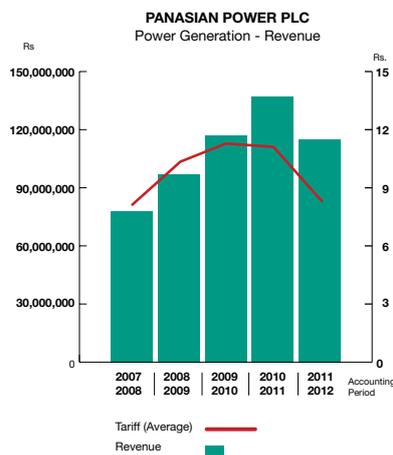
Being committed to harnessing the natural resources to enable energy secure future for Sri Lanka, the extensive environmental regulations imposed on power plants are complied by the Group.

There had been no material issues affecting employees or industrial relationships during the year under review. Moving forward, the Company would like to diversify its operations. As an initial step, an investment of Rs 40 Mn was made in Panasian Investments (Pvt) Limited, which will engage in strategic investments.

Financial Review

Revenue

The revenue of the Company and its subsidiary decreased by 4,360,107 Kw (19.6%) during the year under review due to the prolonged drought, that resulted in poor rainfall. This coupled with the reduction of avoided cost tariff by approximately 7% reduced the revenue by 21.9% compared to previous financial year. Other income; interest income at the Group level stood at Rs 3.4Mn with efficient fund management compared to the finance cost of Rs 2Mn in 2010/2011. At the Company level, other income consisted interest income of Rs 1.3Mn and dividend income of Rs 31.6Mn from the Subsidiary, Manelwala Hydropower (Pvt) Limited.



Finance Cost

No material change on the expenses incurred which consist of interest expense on finance lease obligation and long term loan obtained to purchase vehicles.

Taxation

The Company is on a tax holiday of 15 years from the year 2002/2003 under Section 18A of the Inland Revenue Act 38 of 2000 (subsequently governed by Section 218(2) of the Inland Revenue Act 10 of 2006) granted by the Department of Inland Revenue. Whereas, Manelwala Hydropower (Pvt) Limited currently enjoys a tax holiday pursuant to the agreement entered into with the Board of Investments. Tax free profits from generation and supply of mini hydropower will continue during the next year.

The Group is taxed on the prevailing tax rates for other income earned.

Profitability

The Group's net profit attributable to the shareholders declined by 46.5% during the year from Rs 151.2 Mn in 2010/11 to Rs 80.8Mn with a decrease in revenue as stated above. The increases in expenses were in line with the inflation that prevailed in the Country along with the additional expenses incurred with the new listed company status.

Investments

The Board decided that it is appropriate to diversify from mini hydro power industry and involve in strategic investments. As an initial step, the Company invested Rs 40 Mn in Panasian Investments (Pvt) Limited, which will engage in strategic investments from next financial year. Further, in line with the expansion activities in mini hydro power sector, the Board of Directors accepted the offer made by Padiyapelella Hydropower Limited, to acquire 90% stake of that Company. Please refer page [] for more details.

Capital Structure

The Group's shareholders fund moved down by 5% with the unhealthy conditions prevailed during the year. The Company paid an interim dividend of 0.15 per share for 2011/12 period (Rs 0.25 – 2010/2011) with a 94% dividend payout ratio.

Key Ratios - Company

	31-03-2012	31-03-2011	31-03-2010
GP Ratio	80%	84%	81%
NP Ratio	74%	63%	66%
EPS	0.16	0.25	0.25
DPS	0.15	0.25	0.04
Net Assets per Share	1.47	2.18	0.88

Investor Information

1. ANALYSIS OF SHAREHOLDERS ACCORDING TO THE NUMBER OF SHARES AS AT 31-MARCH-2012

Shareholdings	Resident			Non Resident			TOTAL		
	Number of Shareholders	No. of Shares	Percentage %	Number of Shareholders	No. of Shares	Percentage %	Number of Shareholders	No. of Shares	Percentage %
01 - 1,000	2,480	1,805,854	0.36	6	3,650	0.00	2,486	1,809,504	0.36
1,001 - 10,000	4,370	21,113,569	4.22	20	125,700	0.03	4,390	21,239,269	4.25
10,001 -100,000	1,923	64,834,910	12.97	22	1,058,700	0.21	1,945	65,893,610	13.18
100,001 -1,000,000	327	95,272,969	19.05	10	3,101,900	0.62	337	98,374,869	19.67
Over 1,000,000	51	185,234,348	37.05	3	127,448,400	25.49	54	312,682,748	62.54
TOTAL	9,151	368,261,650	73.65	61	131,738,350	26.35	9,212	500,000,000	100.00

2. SHAREHOLDERS BY CATEGORY AS AT 31 MARCH 2012

Categories of shareholders	Number of shareholders	No. of shares
Individual	8,945	265,467,818
Institutional	267	234,532,182
TOTAL	9,212	500,000,000

3 TWENTY MAJOR SHAREHOLDERS OF THE COMPANY AS AT 31 MARCH 2012

Name	No of Shares	%
Power Hub International SDN BHD, Malaysia	117,174,900	23.43
Mr. Z. A. M. Thahir	30,160,000	6.03
Commercial Bank of Ceylon PLC/ A.K. Pathirage	24,500,000	4.90
Mr. P. D. R. R. Weeraratne	11,799,999	2.36
Mr. M.F. Farook	11,050,000	2.21
Asia Trust Investments (Pvt) Ltd	9,719,600	1.94
Caritano Ventures Inc	7,773,500	1.55
Dr. W.U.N. Gamage	7,694,600	1.54
Almar Trading Co (Pvt) Ltd	7,492,801	1.50
Mr. S.M. Farook	5,950,700	1.19
Lexinton Holdings (Pvt) Limited	4,700,000	0.94
Lanka Orix Leasing Company PLC	4,000,000	0.80
Mr. B. T. Samaraweera	3,311,200	0.66
Janashakthi Limited Account No.1	3,000,000	0.60
Mr. M. J.M. Dilshard	2,894,394	0.58
Mr. L. N. Rajapakse	2,832,000	0.57
Mr. S.H. Amerasekara	2,750,000	0.55
Mr. M.R. Badurdeen	2,700,000	0.54
Fidelity Investment & Trade Pte Ltd	2,500,000	0.50
Seylan Bank/ Jayantha Dewage	2,366,000	0.47

Investor Information

4 PUBLIC HOLDING

Description	Number of shares 2012	Number of shares 2011
Major shareholders		
Power Hub International Sdn Bhd	117,174,900	210,000,000
Palace Path Holdings (Pvt) Limited	-	97,052,000
Directors' shareholding		
Dr. P. Ramanujam	2,350,000	2,350,000
Mr. M.R. Badurdeen	2,700,000	2,700,000
Mr D Sooriyaarachchi	-	1,000,000
	122,224,900	313,102,000
Issued share capital	500,000,000	500,000,000
Less: Directors' shareholding and major shareholders	122,224,900	313,102,000
Public Holding	377,775,100	186,898,000
Public holding as a % of issued share	75.56	37.38

5 SHARE TRADING INFORMATION

Market Values	2012	2011
Highest (Rs)	8.80	5.00
Lowest (Rs)	2.30	3.50
Closing (Rs)	2.60	3.80
Price Earnings Ratio (Times)	16.25	15.20

6 EQUITY INFORMATION - COMPANY

	2011/12	2010/11
Earnings per share (Rs)	0.16	0.25
Dividends per share (Rs)	0.15	0.25
Net Asset Value per share (Rs)	1.47	1.56
Dividend Payout Ratio	94%	100%

7 GROUP REAL ESTATE PORTFOLIO

Owning Company & Location	Land in acres	
	Freehold	Leasehold
Properties in Ratnapura District PanAsian Power PLC	3.6	1.2
Properties in Nuwara Eliya District Manelwala Hydropower (Pvt) Ltd	3.7	2.5

Corporate Governance

Good corporate governance is globally accepted as being fundamental to an organisation's competitiveness, growth and sustainability. There is great attention on Boards of Directors to discharge their duties with high ethical values and accountability in their commitment to good governance practices. Strong business ethics, sound policies and procedures, effective and efficient monitoring systems are considered as ingredients of good corporate governance system.

The primary responsibility for good Corporate Governance rests with boards of directors and senior management of an organization. But, they should not be left alone. The participation of all stakeholders need to be ensure of that Corporate Governance practices can be improved by addressing a number of legal issues such as protecting and promoting shareholder rights and ensuring that an Organisation function in a transparent manner through appropriate laws, regulations and other measures. Panasian Power, a new entrant to the stock market strongly believes in the importance of Corporate Governance and work towards enhancement of its process over the period.

The Board discharge its duties and responsibilities with three Executive Directors and five Non Executive Directors of which three Directors are independent. The following sub-committees are appointed to discharge specific responsibilities.

- Audit Committee
- Remuneration Committee

The reports of the above committees are given in pages 20 and 21 respectively.

The Directors attend all Board meetings, relevant committee meetings and the Annual General Meeting. Materials relevant to the meetings are provided in advance to facilitate active and informed discussions. Three Board Meetings were held during the year under review and the attendance details are given in the following table.

Names of the Directors	Attendance
Dr P Ramanujam	3/3
Mr M R Badurdeen	3/3
Mr M H M Shariff	1/3
Mr D S B Hayroni	1/3
Mr H B A Latiff	2/3
Mr T Someswaran	2/3
Mr D Sooriyaarachchi	3/3
Mr D Jayaweera	2/2

The oversease directors participated via teleconferencing when they were not physically present for the meetings.

Corporate Governance is about effective, transparent and accountable governance of affairs of an institution by its management including the board conduct. The Board provides for the quality, depth, and continuity of management required to attain the Company's major strategic and operational objectives. The Board oversees the conduct of the Company's business and supervises management, which is responsible for the day-to-day conduct of the business. In supervising the conduct of the business, the Board, through Executive Directors, sets the standards of conduct for the Company.

Investors

The Company channels its communication with its shareholders through Annual General Meetings, Annual Report, Interim Financial Statements and Articles published in media regarding company activities. All investors are encouraged to participate and cast their vote at the company's AGM. Sufficient information is included in the annual report for shareholders to make informed decisions.

Compliance with Corporate Governance Rules of the Colombo Stock Exchange

Panasian Power adheres to the Corporate Governance requirements under the Listing Rules published by the Colombo Stock Exchange.

Corporate Principles Governance	CSE Rule Reference	Status	Notes
Non-Executive Directors	7.10.1	Complied	The Board Comprises five Non-Executive Directors
Independent Directors	7.10.2	Complied	Three out of the five Non Executive Directors are Independent and they have submitted their declaration
Disclosures relating to Directors	7.10.3		
	7.10.3.(a)	Complied	The Board assessed the independence of directors and the names of independent directors have been disclosed in page 8 and 9
	7.10.3.(b)	Complied	Mr D Sooriyaracchi an Independent Non- Executive Director is also an Independent Non-Executive Director of Sampath Bank PLC in which the Company has normal banking relationship. The Board of Directors are of the view that Mr D Sooriyaracchi is independent since significant transactions have not been carried out between the two entities.
	7.10.3.(c)	Complied	Refer pages 6 to 9
	7.10.3.(d)	Complied	New appointments to the Board are informed on a timely manner. No new appointments during the year under review
Remuneration Committee	7.10.5		
	7.10.5 (a)	Complied	The committee comprises of three Non-Executive Directors of which two are independent. The Chairman of the committee is an Independent Non-Executive Director
	7.10.5 (b)	Complied	Refer page 21
	7.10.5 (c)	Complied	Refer page 21 The remuneration paid to the Board of directors are disclosed in Note 11.2 to the financial statements.
Audit Committee	7.10.6		
	7.10.6 (a)	Complied	The committee comprises of three Non-Executive Directors of which two are independent. The Chairman of the committee is an Independent Non-Executive Director
	7.10.6 (b)	Complied	Refer page 20
	7.10.6 (c)	Complied	Refer page 20

As stated in 2010/2011 Annual Report, necessary steps were taken during the year to adhere the code of best practices on corporate governance issued jointly by The Securities and Exchange Commission of Sri Lanka and The Institute of Chartered Accountants of Sri Lanka.

The conformance to the best practices of Corporate Governance issued jointly by the Colombo Stock Exchange and the Institute of Chartered Accountants of Sri Lanka is tabulated below:

Corporate Governance

REF NO	COMPLIED / NOT COMPLIED	REASONS FOR NON-COMPLIANCE	REMEDIAL ACTION TAKEN
A - The Directors			
A1 The Board			
A.1.1	Yes		
A.1.2		Business strategy has not been documented A succession strategy is not in place considering the Company is small and young	Documentation in process
		The systems are in place. However, a documented procedure manual is not available	Documentation in process
A.1.3	Yes		
A.1.4	Yes		
A.1.5	Yes		
A.1.6	Yes		
A.1.7	No	The Board of Directors are well qualified in their expertise and has served as directors in several other companies prior to joining the Company's Board. Considering their experience in the industry, a separate training on directorship considered not necessary	
A.2 Chairman and Chief Executive Officer (CEO)			
A.2.1	No	The Company is small in operation with low volume of transactions and a small cadre. Accordingly, it was considered appropriate to combine the posts of Chairman and CEO	
A.3 Chairman's role			
A.3.1	Yes		
A.4 Financial Acumen			
	Yes		
A.5 Board balance			
A.5.1	Yes		
A.5.2	Yes		
A.5.3	Yes		
A.5.4	Yes		
A.5.5	Yes		
A.5.6	Yes		
A.5.7	Yes		
A.5.8	No	The Chairman decided to hold meeting in the financial year 2012/13	A meeting will be convened in the second quarter
A.5.9	Yes		
A.6 Supply of information			
A.6.1	Yes		
A.6.2	Yes		
A.7 Appointment to the Board			
A.7.1	No	The Company has not appointed a Nomination Committee during the year	Appointment of a Nomination Committee will be considered during 2012/2013
A.7.2	Yes		
A.7.3	Yes		
A.8 Re-election			

Corporate Governance

A.8.1	Yes		
A.8.2	Yes		
A.9 Appraisal of Board performance			
A.9.1	No	A formal performance appraisal has not been performed during the financial year	Formal evaluations will be performed during 2012/13
A.9.2	No	A formal performance appraisal has not been performed during the financial year	Formal evaluations will be performed during 2012/13
A.9.3	No	A formal performance appraisal has not been performed during the financial year	Formal evaluations will be performed during 2012/13
A.10 Disclosure of information in respect of directors			
A.10.1	Yes		
A.11 Appraisal of (CEO)			
A.11.1	No	The CEO has completed only one year of his tenure during the financial year and therefore performances were not evaluated	Evaluation will be performed in 2012/13
A.11.2	No		
B - Directors' remuneration			
B.1 Remuneration procedure			
B.1.1	Yes		
B.1.2	Yes		
B.1.3	Yes		
B.1.4	Yes		
B.1.5	Yes		
B.2 The level and make up of remuneration			
B.2.1	Yes		
B.2.3	Yes		
B.2.3	Yes		
B.2.4	Yes		
B.2.5	Yes		
B.2.6	Yes		
B.2.7	Yes		
B.2.8	Yes		
B.2.9	Yes		
B.3 Disclosure remuneration			
B.3.1	Yes		
C - Relations with Shareholders			
C.1 Constructive use of Annual General Meeting (AGM) and conduct of general meetings			
C.1.1	Yes		
C.1.2	Yes		
C.1.3	Yes		
C.1.4	Yes		
C.1.5	Yes		
C.2 Major transactions			
C.2.1	Yes		
D - Accountability and Audit			
D.1 Financial reporting			

D.1.1	Yes
D.1.2	Yes
D.1.3	Yes
D.1.4	Yes
D.1.5	Yes
D.1.6	NA
D.2 Internal controls	
D.2.1	Yes
D.2.2	NA
D.3 Audit Committee	
D.3.1	Yes
D.3.2	Yes
D.3.3	Yes
D.3.4	Yes
D.4 Code of business conduct and ethics	
D.4.1	Yes
D.4.2	Yes
D.5 Corporate governance disclosures	
D.5.1	Yes
E - Institutional investors	
E.1 Shareholder voting	
E.1.1	Yes
E.2 Evaluation of governance disclosures	NA
F - Other Investors	
F.1 Investing / divesting decisions	Yes
F.2 Shareholder voting	Yes

Audit Committee Report

Audit Committee Report

The Audit Committee (“the Committee”) appointed by the Board of Directors with the following objectives:

- Increase public confidence in the credibility and objectivity of published financial information;
- Assisting directors in meeting their responsibilities in respect of financial reporting in accordance with relevant Laws, Regulations and Standards; and
- Strengthening the independent position of the Company's external auditor.

The Committee consists of two Independent Non-Executive Directors and one Non-Executive Director. The Chairman, Mr Thirunavukarasu Someswaran, an Independent Non-Executive Director and Mr Deepal Sooriyaarachchi, an Independent Non-Executive Director and Dato Shamsuddin Hayroni, a Non-Executive Director serves as the members of the Committee.

A brief profile of the Directors is included in pages 7 to 9. On review of Non Audit Services rendered by the External Auditors, the Committee is of the view that Messrs KPMG Ford Thornton & Co is an independent entity as such services were not prohibited under Guidelines for Listed Companies on Audit and Audit Committees issued by the Securities and Exchange Commission of Sri Lanka. The Committee has recommended the Board of Directors that Messrs KPMG Ford, Rhodes, Thornton & Company, Firm of Chartered Accountants, be re-appointed for the financial year ending 31 March 2013, subject to the approval of shareholders at the next Annual General Meeting.

Messrs Ernst & Young performed an Internal Audit during the period, and the Committee ensured that the recommendations are adopted by the management. The Committee also reviewed the Risk Analysis process adopted by the management in identifying, evaluating and managing the risks faced by the Company and its Subsidiaries.

The Committee is satisfied that adequate controls are in place to safeguard the Company's assets and that the financial position and the results disclosed in the Audited Financial Statements are free from any material misstatements.

The Committee met three times during the year.

Mr Thirunavukarasu Someswaran

Chairman

Remuneration Committee Report

The Remuneration Committee (“the Committee”) appointed by and responsible to the Board of Directors comprises two Independent Non-Executive Directors and one Non-Executive Director.

The Chairman of the Remuneration Committee is Mr Deepal Sooriyaarachchi who is an Independent Non-Executive Director and the other members are Mr Thirunavukarasu Someswaran, Independent Non-Executive Director and Mr Herman Bin Abd Latiff, Non-Executive Director.

Brief profiles of the Directors given on pages 8 and 9

Policy

The Remuneration Committee must establish remuneration packages which are sufficient to attract, retain and motivate employees to run the company successfully, but without paying more than is necessary. The level of remuneration must strike a balance between the interests of the company and its shareholders.

Responsibilities

The main responsibilities of the Committee are as follows:

- to set salary level, terms and conditions relating to Executive staff;
- take recommendations to the Board on the Company’s framework of Executive Directors’ remuneration and its cost and to make determination on behalf of the Board specific remuneration packages for executive directors;
- recommend any contract of employment or related contract with Executive Directors on behalf of the Company;
- determination of the terms of any compensation package in the event of early termination of the contract of any Executive Director; and
- Set employee compensation policy for the Company

Meetings

The Committee met once during the year under review. The minutes were circulated amongst the members and it was ensured that the matters discussed were implemented and adapted by the Board.

Advisors

The Committee is authorised by the Board to seek appropriate professional advice inside and outside the Company as and when it considers necessary.

Mr Deepal Sooriyaarachchi
Chairman

Report of the Directors' on the state of affairs of the Company

The Board of Directors is pleased to present their Report and the Audited Financial Statements of the Company and Group for the year ended 31st March, 2012. The details set out herein provide pertinent information required by the Companies Act, No.7 of 2007, the Colombo Stock Exchange Listing Rules and are guided by recommended best accounting practices.

Review of the year

The Chairman's Review describes the Company's affairs and mentions important events of the year.

Principal Activity

Power Generation continued to be the principal activity of the Company.

Financial Statements

The financial statements of the Company are given in pages 27 to 44

Auditors' Report

The Auditor's report on the financial statements is given on page 26

Accounting Policies

The accounting policies adopted in preparation of Financial Statements are given on pages 31 to 35 There were no material changes in the Accounting Policies adopted.

Director's Interest

None of the Directors had a direct or indirect interest in any contracts or proposed contracts with the Company other than as disclosed in Note 29.2 to the financial statements.

Directors Remuneration and Other Benefits

Directors remuneration in respect of the Company for the financial year ended 31st March 2012 is given in Note 29.2 to the financial statements.

Corporate Donations

Donations made by the Company amounted to Rs 1,539,832 (2011 – Rs 1,477,305). No donations were made for political purposes.

Directors and their Shareholdings

Directors of the Company and their respective shareholding as at 31st March, 2012.

Shareholding	As at 31.3.2012 31.3.2011	As at
Dr. P Ramanujam	2,350,000	2,350,000
Mr. M. R. Badurdeen	2,700,000	2,700,000
Mr. M.H.M. Shariff	Nil	Nil
Dato' S.B. Hayroni	Nil	Nil
Mr. H.B.A. Latiff	Nil	Nil
Mr. T. Someswaran	Nil	Nil
Mr. D. Sooriyaarachchi	Nil	1,000,000
Mr. D. Jayaweera	Nil	-

Report of the
Directors'
on the state of
affairs of the Company

Report of the Directors' on the state of affairs of the Company

Auditors

The financial statements for the year ended 31st March 2012 have been audited by KPMG Ford Rhodes Thornton & Co, Chartered Accountants, who express their willingness to continue in office. In accordance with the Companies Act No.07 of 2007, a resolution relating to their re-appointment and authorizing the Directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

The Auditors KPMG Ford Rhodes Thornton & Co, Chartered Accountants were paid Rs 220,000 (2011 – Rs195,000) as audit fees by the Company.

As far as the Directors are aware, the Auditors do not have any relationship (other than that of an Auditor) with the Company other than those disclosed above. The Auditors also do not have any interest in the Company.

Dividends

The Directors paid an interim Dividend of Rs.0.15 per share for the financial year ended 31st March, 2012.

Investments

Details of investments held by the Company are disclosed in Notes 18 and 19 to the financial statements.

Property, Plant and Equipment

An Analysis of the property, plant and equipment of the Company, additions and disposals made during the year and depreciation charged during the year are set out in Note 15 to the financial statements.

Capital Commitments

There are no material capital commitments that would require disclosures in the financial statements.

Stated Capital

The Stated Capital of the Company is Rs 630,000,000 Million.

Reserves

Total Group reserves as at 31st March 2012 amount to Rs 168,760,504 Million comprising of retained earnings. Movements are shown in the Statement of Changes in Equity in the Financial Statements.

Employment Policies

The Company is an equal opportunity employer without any discrimination.

Taxation

The tax position of the Company is given in Note 12 to the Financial Statements.

Disclosure as per Colombo Stock Exchange Rule No.7.6

	31.03.2012	31.03.2011
Market price per shares as at 31st March	2.60	3.80
Highest share price during the year	8.80	5.00
Lowest share price during the year	2.30	3.50

Shareholding

The number of registered shareholders of the Company as at 31st March, 2012 was 9212. The distribution and analysis of shareholdings are given on page 13

Major Shareholders

The twenty largest shareholders/option holders of the Company as at 31st March 2012, together with an Analysis are given on pages 13 and 14

Statutory Payments

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

Environment, Health and Safety

All the laws and regulations in this regard are strictly adhered to.

Corporate Governance/Internal Control

The Company has put in place systems and procedures to ensure the implementation of sound corporate governance principles. The Audit Committee report and the Remuneration Committee report are given in pages 20 and 21 respectively.

Contingent Liabilities

There were no material contingent liabilities outstandings as at 31st March, 2012 other than those disclosed in Note 31 to the financial statements.

Post Balance Sheet Events

Subsequent to the date of the Balance Sheet no circumstances have arisen which would require adjustments to the accounts. Significant post balance sheet events which in the opinion of the Directors require disclosure are described in Note 32 to the financial statements.

Annual General Meeting

The Annual General Meeting of the Company will be held at the Auditorium, Institute of Chartered Accountants of Sri Lanka, No 30A, Malalasekara Mawatha, Colombo 7 on 26th September 2012 at 10 a.m.

For and on behalf of the Board of Directors of
 PANASIAN POWER PLC



Dr Prathap Ramanujam
 Director



Mr. Rifky Badurdeen
 Director



S S P Corporate Services (Private) Limited,
 Secretaries
 Date: 22nd June 2012

Statement of Directors' Responsibility

The responsibility of the Directors in relation to the Financial Statements of the Company and its Subsidiaries prepared in accordance with the provisions of the Companies Act No 7 of 2007 is set out in the following statement. The responsibilities of the External Auditor in relation to the Financial Statements are set out in the Report of the Auditors given on page 26 of the Annual Report.

As per the provisions of the Companies Act No 7 of 2007 the Directors are required to prepare Financial Statements for each financial year and place them before a General Meeting. The Financial Statements comprise the Balance Sheet as at 31 March 2012, and the Income Statement, Statement of Changes in Equity and Cash Flow for the year then ended and notes thereto.

The Financial Statements of the Company and its Subsidiaries give a true and fair view of:

1. the state of affairs of the Company and its Subsidiaries as at 31 March 2012; and
2. the profit or loss of the Company and its Subsidiaries for the financial year then ended.

In preparing these financial statements the Directors have ensured that:

- i. The appropriate accounting policies have been selected and applied in a consistent manner. Material departures, if any, have been disclosed and explained;
- ii. All applicable accounting standards as relevant have been followed;
- iii. Judgments and estimates have been made which are reasonable and prudent;
- iv. It provides the information required by and otherwise comply with the Companies Act and the Listing Rules of the Colombo Stock Exchange.

The directors have also ensured that the Company and its Subsidiaries have adequate resources to continue in operation to justify applying the good concern basis in preparing these financial statements.

Further, the Directors have a responsibility to ensure that the Companies within the Group maintains sufficient accounting records to disclose, with reasonable accuracy the financial position of the Company and its Subsidiaries and to ensure that the financial statements presented comply with the requirements of the Companies Act No. 7 of 2007, Sri Lanka Accounting Stand-

ards and the Listing Rules of the Colombo Stock Exchange. The directors are also responsible for taking reasonable steps to safeguard the assets of the Company and in this regard to give proper consideration to the establishment of appropriate internal control systems with a view to preventing and detecting fraud and other irregularities.

Further, as required by Section 56 (2) of the Companies Act No 7 of 2007, the Directors have confirmed that the Company, based on the information available, satisfies the solvency test immediately after the distribution of dividends, in accordance with Section 57 of the Companies Act No 7 of 2007, and has obtained a certificate of solvency from the Auditors, prior to the payment of an interim dividend of Rs 0.15 per share for the year under review.

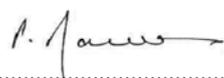
The Directors are required to prepare the financial statements and to provide the Auditors with every opportunity to take whatever steps and undertake whatever inspections they may consider to be appropriate to enable them to give their audit opinion.

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 all 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.

For and on behalf of the Board



.....
Dr Prathap Ramanujam
 Director



.....
Mr. Rifky Badurdeen
 Director

Independent Auditor's Report

Independent Auditor's Report



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300,
Sri Lanka.

Tel : +94 - 11 542 6426
Fax : +94 - 11 244 5872
+94 - 11 244 6058
+94 - 11 254 1249
+94 - 11 230 7345
Internet : www.lk.kpmg.com

To the members of Panasian Power PLC.

Report on the Financial Statements

We have audited the accompanying financial statements of Panasian Power PLC, (the "Company") and the consolidated financial statements of the Company and its subsidiaries (the "Group") as at 31st March, 2012, which comprise the balance sheet as at that date, 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, as set out on pages 31 to 44 of this Annual Report.

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 principles 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 31st March, 2012 and the financial statements give a true and fair view of the Company's state of affairs as at 31st March 2012 and its profits and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs as at 31st March, 2012 and its profits and cash flows for the year then ended, in accordance with Sri Lanka Accounting Standards, of the company and its subsidiaries dealt with thereby, so far as concerns the members of the Company.

Report on Other Legal and Regulatory Requirements

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



CHARTERED ACCOUNTANTS

Colombo.
22nd June 2012

KPMG, a Sri Lankan Partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International cooperative ("KPMG International"), a Swiss entity.

M.R. Mihular FCA
C.P. Jayatilake FCA
Ms. S. Joseph FCA
S.T.D.L. Perera FCA

Ms. M. P. Perera FCA
T.J.S. Rajakarier FCA
Ms. S.M.B. Jayasekara ACA
G.A.U. Karunaratne ACA

P.Y.S. Perera FCA
W.W.J.C. Perera FCA
W.K.D.C. Abeyrathne ACA
R.M.D.B. Rajapakse ACA

Principals - S.R.I. Perera ACMA, LLB, Attorney-at-Law, H.S. Goonewardene ACA

Income Statement

<i>For the year ended 31st March,</i>		Group		Company	
		2012 Rs.	2011 Rs.	2012 Rs.	2011 Rs.
	Note				
Revenue	8	177,487,609	227,375,876	110,035,071	141,149,938
Direct expenses		(55,602,812)	(39,100,903)	(21,831,043)	(22,047,739)
Gross profit		121,884,797	188,274,973	88,204,028	119,102,199
Administrative expenses		(42,466,234)	(32,102,405)	(37,240,074)	(27,073,418)
Other operating income/(expense)	9	(174,287)	(11,936)	31,716,125	-
Finance income	10.1	5,886,821	638,294	3,056,300	366,556
Finance expense	10.2	(2,447,325)	(2,678,624)	(1,729,633)	(1,688,637)
Net finance income/(expense)		3,439,496	(2,040,330)	1,326,667	(1,322,081)
Profit before tax	11	82,683,772	154,120,302	84,006,746	90,706,700
Income tax expense	12	(1,841,584)	(2,881,826)	(1,969,590)	(2,058,262)
Profit for the year attributable to the equity holders of the Company		80,842,188	151,238,476	82,037,155	88,648,438
Earnings per ordinary share(EPS)	13	0.16	0.42	0.16	0.25
Dividend per ordinary share (DPS)	14	0.15	0.25	0.15	0.25

The above Income Statement is to be read in conjunction with notes to the Financial Statements on pages 31 to 44

Figures in brackets indicate deductions.

Balance Sheet

Balance Sheet

As at 31st March,	Note	Group		Company	
		2012 Rs.	2011 Rs.	2012 Rs.	2011 Rs.
ASSETS					
Non-Current Assets					
Property, plant and equipment	15	345,862,867	384,763,250	84,342,322	92,674,837
Intangible assets	16	300,553,779	302,082,354	7,699,992	8,799,996
Deferred tax assets	17	-	-	-	122,977
Investment in subsidiaries	18	-	-	605,107,184	565,107,184
Other investments	19	35,000,000	100	-	100
		681,416,646	686,845,704	697,149,498	666,705,094
Current Assets					
Trade and other receivables	20	26,187,338	53,239,732	11,934,402	16,719,879
Amount due from related parties	21	2,368,000	2,368,000	1,320,000	55,535,916
Cash and cash equivalents	22	109,703,107	127,841,895	58,275,755	58,114,859
		138,258,445	183,449,627	71,530,157	130,370,654
TOTAL ASSETS		819,675,091	870,295,331	768,679,655	797,075,748
EQUITY AND LIABILITIES					
Equity attributable to the equity holders of the Company					
Stated capital	23	630,000,000	630,000,000	630,000,000	630,000,000
Retained earnings		168,760,504	212,918,315	107,365,433	150,328,278
Total equity		798,760,504	842,918,315	737,365,433	780,328,278
Non-Current Liabilities					
Employee benefits	24	1,368,962	793,109	1,234,127	694,786
Finance lease obligations due after one year	25	3,595,631	10,335,698	1,694,335	7,682,189
Interest bearing loans and borrowings due after one year	26	3,561,612	-	3,561,612	-
Deferred tax liabilities	17	2,683,931	2,015,811	990,849	-
		11,210,136	13,144,618	7,480,923	8,376,975
Current Liabilities					
Accruals and other payables	27	3,654,023	3,845,938	2,246,870	2,838,924
Amount due to related parties	28	-	-	17,000,000	-
Finance lease obligations due within one year	25	1,423,978	2,606,223	706,290	1,807,197
Interest bearing loans and borrowings due within one year	26	1,657,452	-	1,657,452	-
Income tax payable		2,968,998	7,780,237	2,222,687	3,724,374
		9,704,451	14,232,398	23,833,299	8,370,495
Total liabilities		20,914,587	27,377,016	31,314,222	16,747,470
TOTAL EQUITY AND LIABILITIES		819,675,091	870,295,331	768,679,655	797,075,748

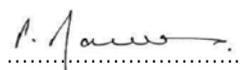
The above Balance Sheet is to be read in conjunction with Notes to the Financial Statements on pages 31 to 44

I certify that the Financial Statements for the year ended 31st March 2012 are in compliance with the requirements of the Companies Act No. 07 of 2007



Mr Mohd Hairol bin Mohd Shariff
 Director Finance

The Board of Directors are responsible for the preparation and presentation of these Financial Statements.
 Approved and signed for and behalf of the Board:



Dr Prathap Ramanujam
 Chairman
 22nd June 2012
 Colombo, Sri Lanka



Mr. Rifky Badurdee
 Director Operations

Statement of Changes in Equity

Statement of Changes in Equity

Group	Stated Capital			Total
	Ordinary Shares	15% Non Cumulative Redeemable Preference Shares	Retained Earnings	
	Rs.	Rs.	Rs.	Rs.
Balance as at 31st March 2010	30,000,000	85,000,000	104,097,284	219,097,284
Issue of shares	600,000,000	155,000,000	-	755,000,000
Direct share issue expenses	-	-	(29,217,445)	(29,217,445)
Transferred to unsecured debt	-	(240,000,000)	-	(240,000,000)
Dividend for-2009/10	-	-	(13,200,000)	(13,200,000)
Profit for the year	-	-	151,238,476	151,238,476
Balance as at 31st March 2011	630,000,000	-	212,918,315	842,918,315
Dividend for-2010/11	-	-	(125,000,000)	(125,000,000)
Profit for the year	-	-	80,842,188	80,842,188
Balance as at 31st March 2012	630,000,000	-	168,760,504	798,760,504
Company				
Balance as at 31st March 2010	30,000,00	85,000,000	104,097,285	219,097,285
Issue of shares	600,000,000	155,000,000	-	755,000,000
Transferred to unsecured debt	-	(240,000,000)	-	(240,000,000)
Direct share issue expenses	-	-	(29,217,445)	(29,217,445)
Dividend for-2009/10	-	-	(13,200,000)	(13,200,000)
Profit for the year	-	-	88,648,438	88,648,438
Balance as at 31st March 2011	630,000,000	-	150,328,278	780,328,278
Dividend for-2010/2011	-	-	(125,000,000)	(125,000,000)
Profit for the year	-	-	82,037,155	82,037,155
Balance as at 31st March 2012	630,000,000	-	107,365,433	737,365,433

Figures in brackets indicate deductions

The above Statement of Changes in Equity is to be read in conjunction with Notes to the Financial Statements on pages 31 to 44

Cash Flow Statement

Cash Flow Statement

For the year ended 31st March,	Group		Company	
	2012 Rs.	2011 Rs.	2012 Rs.	2011 Rs.
Cash flows from operating activities				
Profit before taxation	82,683,772	154,120,302	84,006,746	90,706,700
Adjustments for,				
Depreciation on property plant and equipment	46,564,937	30,329,320	16,980,056	15,763,566
Amortisation of intangible assets	1,528,575	1,350,004	1,100,004	1,100,004
Provision for retirement benefit obligations	575,853	309,073	539,341	366,160
Dividend income	-	-	(31,716,125)	-
Loss on disposal of property, plant and equipment	174,287	4,011,936	-	-
Interest income	(5,886,821)	(638,294)	(3,056,300)	(366,556)
Interest expense	2,447,325	2,678,624	1,729,633	1,688,637
Operating profit before working capital changes	128,087,928	192,160,965	69,583,355	109,258,511
(Increase) / decrease in receivables	26,826,617	(43,073,853)	4,785,477	(10,700,293)
(Increase)/ decrease in related party receivables	-	31,627,059	54,215,916	34,295,472
Increase / (decrease) in payables	(191,915)	2,275,243	(592,054)	2,054,069
Increase /(decrease) in related company payables	-	-	17,000,000	-
Cash generated/ (used) from operations	154,722,630	182,989,414	144,992,694	134,907,759
Interest paid	(585,865)	(2,678,624)	(585,865)	(1,688,637)
Income tax paid	(5,984,703)	(993,269)	(2,357,451)	896,163
Net cash flows from operating activities	148,152,062	179,317,521	142,049,378	134,115,285
Cash flows from investing activities				
Purchase of property, plant and equipment	(8,838,841)	(453,014)	(8,647,541)	(408,023)
Proceeds from disposal of property, plant and equipment	1,000,000	-	-	-
Insurance claim on condemned motor vehicle	-	4,000,000	-	-
Investment in subsidiary company	-	(542,704,552)	(40,000,000)	(565,107,186)
Investment in other companies	(35,000,000)	(100)	-	(100)
Disposal of investment	100	-	100	-
Dividend received	-	-	31,716,125	-
Interest received	5,886,821	638,295	3,056,300	366,556
Net cash flows from investing activities	(36,951,920)	(538,519,371)	(13,875,016)	(565,148,753)
Cash flows from financing activities				
Loans obtained during the year	5,600,000	-	5,600,000	-
Loan repaid during the year	(380,936)	-	(380,936)	-
Proceeds from issuance of new ordinary shares	-	600,000,000	-	600,000,000
Proceeds from issuance of new preference shares	-	155,000,000	-	155,000,000
Direct share issue expenses	-	(29,217,445)	-	(29,217,445)
Settlement of debt	-	(240,000,000)	-	(240,000,000)
Dividend paid	(125,000,000)	(13,200,000)	(125,000,000)	(13,200,000)
Payment of finance lease obligation	(9,557,994)	(4,271,715)	(8,232,530)	(2,167,133)
Net cash flows from financing obligation	(129,338,930)	468,310,840	(128,013,466)	470,415,422
Net (decrease) / increase in cash and cash equivalents	(18,138,788)	109,108,990	160,896	39,381,954
Cash and cash equivalents at the beginning of the year	127,841,895	18,732,905	58,114,859	18,732,905
Cash and cash equivalents at the end of the year (Note 22)	109,703,107	127,841,895	58,275,755	58,114,859

The above Cash Flow Statement is to be read in conjunction with Notes to the Financial Statements on pages 31 to 44

Figures in brackets indicate deductions

1. Corporate Information

1.1 Reporting Entity

Panasian Power PLC is a Company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at Level 3, 281, R.A.de Mel Mawatha, Colombo 3.

1.2 Principal Activities and Nature of Operations

The principal activity of the Company and its Subsidiary Manelwala Hydropower (Pvt) Limited is to produce hydro power.

The Company entered into Small Power Purchase Agreements with the Ceylon Electricity Board (CEB) for the sale of electrical energy from Rath Ganga Mini-Hydro Production Facilities for a period of 15 years, beginning on the Commercial Operation Date of 5th July 2004. The capacity of power potential is 2000KW and situated at Rath Ganga, Ratnapura.

The Subsidiary, Manelwala Hydropower (Pvt) Limited entered into Small Power Purchase Agreements with the Ceylon Electricity Board (CEB) for the sale of electrical energy from Kurundu Oya Mini-Hydro Production Facilities for a period of 15 years, beginning on the Commercial Operation Date of 18th June 2008. The capacity of power potential is 2400KW and situated at Walapane.

1.3 No of Employees

The number of employees at the end of the year was 28.

2 Basis of Preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Sri Lanka Accounting Standards (SLAS), adopted by the Institute of Chartered Accountants of Sri Lanka (ICASL) and the requirements of the Companies Act No. 07 of 2007 and Sri Lanka Accounting and Auditing Standards Act No.15 of 1995.

The Financial statements were authorised for issue by the board on 11 June 2012

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for retirement benefit obligations which are measured at the present value of the defined benefit plan as explained in Note 24 to the financial statements respectively.

2.3 Functional and presentation currency

The financial statements are presented in Sri Lankan rupees, which is the Group's functional currency.

2.4 Use of Estimates and Judgments

The preparation of financial statements in conformity with SLAS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and judgmental decisions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 16 – Key assumptions used in discounted cash flow projections
- Note 24 – Measurement of defined benefit obligations
- Note 17 – Utilisation of tax losses
- Note 17 – Deferred tax liabilities

2.5 Going concern

The Directors have made an assessment of the Group's ability to continue as a going concern in the foreseeable future, and they do not intend either to liquidate or to cease trading.

3. Summary of Significant Accounting Policies

Accounting policies set out below are consistently applied by the Group, and are consistent with those used in the previous year.

Certain comparative amounts have been reclassified to conform to current year's presentation.

3.1 Basis of Consolidation

The consolidated financial statements (referred to as the "Group") comprise the financial statements of the Company and its subsidiaries.

3.1.1 Subsidiaries

Subsidiaries are those entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities which is evident when the company controls the composition of the board of directors of the entity or holds more than 50% of the issued shares of the entity, or 50% of the voting rights of the entity, or is entitled to receive more than half of every dividend from shares carrying unlimited right to participate in distribution of profits or capital.

The financial statements of subsidiaries are included in the consolidated financial statements when control commences and until control ceases.

3.1.2 Goodwill

Goodwill represents the excess of the cost of an acquisition of a subsidiary over the Group's interest in the net fair value of the identifiable assets and liabilities.

Goodwill is initially recognised at cost. Such goodwill is identified into cash generating units and is annually tested for impairment as described in note 16 to the financial statements. After initial recognition goodwill is stated at cost less accumulated impairment losses.

The goodwill arising on acquisition of subsidiaries is presented as an intangible asset.

If the Group's interest in the net fair value of the identifiable assets and liabilities exceed the cost of the acquisition of the entity, it is recognised immediately in the consolidated income statement.

3.1.3 Reporting date

3.1.4 Intra-group transactions

3.1.4.1 Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions are eliminated in full in the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated unless there is evidence of impairment.

3.2 Foreign currency transactions

Transactions in foreign currencies are translated to Sri Lankan rupees, which is the functional currency, at the exchange rate applicable on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the Sri Lankan rupees at the exchange rate ruling at that date. Foreign currency exchange differences arising on translation are recognised in profit and loss.

3.3 Assets and bases of their valuation

Assets classified as current assets on the Balance Sheet are cash and bank balances and those which are expected to be realised in cash during the normal operating cycle or within one year from the reporting date, whichever is shorter.

3.3.1 Property, plant and equipment

3.3.1.1 Owned Assets

Property, plant and equipment are measured at cost or valuation less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor and any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as a part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

All items of property, plant and equipment is initially recognised at cost. A revaluation is carried out when there is a substantial difference between fair value and the carrying amount of the property, and is undertaken by professionally qualified values.

Gains and losses on disposal of an item of property, plant & equipment are determined by comparing the proceeds from disposal with the carrying value of property, plant & equipment and are recognised net within other income in profit and loss.

Expenditure incurred for the purpose of acquiring, extending or improving Assets of a permanent nature by means of which to carry on the business or to increase the earning capacity of the business has been treated as capital expenditure.

3.2.1.2 Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial

recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

3.3.1.3 Subsequent costs

The cost of replacing a part of an item of property, plant & equipment is recognised in carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised.

The cost of the day-to-day servicing of property, plant & equipment are recognised in profit and loss as incurred.

3.3.1.4 De-recognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal; or when no future economic benefits are expected from its use or disposal. Gains and losses on de-recognition are recognised in profit and loss and gains are not classified as revenue.

3.3.1.5 Depreciation

Depreciation is recognised in profit and loss on a straight-line basis over the estimated useful lives of items of each part of an item of property, plant and equipment.

The estimated useful lives for the current and comparative periods are as follows.

Office equipment	04 Years
Furniture & fittings	04 Years
Motor vehicles	04 Years
Civil construction	15 Years
Electro Mechanical Equipment	10 Years

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale or is derecognised.

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

3.3.2 Intangible assets

An intangible asset is recognised if it is possible that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably in accordance with SLAS 37 on intangible assets. Accordingly, the assets are stated in the balance sheet at cost less amortisation.

Company policy is to amortise the Intangible Asset over 10 years on a straight line basis.

3.3.3 Trade and other receivables

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

Other receivables and dues from related parties are recognised at cost less provision for bad and doubtful receivables.

3.3.4 Cash and cash equivalents

Cash and cash equivalents comprise 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.

3.3.5 Impairment of assets

The carrying amount of the Company's assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash generating unit is greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

An impairment loss is recognised if the carrying amount of an asset or cash generating unit exceeds its recoverable amount. Impairment losses are recognised in profit and loss.

3.4 Liabilities and provisions

Liabilities classified as current liabilities on the balance sheet are those that fall due for payment on demand or within one year from the reporting date. Non-current liabilities are those balances that fall due for payment after one year from the reporting date.

3.4.1 Employee benefits

3.4.1.1 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays a fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Provident and Trust Funds covering all employees are recognised as an expense in profit and loss in the periods during which services are rendered by employees.

3.4.1.2 Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms of maturity approximating to the terms of the liability.

Provision has been made in the financial statements for retiring gratuities from the first year of service for all employees, in conformity with SLAS 16 (Revised 2006) on Retirement Benefit Costs.

However according to the Payment of Gratuity Act No. 12 of 1983, the liability for payment to an employee arises only after the completion of 5 years continued service.

The liability is not externally funded.

3.6 Trade and other payables

Trade and other payables are stated at their cost.

3.7 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.9 Capital commitments and contingencies

All material capital commitments and contingent liabilities of the Company are disclosed in the financial statements.

4 Income Statement

The following specific criteria are used for the purpose of recognition of revenue.

4.1 Revenue

Revenue is recognised when the significant risks and rewards of ownership have been transferred, recovery of the consideration is probable and the amount of revenue can be measured reliably.

Gains or losses on the disposal of property, plant and equipment are recognised in profit and loss.

4.2 Expenses

All expenditure incurred in the running of the business has been charged to income in arriving at the profit for the year.

Repairs and renewals are charged to the Income Statement in the year in which the expenditure is incurred.

4.3 Borrowing Costs

Borrowing Costs are recognised as an expense in the period in which they are incurred, except to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset in which case they are capitalised as part of the cost of that asset.

4.4 Finance income and expenses

Finance income / cost comprise interest expense on borrowings, interest income on funds invested and gains and losses on translation of foreign currency.

Interest income is recognised in the income statement as it accrues.

4.5 Income Tax

Income tax expense comprises current tax and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, when it is recognised in equity.

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the temporary differences will be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

5 General

5.1 Events Occurring After Balance Sheet Date

All material post Balance Sheet events have been considered and where appropriate adjustments to or disclosures have been made in the financial statements.

5.2 Earnings per Share

The Company presents basic earnings per share (EPS) for its ordinary shares; Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

6 Cash flow statement

The cash flow statement has been prepared using the “indirect method”.

Interest paid is classified as operating cash flows, interest received are classified as investing cash flows, while dividends paid are classified as financing cash flows for the purpose of presenting the cash flow statement.

7 New accounting standards issued but not effective as at balance sheet date

7.1 The Institute of Chartered Accountants of Sri Lanka has issued a new volume of Sri Lanka Accounting Standards, which become effective for annual periods beginning on or after 01st January 2012. Accordingly these Standards have not been applied in preparing these financial statements as they are not effective for the year ended 31st March 2011.

7.2 These new Sri Lanka Accounting Standards comprise Accounting Standards prefixed both SLFRS (corresponding to IFRS) and LKAS (corresponding to IAS) and are commonly referred to by the term SLFRSs. Application of the Sri Lanka Accounting Standards prefixed SLFRS and LKAS for the first time is deemed to be an adoption of SLFRSs for the first time. The Council of The Institute of Chartered Accountants of Sri Lanka has also adopted the Interpretation Guidelines issued by the International Financial Reporting Interpretation Committee (guidelines referred to as IFRICs) and Standing Interpretation Committee (guidelines referred to as SICs).

7.3 The Group completed an extensive assessment of the impact of applying the SLFRSs, LKASs, IFRICs & SICs and identified the gaps in the current accounting practices applied by the Group.

7.4 The Group evaluated each new Accounting Standard and the relevant Interpretation Guidelines (SLFRSs, LKASs, IFRICs and SICs) and identified the standards relevant to the Group. The following table summarises the applicability of these standards to the Group:

	Applicable to the Group	Currently not applicable to the Group
SLFRS - 01 First Time Adoption of International Financial Reporting Standards	√	
SLFRS - 02 Share -based Payment		√
SLFRS - 03 Business Combinations		√
SLFRS - 04 Insurance Contracts		√
SLFRS - 05 Non-current Assets Held for Sale and Discontinued Operations		√
SLFRS - 06 Exploration for and Evaluation of Mineral Resources		√
SLFRS - 07 Financial Instruments - Disclosures	√	
SLFRS - 08 Operating Segments		√
LKAS - 01 Presentation of Financial Statements	√	
LKAS - 02 Inventories		√
LKAS - 07 Statement of Cash Flows	√	
LKAS - 08 Accounting Policies, Changes in Accounting Estimates and Errors	√	
LKAS - 10 Events After the Reporting Period	√	
LKAS - 11 Construction Contracts		√
LKAS - 12 Income Taxes	√	
LKAS - 16 Property, Plant and Equipment	√	
LKAS - 17 Leases	√	
LKAS - 18 Revenue	√	
LKAS - 19 Employee Benefits	√	
LKAS - 20 Accounting for Government Grants and Disclosure of Government Assistance		√
LKAS - 21 The Effects of Changes in Foreign Exchange Rates	√	
LKAS - 23 Borrowing Costs	√	
LKAS - 24 Related Party Disclosures	√	
LKAS - 26 Accounting and Reporting by Retirement Benefit Plans		√
LKAS - 27 Consolidated and Separate Financial Statements	√	
LKAS - 28 Investments in Associates		√
LKAS - 29 Financial Reporting in Hyperinflationary Economies		√
LKAS - 31 Interests in Joint Ventures		√
LKAS - 32 Financial Instruments - Presentation	√	
LKAS - 33 Earnings per Share	√	
LKAS - 34 Interim Financial Reporting	√	
LKAS - 36 Impairment of Assets	√	
LKAS - 37 Provisions, Contingent Liabilities and Contingent Assets	√	
LKAS - 38 Intangible Assets	√	
LKAS - 39 Financial Instruments – Recognition and Measurement	√	
LKAS - 40 Investment Property	√	
LKAS - 41 Agriculture		√
IFRIC - 01 Changes in existing decommissioning, restoration and similar liabilities		√
IFRIC - 04 Determining whether an arrangement contain a lease	√	
IFRIC - 12 Service concession arrangements		√
SIC - 27 Evaluating the substance of the transaction in the legal form of a lease		√
SIC - 29 Service concession arrangements: Disclosures		√
Other IFRICs and SICs		√

For the year ended 31st March,

8 Revenue

Turnover

	Group		Company	
	2012 Rs.	2011 Rs.	2012 Rs.	2011 Rs.
Turnover	177,487,609	227,375,876	110,035,071	141,149,938
	177,487,609	227,375,876	110,035,071	141,149,938

The Group entered into Standardised Power Purchase Agreements with the Ceylon Electricity Board (CEB) for the sale of electrical energy from Rath Ganga and Kurudu Oya Mini-Hydro Production Facilities for a period of 15 years, from the Commercial Operation Date of 5th July 2004 and 18th July 2008 for Rath Ganga and Kurudu Oya respectively. The capacity of the Rath Ganga power plant is 2000KW and 2400KW for the Kurudu Oya power plants situated at Rathnapura and Walapane respectively.

9 Other operating income / (loss)

Loss on disposal of property, plant and equipment
Dividend income from subsidiary company

Loss on disposal of property, plant and equipment	(174,287)	(11,936)	-	-
Dividend income from subsidiary company	-	-	31,716,125	-
	(174,287)	(11,936)	31,716,125	-

10 Net finance income(expense)

10.1 Finance income

Interest income

Interest income	5,886,821	638,294	3,056,300	366,556
	5,886,821	638,294	3,056,300	366,556

10.2 Finance expense

Interest on long-term loans
Interest on finance lease obligations

Interest on long-term loans	(585,865)	-	(585,865)	-
Interest on finance lease obligations	(1,861,460)	(2,678,624)	(1,237,469)	(1,688,637)
	(2,447,325)	(2,678,624)	(1,729,633)	(1,688,637)

Net finance income / (expense)

Net finance income / (expense)	3,439,496	(2,040,330)	1,326,667	(1,322,081)
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11 Profit before tax

Profit before tax is stated after charging all expenses including the following:

Direct costs

Staff cost (Note 11.1)

Insurance

Repairs and maintenance services

Depreciation on property, plant and equipment

Amortisation of intangible assets

Staff cost (Note 11.1)	7,012,417	5,637,809	4,563,017	3,568,548
Insurance	1,442,179	1,721,734	665,415	836,162
Repairs and maintenance services	1,366,748	329,052	1,006,902	217,052
Depreciation on property, plant and equipment	43,509,188	28,587,548	14,186,959	14,240,595
Amortisation of intangible assets	1,528,575	1,350,004	1,100,004	1,100,004

Administrative expenses

Depreciation on property, plant and equipment

Auditors' remuneration - KPMG

Statutory audit fees

Non-audit fees

Donations

Staff cost (Note 11.2)

Depreciation on property, plant and equipment	3,055,749	1,741,772	2,793,097	1,522,971
Auditors' remuneration - KPMG				
Statutory audit fees	365,000	316,925	220,000	195,000
Non-audit fees	-	123,449	-	188,374
Donations	1,646,832	1,492,445	1,539,832	1,477,305
Staff cost (Note 11.2)	18,011,623	13,605,085	17,115,681	10,907,558

Note 11.1 Staff Cost

Salaries and wages

Defined contribution plan cost-EPF and ETF

Salaries and wages	5,974,313	4,688,832	3,863,687	2,973,248
Defined contribution plan cost-EPF and ETF	1,038,104	948,977	699,330	595,300
	7,012,417	5,637,809	4,563,017	3,568,548

Note 11.2 Staff cost

Salaries and wages

Directors' fees

Defined contribution plan cost-EPF and ETF

Employee benefits -Retirement benefits

Salaries and wages	6,378,082	5,195,819	5,646,174	2,769,687
Directors' fees	9,819,696	7,157,375	9,819,696	7,157,375
Defined contribution plan cost-EPF and ETF	1,237,992	942,818	1,110,470	614,335
Employee benefits -Retirement benefits	575,853	309,073	539,341	366,161
	18,011,623	13,605,085	17,115,681	10,907,558

For the year ended 31st March,

12 Income tax expense

Tax on current year profit

Deferred tax expense

Origination/(reversal) of temporary differences

Reconciliation of accounting profit to tax on current year

Profit before tax

Non business income

Aggregate disallowed expenses

Aggregate allowable expenses

Exempt income from business

Income from other sources

(Loss) / taxable profit on disposal of fixed assets

Interest income

Utilisation of tax losses

Taxable income

Income tax charged at

Standard rate of 28% (2010/11 - 35%)

Deemed Dividend Tax @ 15%

SRL on income tax @ 1.5%

Taxation on current year profits

	Group		Company	
	2012 Rs.	2011 Rs.	2012 Rs.	2011 Rs.
Tax on current year profit	(1,173,464)	(2,453,568)	(855,764)	(2,066,220)
	(1,173,464)	(2,453,568)	(855,764)	(2,066,220)
Origination/(reversal) of temporary differences	(668,120)	428,258	(1,113,826)	7,958
	(1,841,584)	(2,881,826)	(1,969,590)	(2,058,262)
Profit before tax	82,683,772	154,120,302	84,006,746	90,706,700
Non business income	(5,886,821)	(638,294)	(34,772,425)	(366,556)
Aggregate disallowed expenses	55,209,886	82,814,050	23,780,723	53,756,227
Aggregate allowable expenses	(49,468,452)	(50,641,748)	(16,171,182)	(16,356,282)
Exempt income from business	82,538,385	185,654,310	56,843,862	127,740,089
(Loss) / taxable profit on disposal of fixed assets	(1,254,630)	576,482	-	-
Interest income	5,886,821	638,294	3,056,300	366,556
Utilisation of tax losses	(441,249)	(296,877)	-	-
Taxable income	4,190,941	917,899	3,056,300	366,556
Standard rate of 28% (2010/11 - 35%)	(1,173,464)	(544,914)	(855,764)	(128,295)
Deemed Dividend Tax @ 15%	-	(1,887,883)	-	(1,887,883)
	(1,173,464)	(2,432,797)	(855,764)	(2,016,177)
SRL on income tax @ 1.5%	-	(20,771)	-	(50,043)
Taxation on current year profits	(1,173,464)	(2,453,568)	(855,764)	(2,066,220)

The Company enjoys a tax holiday on its income from business for a period of 15 years from year 2002/2003 under Section 18 A of the Inland Revenue Act 38 of 2000 (subsequently governed by Section 218(2) of the Inland Revenue Act 10 of 2006), granted by the Department of Inland Revenue. After the expiration of the aforesaid tax exemption period, the profits and income of the enterprise shall be charged at the rate of 10% for a period of two years immediately succeeding the last date of the tax exemption period. After the expiration of the aforesaid concessionary tax rate of 10%, the profits and income of the Company for any year of assessment be charged at the rate of 20%. Income from other sources of the Company will be taxed at the standard rate of 28%.

13 Earnings per ordinary share

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

The following reflect the income and share data used in the basic earnings per share computation.

	Group		Company	
	2012	2011	2012	2011
Profit for the year (Rs.)	80,842,188	151,238,476	82,037,155	88,648,438
Net profit attributable to ordinary shareholders (Rs.)	80,842,188	151,238,476	82,037,155	88,648,438
Qualifying ordinary shares at the beginning of the year	500,000,000	300,000,000	500,000,000	300,000,000
Effect of Shares issued during the year		58,333,333	-	58,333,333
	500,000,000	358,333,333	500,000,000	358,333,333
Basic earnings per ordinary share (Rs.)	0.16	0.42	0.16	0.25
There were no dilutive potential ordinary shares outstanding at any time during the period.				
Interim ordinary dividend declared- Rs.0.15 per share (2010/2011 Rs.0.25 per share)	125,000,000	13,200,000	125,000,000	13,200,000

15 Property plant and equipment

Group

Cost

Freehold assets

Land
Office equipment
Furniture and fittings
Motor vehicle
Civil construction
Electro mechanical equipment

Leasehold assets

Motor vehicles

Accumulated depreciation

Office equipment
Furniture and fittings
Motor vehicles
Civil construction
Electro mechanical equipment

Leasehold assets

Motor vehicles

Carrying amount

Cost of fully depreciated assets

Office equipment
Furniture and fittings
Motor vehicle

	Balance as at 01/04/2011	Additions during the year	Disposals/ Transfers during the year	Balance as at 31/03/2012
	Rs.	Rs.	Rs.	Rs.
Freehold assets				
Land	9,046,822	-	-	9,046,822
Office equipment	3,202,055	444,550	-	3,646,605
Furniture and fittings	685,057	185,000	-	870,057
Motor vehicle	219,895	6,622,945	7,270,300	14,113,140
Civil construction	266,502,581	1,586,346	-	268,088,927
Electro mechanical equipment	230,410,347	-	-	230,410,347
	510,066,757	8,838,841	7,270,300	526,175,898
Leasehold assets				
Motor vehicles	18,291,638	-	(10,088,588)	8,203,050
	528,358,395	8,838,841	(2,818,288)	534,378,948
Accumulated depreciation				
	Balance as at 01/04/2011	Charge for the year	Depreciation on Disposals/ Transfers	Balance as at 31/03/2012
	Rs	Rs.	Rs.	Rs.
Office equipment	2,475,694	380,803	-	2,856,497
Furniture and fittings	327,978	154,496	-	482,474
Motor vehicles	139,378	2,637,914	1,514,646	4,291,938
Civil construction	68,849,846	17,802,177	-	86,652,023
Electro mechanical equipment	67,459,506	23,041,035	-	90,500,541
	139,252,402	44,016,425	1,514,646	184,783,473
Leasehold assets				
Motor vehicles	4,342,743	2,548,512	(3,158,647)	3,732,608
	143,595,145	46,564,937	(1,644,001)	188,516,081
	384,763,250			345,862,867
Carrying amount				
Cost of fully depreciated assets				
Office equipment	2,046,357			2,190,107
Furniture and fittings	131,447			131,447
Motor vehicle	-			117,775
	2,177,804			2,439,329

15 Property plant and equipment

Company

Cost

Freehold assets

Land
Office equipment
Furniture and fittings
Motor vehicle
Civil construction
Electro mechanical equipment

Leasehold assets

Motor vehicles

Accumulated depreciation

Freehold assets

Office equipment
Furniture and fittings
Motor vehicles
Civil construction
Electro mechanical equipment

Leasehold assets

Motor vehicles

Carrying amount

Cost of fully depreciated assets

Office equipment
Furniture and fittings
Motor vehicle

Company

Panasian Power PLC
Manelwala Hydropower (Pvt) Ltd

16 Intangible assets

Cost

At the beginning of the year
Addition
At the end of the year

Amortisation

At the beginning of the year
Amortisation charge for the year
At the end of the year

Carrying amount

	Balance as at 01/04/2011	Additions during the year	Disposals/ Transfers during the year	Balance as at 31/03/2012
	Rs.	Rs.	Rs.	Rs.
Freehold assets				
Land	5,048,444	-	-	5,048,444
Office equipment	2,670,157	253,250	-	2,923,407
Furniture and fittings	296,757	185,000	-	481,757
Motor vehicle	117,775	6,622,945	7,270,300	14,011,020
Civil construction	112,603,294	1,586,346	-	114,189,640
Electro mechanical equipment	56,248,087	-	-	56,248,087
	176,984,514	8,647,541	7,270,300	192,902,355
Leasehold assets				
Motor vehicles	10,982,265	-	(7,270,300)	3,711,965
	187,966,779	8,647,541	(7,270,300)	196,614,320
Accumulated depreciation				
	Balance as at 01/04/2011	Charge for the year	Depreciation on Disposals/ Transfers	Balance as at 31/03/2012
	Rs	Rs.	Rs.	Rs.
Freehold assets				
Office equipment	2,280,214	213,986	-	2,494,200
Furniture and fittings	164,050	58,671	-	222,721
Motor vehicles	88,331	2,612,384	1,514,646	4,215,361
Civil construction	47,950,242	7,542,215	-	55,492,457
Electro mechanical equipment	42,289,135	5,624,809	-	47,913,944
Leasehold assets				
Motor vehicles	2,519,970	927,991	(1,514,646)	1,933,315
	95,291,942	16,980,056	-	112,271,998
	92,674,837			84,342,322
Cost of fully depreciated assets				
Office equipment	2,046,357			2,190,107
Furniture and fittings	131,447			131,447
Motor vehicle	-			117,775
	2,177,804			2,439,329
Company				
	Location	Extent	Carrying amount as at 31st March 2012	Carrying amount as at 31st March 2011
	Rathnapura	4A 3R 8P	5,048,444	5,048,444
	Manelwala	6A 0R 34P	3,998,378	3,998,378
16 Intangible assets				
	Right to generate hydro power Group	Goodwill on acquisition of subsidiary	Goodwill on acquisition of subsidiary	Total Group
Cost				
At the beginning of the year	17,000,000	11,000,000	288,139,501	305,139,501
Addition	-	-	-	-
At the end of the year	17,000,000	11,000,000	288,139,501	305,139,501
Amortisation				
At the beginning of the year	3,057,147	2,200,004	-	3,057,147
Amortisation charge for the year	1,528,575	1,100,004	-	1,528,575
At the end of the year	4,585,722	3,300,008	-	4,585,722
Carrying amount	12,414,278	7,699,992	288,139,501	300,553,779

(i) The right to generate hydro power represent the amount paid to purchase the exclusive right to generate hydro power.

(ii) Goodwill on acquisition of subsidiary represents that arising from the acquisition of equity in Manelwala Hydro Power (Pvt) Ltd.

There has been no permanent impairment of intangible assets that requires a provision. Methods used in estimating recoverable amount is given below:

The recoverable value of Manelwala Hydro Power (Pvt) Ltd was based on Value in use. Value in use was determined by discounting the future cash flows generated from the continuing use of the unit and key assumptions used there given below.

Business Growth	Based on historical growth rate and business plan
Inflation	Based on the current inflation rate and the percentage of the total cost subjected to the inflation.
Discount rate	Average market borrowing rate adjusted for risk premium.
Margin	Based on current margin and business plan.

(iii) Remaining amortisation period of rights to generate hydro power.

Remaining amortisation period

Due within five years	7,643
Due after five years	4,771
	<u>12,414</u>

As at 31st March,

17 Deferred tax assets/(liabilities)

	Group 2012 Rs.	Company 2011 Rs.	2012 Rs.	2011 Rs.
Balance as at the beginning of the year	(2,015,811)	(2,444,069)	122,977	115,019
(Origination) / reversal of temporary difference	(668,120)	428,258	(1,113,826)	7,958
Balance as at the end of the year	<u>(2,683,931)</u>	<u>(2,015,811)</u>	<u>(990,849)</u>	<u>122,977</u>

Deferred tax asset have not been recognised in respect of tax losses carried forward (Group) because it is not certain that these losses can be utilised against future taxable profits.

Movement in tax effect of temporary differences- Group

	31.03.2012		31.03.2011	
	Temporary Difference Rs.	Deferred Tax Rs.	Temporary Difference Rs.	Deferred Tax Rs.
Deferred tax assets				
Employee benefits	1,368,962	136,896	1,350,915	135,092
Deferred tax liabilities				
Property, plant and equipment	(28,208,268)	(2,820,827)	(21,509,023)	(2,150,902)
Group	Balance as at 1st April 2010	Recognised in Income Statement	Balance as at 31st March 2011	Recognised in Income Statement
Tax effect on employee benefits	136,273	(1,182)	135,091	1,805
Tax effect on property, plant and equipment	(2,580,342)	429,440	(2,150,902)	(669,925)
	<u>(2,444,069)</u>	<u>428,258</u>	<u>(2,015,811)</u>	<u>(668,120)</u>
			Balance as at 31st March 2012	
				<u>(2,683,931)</u>

Company

	31.03.2012		31.03.2011	
	Temporary Difference Rs.	Deferred Tax Rs.	Temporary Difference Rs.	Deferred Tax Rs.
Deferred tax assets				
Employee benefits	1,234,127	123,413	1,229,771	122,977
Deferred tax liabilities				
Property, plant and equipment	(11,142,615)	(1,114,262)	-	-
Company	Balance as at 1st April 2010	Recognised in Income Statement	Balance as at 31st March 2011	Recognised in Income Statement
Tax effect on employee benefits	115,019	7,958	122,977	436
Tax effect on property, plant and equipment	-	-	-	(1,114,262)
	<u>115,019</u>	<u>7,958</u>	<u>122,977</u>	<u>(1,113,826)</u>
				Balance as at 31st March 2012
				<u>(990,849)</u>

As at 31st March,	Percentage Holding	Group		Company	
		2012 Rs.	2011 Rs.	2012 Rs.	2011 Rs.
18 Investment in subsidiaries					
Manelwala Hydropower (Pvt) Limited	100%	-	-	565,107,184	565,107,184
Panasian Investments (Pvt) Limited	100%	-	-	40,000,000	-
		-	-	-	-
				605,107,184	565,107,184
19 Other investments					
Padiyapelella Hydropower Limited		-	100	-	100
Advance to Padiyapelella Hydropower (Pvt) Ltd		35,000,000	-	-	-
		35,000,000	100	-	100
20 Trade and other receivables					
Trade receivables - Ceylon Electricity Board		18,809,126	48,561,409	8,014,849	14,378,711
Deposits		681,960	800,785	372,878	491,703
Prepayments		3,379,239	2,858,570	1,903,589	1,429,978
Advance recoverable		395,000	146,750	300,000	73,375
Economic Service Charge recoverable		-	872,218	-	346,112
Other receivable		2,922,013	-	1,343,086	-
		26,187,338	53,239,732	11,934,402	16,719,879
21 Amount due from related parties					
Powerhub International SDN.BHD		2,368,000	2,368,000	1,320,000	1,320,000
Manelwala Hydropower (Pvt) Limited		-	-	-	54,215,916
		2,368,000	2,368,000	1,320,000	55,535,916
22 Cash and cash equivalents					
Cash at bank		109,655,797	127,755,618	58,229,445	58,045,340
Cash in hand		47,310	86,277	46,310	69,519
		109,703,107	127,841,895	58,275,755	58,114,859
Cash and cash equivalents for the purpose of cash flow statement		109,703,107	127,841,895	58,275,755	58,114,859

23 Stated capital and reserves

	2012 Value	2011 No. of shares	2012 Value	2011 No. of shares
Issued and fully paid ordinary share capital				
At the beginning of the year	630,000,000	500,000,000	30,000,000	300,000
Issue of shares on subdivision	-	-	30,000,000	300,000,000
Issue of shares	-	-	600,000,000	200,000,000
At the end of the year	630,000,000	500,000,000	630,000,000	500,000,000
Preference share capital				
15%, 85,000 Preference Shares	-	-	85,000,000	85,000
Preference Shares issued	-	-	155,000,000	155,000
	-	-	240,000,000	240,000
Conversion of the preference shares to unsecured debt during the year	-	-	(240,000,000)	(240,000)
	-	-	-	-
	630,000,000	500,000,000	630,000,000	500,000,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per individual present at meetings of the shareholders or one vote per share in the case of a poll.

24 Employee benefits

As at 31st March,	Group		Company	
	2012 Rs.	2011 Rs.	2012 Rs.	2011 Rs.
Retirement benefit obligations				
Present value of unfunded obligations	1,368,962	793,109	1,234,127	694,786
Present value of funded obligations	-	-	-	-
Recognised liability for defined benefit obligations	1,368,962	793,109	1,234,127	694,786
Movement in present value of the defined benefit obligations				
Defined benefit obligations as at 01st April	793,109	328,626	694,786	328,626
Benefit paid by the plan	-	-	-	-
Interest cost	542,058	-	497,964	-
Current service cost	87,242	177,088	76,426	129,167
Actuarial (gains)/loss	(53,447)	131,985	(35,049)	236,993
Defined benefit obligations of company acquired	-	-	155,410	-
	-	-	-	-
Defined benefit obligations as at 31st March	1,368,962	793,109	1,234,127	694,786
Expense recognised in the Income statement				
Interest cost	542,058	-	497,964	-
Current service cost	87,242	177,088	76,426	129,167
Net Actuarial (gain)/loss	(53,447)	131,985	(35,049)	236,993
	575,853	309,073	539,341	366,160

The principal actuarial assumptions used in determining the liability were:

- (a) Discount rate of 12% per annum.
- (b) Salary increment rate 10% per annum.

The actuarial valuation was made on 31st March 2012. It is proposed that a valuation is obtained every year.

The liability is not externally funded.

The actuarial valuation was carried out by professionally qualified actuaries, M/s Actuarial Management Consultants (Pvt) Ltd.

As at 31st March,	Group		Company	
	2012 Rs.	2011 Rs.	Rs.	Rs.
25 Finance Lease Obligations				
Balance at the beginning of the year	17,195,526	5,082,895	12,568,170	5,082,895
Lease obligations entered into during the year	-	18,548,544	-	10,221,371
Company acquired during the year	-	3,532,550	-	-
Cessation of lease	(8,065,931)	(5,127,785)	(7,841,119)	-
Lease rentals paid during the year	(2,816,640)	(4,840,678)	(1,715,988)	(2,736,096)
Balance at the end of the year	6,312,955	17,195,526	3,011,063	12,568,170
Less: interest in suspense	(1,293,346)	(4,253,605)	(610,438)	(3,078,784)
At the end of the year	5,019,609	12,941,921	2,400,625	9,489,386
Payable within one year	1,423,978	2,606,223	706,290	1,807,197
Payable between one to five years	3,595,631	10,335,698	1,694,335	7,682,189
26 Interest bearing loans and borrowings				
Loans obtained during the year	5,600,000	-	5,600,000	-
Loans repaid during the year	(380,936)	-	(380,936)	-
Balance at the end of the year	5,219,064	-	5,219,064	-
Due within one year	(1,657,452)	-	(1,657,452)	-
Due after one year	3,561,612	-	3,561,612	-

The loan has been obtained from Commercial Leasing Company Limited. The loan is repayable in 60 monthly instalments of Rs.

138,121/-. The interest rate payable is 18.75% per annum. As security the Company has given an on demand promissory note for Rs.5,600,000/-.

As at 31st March,	Group		Company	
	2012 Rs.	2011 Rs.	2012 Rs.	2011 Rs.
27 Accruals and other payables				
Accruals	400,542	2,574,185	221,986	2,236,501
Other payables	3,253,481	1,271,753	2,024,884	602,423
	3,654,023	3,845,938	2,246,870	2,838,924

As at 31st March,	Group		Company	
	2012 Rs.	2011 Rs.	Rs.	Rs.
28 Amount due to related parties				
Manelwala Hydropower (Pvt) Limited	-	-	17,000,000	-
	-	-	17,000,000	-

29 Related party transactions

29.1 Identify of the related parties

The Company acquired 100% of Manelwala Hydropower (Pvt) Limited on 31st August 2010. The company has a related party relationship with the former parent company Power Hub International Sdn.Bhd. and its affiliates.

29.2 Transactions with key management personnel

(1) Loans given to directors

No loans given to the Directors of the Company.

(2) Key management personnel compensation

Key management personnel comprises of Directors of the Company and directors fees paid during the financial year.

(3) Transactions with affiliate companies

The Company has a related party relationship with its related group Companies. The following transactions were carried out with related parties during the year ended 31st March 2012

Name of the Company	Nature of Transaction	Relationship	Transaction Amount	Outstanding amount	Outstanding amount
			Rs. 31/3/2012 Rs.	due from / (due to) 31/3/2012 Rs.	due from / (due to) 31/3/2011 Rs.
Power Hub International Sdn. Bhd	Receivable for dividends tax exemption	Affiliate	-	1,320,000	1,320,000
Manelwala Hydropower (Pvt) Ltd	Settlement of outstanding balance Fund transfer Fixed assets transfers	Subsidiary	54,215,916 16,000,000 1,000,000	(17,000,000)	54,215,916
Padiyapelella Hydropower (Pvt) Ltd	Disposal of Investment	Affiliate	100	-	100
Panasian Investments (Pvt) Limited	Investment	Subsidiary	40,000,000	40,000,000	-

The above transactions have been taken place on normal terms, in the ordinary course of business during the year. During the year no payments were made to the directors of the affiliate companies.

30 Capital expenditure commitments

There are no material capital expenditure committed for by the Directors as at 31st March, 2012. No capital commitments by the Subsidiary Company as at the Balance Sheet date.

31 Contingent liabilities

There were no material contingent liabilities as at the Balance Sheet date which require adjustments to or disclosure in the financial statements.

32 Events occurring after the balance sheet date

An interim dividend has been declared by both Panasian Power and its Subsidiary Manelwala Hydropower (Pvt) Limited for the year ended 31st March 2012 in June 2012. The details are as follows:

Company	Dividend per share (Rs)	Amount (Rs)
Panasian Power PLC	0.15	75,000,000
Manelwala Hydropower (Pvt) Limited	1.50	26,430,110

Further, The Board of Directors of Panasian Power PLC accepted the offer made by Padiyapelella Hydropower (Pvt) Limited to acquire 90% of that Company which has 3.6 MW capacity which is nearing completion and, a licence to develop an additional 3MV for a consideration of Rs 910Mn on 11th June 2012 based on a valuation done by NDB Investment Bank.

Except for the above, no circumstances have arisen since the balance sheet date, which would require adjustments to or disclosure in the financial statements.

A) Summary of Operations

	2012 (Rs)	2011 (Rs)	2010 (Rs)	2009 (Rs)	2008 (Rs)
Turnover	110,035,071	141,149,938	118,049,752	97,026,487	78,093,135
Gross Profit	88,204,028	119,102,199	95,757,625	69,082,541	78,093,135
Net Profit before Finance cost	83,149,762	92,028,781	79,672,127	65,340,526	50,869,858
Profit before Taxation	84,085,996	90,706,700	79,260,424	61,916,706	41,432,570
Taxation	(773,876)	(2,058,262)	(1,339,278)	(418,992)	(253,965)
Profit loss after Taxation	83,312,119	88,648,438	77,921,145.95	61,497,714	41,178,605

B) Summary of Financial position

	2012	2011	2010	2009	2008
Capital Reserves					
Ordinary Shares	630,000,000	630,000,000	30,000,000	15,000,000	15,000,000
Preference Shares	Nil	Nil	85,000,000	85,000,000	85,000,000
Retained Earnings	108,640,397	150,328,278	104,097,285	81,376,139	35,241,266
Total Equity	738,640,397	780,328,278	219,097,285	181,376,139	135,241,266

Assets & Liabilities

Current Assets	71,530,157	130,370,654	113,263,878	79,954,421	44,710,379
Current Liabilities	22,978,662	8,370,495	2,148,526	28,741,598	15,355,718
Net Current Assets	48,551,495	122,000,159	111,115,352	51,212,823	29,354,661
Property, Plant and Equipment	84,342,322	92,674,837	100,760,078	109,136,385	131,541,404
Other Non Current Assets	613,012,041	574,030,257	10,015,019	47,279,617	16,002,791
Non Current Liabilities	7,265,461	8,376,975	2,793,164	26,252,686	41,657,590
Net Assets	738,640,397	780,328,278	219,097,285	181,376,139	135,241,266
Total Assets	768,884,520	797,075,748	224,038,975	236,370,423	192,254,574
Stated Capital	630,000,000	630,000,000	30,000,000	15,000,000	15,000,000
Dividends paid	75,000,000	125,000,000	13,200,000	-	-

Notice of Meeting

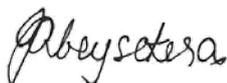
NOTICE is hereby given that the Annual General Meeting of Panasian Power PLC will be held at the Auditorium, Institute of Chartered Accountants of Sri Lanka, No 30A Malalasekara Mawatha, Colombo 7 on 26th September 2012 at 10.00 a.m.

.....

AGENDA

1. To receive and consider the Annual Report of the Board of Directors on the State of Affairs of the Company and the Consolidated Financial Statements for the year ended 31st March 2012 with the Report of the Auditors thereon.
2. To re-appoint M/s. K P M G Ford, Rhodes, Thornton & Co., Chartered Accountants as Auditors to the Company and authorize the Directors to determine their remuneration.
3. To authorize the Directors to determine donations for the year 2012 / 2013

By Order of the Board of
Panasian Power PLC



S S P CORPORATE SERVICES (PRIVATE) LIMITED
Secretaries
Colombo

Date: 30th August, 2012

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of him/her. Such Proxy need not be a member of the Company.
2. A Form of Proxy accompanies this notice.
3. The completed Form of Proxy should be deposited at the Registered Office of the Company, Level 3, 281, R A De Mel Mawatha, Colombo 3 not later than 48 hours before the time appointed for the meeting.
4. Shareholders attending the meeting are kindly requested to bring with them their National Identity Card or other similar form of identification for production at the reception desk.

Form of Proxy

We*

ofbeing a member/*members of Panasian Power PLC hereby appoint

Dr. Prathap Ramanujam	of Colombo or failing him
Mr. Mohideen Rifky Badurdeen	of Colombo or failing him
Mr. Mohd Hairol Mohd Shariff	of Colombo or failing him
Dato' Shamsuddin Bin Hayroni	of Colombo or failing him
Mr. Herman Bin Abd Latiff	of Colombo or failing him
Mr. Thirunavukarasu Someswaran	of Colombo or failing him
Mr. Deepal Sooriyaarachchi	of Colombo or failing him
Mr. Dilith Susantha Jayaweera	of Colombo or failing him

Mr/Ms

of..... as my/*our Proxy to represent me/*us and to vote as indicated below on my/*our behalf at the Annual General Meeting of the Company to be held on 26th September 2012 and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid Meeting.

	FOR	AGAINST
1. To receive and consider the Annual Report of the Board of Directors on the State of Affairs of the Company and the Consolidated Financial Statements for the year ended 31st March, 2012 with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-appoint M/s.KPMG Ford Rhodes Thornton & Co , Chartered Accountants as Auditors to the Company and authorize the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
3. To authorize the Directors to determine donations for the Year 2012 / 2013	<input type="checkbox"/>	<input type="checkbox"/>

As witness my/our hand/this day of Two Thousand and twelve.

Signature

Note:

Instructions as to completion appear on the reverse hereto. Please delete the inappropriate words, and mark 'X' in the appropriate cages to indicate your instructions as to voting.
 A proxy need not be a member of the Company.

INSTRUCTIONS AS TO COMPLETION OF FORM OF PROXY

1. Kindly perfect the Form of Proxy by filling in legibly your full name and address, your instructions as to voting, by signing in the space provided and filling in the date of signature.
2. Please indicate with an 'X' in the cages provided how your proxy is to vote on the Resolutions. If no indication is given the Proxy in his/her discretion may vote as he/she thinks fit.
3. The completed Form of Proxy should be deposited at the Registered Office of the Company, Level 3, 281, R.A. de Mel Mawatha, Colombo 3 not less than 48 hours before the time appointed for holding the meeting.
4. If the form of proxy is signed by an attorney, the relative Power of Attorney should accompany the completed Form of Proxy for registration, If such Power of Attorney has not already been registered with the Company.

Note:

If the shareholder is a Company or body corporate, Section 138 of the Companies Act No. 07 of 2007 applies to shareholders of Panasian Power PLC and Section 138 provides for representation of Companies at meeting of other Companies. A Corporation, whether a Company within the meaning of this Act or not, may where it is a member of another corporation, being a company within the meaning of this Act, by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company. A person authorised as aforesaid shall be entitled to exercise the same power on behalf of the Corporation which it represents as that Corporation could exercise if it were an Individual shareholder of that other Company.

Corporate Information

Name of the Company

Panasian Power PLC

Legal Form

A Public Quoted Company with limited liability incorporated under the Provision of the Companies Act No 17 of 1982 and reregistered under the Provision of the Companies act No 07 of 2007. The Company has been registered under Section 17(2) of the BOI Law No 4 of 1978 on 26 November 2008

Date of incorporation

22 April, 2002

Company Registration Number

PV 9959 PB/PQ

Accounting Year End

31, March

Registered Office and Head Office

Level 03, No 281 R A De Mel Mawatha, Colombo 3

Subsidiary Companies

Manelwala Hydropower (Pvt) Limited
 Panasian Investments (Pvt) Limited

Nature of business

Generate and supply hydro power to the National Grid

Directors

Dr Prathap Ramanujam
 Mr Mohd Hairol Mohd Shariff
 Mr Mohideen Rifky Badurdeen
 Dato' Shamsuddin Bin Hayroni
 Mr Herman Bin Abd Latiff
 Mr Thirunavukarasu Someswaran
 Mr Deepal Sooriyaarachchi
 Mr Dilith Susantha Jayaweera

Stated Capital

Rs. 630,000,000

Number of shares representing the stated capital

500,000,000 Ordinary Shares

Audit Committee

Mr Thirunavukarasu Someswaran (Chairman)
 Mr Deepal Sooriyaarachchi
 Dato' Shamsuddin Bin Hayroni

Remuneration Committee

Mr Deepal Sooriyaarachchi (Chairman)
 Mr Thirunavukarasu Someswaran
 Mr Herman Bin Abd Latiff

Secretaries and Registrars

S S P Corporate Services (Pvt) Limited
 No 101, Inner Flower Road
 Colombo 3
 Tel: 2573894

Auditors

Ms KPMG Ford Rhodes Thornton & Company
 Chartered Accountants
 32A, Sir Mohamed Macan Marker Mawatha
 Colombo 3
 Tel: 5426426

Bankers

Sampath Bank PLC
 110, Sir James Peiris Mawatha
 Colombo 2
 Tel: 2303050

Lawyers

Ms Nithya Partners
 Attorneys-at-Law & Notary Public

Website

www.panasianpower.com

