

September
2016

Interim Financial Statements
For The Six Months Ended
30th September 2016



Nawaloka Hospitals PLC
23, Deshamanya H K Dharmadasa Maw
Colombo 02
(PQ - 78)

NAWALOKA HOSPITALS PLC						
Consolidated Statement of Financial Position						
	Un Audited		Un Audited		Audited	
	Group		Company		Group	Company
	30.09.2016 Rs'000.	30.09.2015 Rs'000.	30.09.2016 Rs'000.	30.09.2015 Rs'000.	31.03.2016 Rs'000.	31.03.2016 Rs'000.
ASSETS						
Non Current Assets						
Property, Plant and Equipment	8,888,323	6,138,783	2,390,899	2,461,156	8,009,872	2,428,988
Leasehold Right over Land	223,511	226,439	48,171	49,063	224,975	48,617
Investment Property	-	-	192,417	192,417	-	192,417
Investment in Subsidiaries	-	-	2,016,985	1,245,933	-	2,016,985
Equity Accounted Investees	154,775	114,410	2,500	2,500	118,231	2,500
Advance for Land	952,343	952,343	-	-	952,343	-
Total Non Current Assets	10,218,952	7,431,975	4,650,972	3,951,069	9,305,421	4,689,507
Current Assets						
Inventories	420,581	390,476	170,864	160,371	409,117	144,130
Trade and Other Receivables	563,083	464,230	405,350	310,679	519,018	319,919
Deposits and Advances	587,872	284,320	356,066	183,574	192,352	124,249
Receivable from Related Parties	201,756	241,256	2,503,660	1,788,103	204,079	2,272,862
Short Term Investments	497,119	415,178	320,485	26,238	427,886	321,319
Cash and Cash Equivalents	43,586	32,664	28,246	26,167	135,606	99,299
	2,313,997	1,828,124	3,784,671	2,495,132	1,888,058	3,281,778
Total Assets	12,532,949	9,260,099	8,435,643	6,446,201	11,193,479	7,971,285
EQUITY AND LIABILITIES						
Capital and Reserves						
Stated Capital	1,207,389	1,207,389	1,207,389	1,207,389	1,207,389	1,207,389
Revaluation Reserve	990,872	990,872	-	-	990,872	-
Retained Earnings	1,802,530	1,714,168	9,562	411,701	1,796,637	258,947
Total Equity	4,000,791	3,912,429	1,216,951	1,619,090	3,994,898	1,466,336
Non Current Liabilities						
Debentures	1,486,152	1,482,095	1,486,152	1,482,095	1,484,105	1,484,105
Employee Benefits	182,482	167,369	163,897	155,089	184,238	166,252
Deferred Tax Liabilities	317,060	268,400	104,348	119,114	305,060	92,348
Loan & Lease balances	4,729,293	2,073,466	3,906,671	1,886,975	3,712,694	3,515,844
	6,714,987	3,991,330	5,661,068	3,643,273	5,686,097	5,258,549
CURRENT LIABILITIES						
Trade Creditors and Other Payables	858,652	535,323	773,322	503,003	486,959	424,380
Unclaimed Dividends	3,739	3,393	3,739	3,393	2,721	2,722
Current Tax Liabilities	7,906	1,648	2,000	-	24,766	-
Payable to Related Companies	104,707	859	83,560	-	15,596	8,747
Bank Overdrafts	842,167	815,117	695,003	677,442	982,442	810,551
	1,817,171	1,356,340	1,557,624	1,183,838	1,512,484	1,246,400
Total Liabilities	8,532,158	5,347,670	7,218,692	4,827,111	7,198,581	6,504,949
Total Equity and Liabilities	12,532,949	9,260,099	8,435,643	6,446,201	11,193,479	7,971,285
Net Asset Per Share	2.84	2.78	0.86	1.15	2.83	1.04

It is confirmed that the Financial Statements have been prepared and presented in compliance with the requirements of the Companies Act, No.07 of 2007.

.....
Nalaka Niroshana
Head of Finance & Corporate Planning

.....
Jayantha Dharmadasa
Chairman/ Chief Executive Officer
07th November 2016
Colombo 02

.....
Director

NAWALOKA HOSPITALS PLC
Statement of Comprehensive Income

	Group				Company			
	Six months ended 30th September		Quarter ended 30th September		Six months ended 30th September		Quarter ended 30th September	
	2016 Rs'000	2015 Rs'000	2016 Rs'000	2015 Rs'000	2016 Rs'000	2015 Rs'000	2016 Rs'000	2015 Rs'000
Revenue	3,060,095	2,810,960	1,599,452	1,448,821	1,273,691	1,486,988	659,805	751,153
Cost of Services	(1,519,423)	(1,390,405)	(791,783)	(716,573)	(694,191)	(711,916)	(374,962)	(366,805)
Gross Profit	1,540,672	1,420,555	807,669	732,248	579,500	775,072	284,843	384,348
Other Operating Income	50,622	42,640	25,918	24,866	150,534	24,724	131,533	14,341
Staff Cost	(622,565)	(553,955)	(315,028)	(276,862)	(291,248)	(262,442)	(145,205)	(130,458)
Administration Expenses	(611,083)	(527,670)	(326,044)	(272,787)	(319,414)	(281,672)	(169,090)	(151,633)
Other Operating Expenses	(42,321)	(52,942)	(21,363)	(34,404)	(33,657)	(51,149)	(16,948)	(31,380)
Profit from Operations	315,325	328,628	171,152	173,060	85,715	204,533	85,133	85,218
Finance Cost	(219,216)	(188,884)	(113,542)	(96,028)	(208,340)	(180,537)	(107,479)	(92,101)
Share Of Profits of Equity Accounted Investee, net of tax	36,544	24,169	26,713	12,971	-	-	-	-
Net Profit/(Loss) before Taxation	132,653	163,913	84,323	90,003	(122,625)	23,996	(22,346)	(6,883)
Tax Expenses	(14,000)	(40,500)	(11,000)	(24,000)	(14,000)	-	(11,000)	-
Net Profit/(Loss) after Taxation	118,653	123,413	73,323	66,003	(136,625)	23,996	(33,346)	(6,883)
Other Comprehensive Income	-	-	-	-	-	-	-	-
Total comprehensive income/(Loss) for the period	118,653	123,413	73,323	66,003	(136,625)	23,996	(33,346)	(6,883)
Net Profit/(Loss) Attributable to Equity Holders of the company	118,653	123,413	73,323	66,003	(136,625)	23,996	(33,346)	(6,883)
Earning/(Loss) Per Share	0.08	0.09	0.05	0.05	(0.10)	0.02	(0.02)	(0.00)

NAWALOKA HOSPITALS PLC
STATEMENT OF CHANGES IN EQUITY

GROUP	Stated Capital Rs'000	Revaluation Reserve Rs'000	Retained Earnings Rs'000	Total Equity Rs'000
Balance as at 01 April 2015	1,207,389	990,872	1,689,421	3,887,682
Net Profit for the period	-	-	123,413	123,413
Other comprehensive income	-	-	-	-
Transaction with the owners of the Group				
Dividends Paid	-	-	(98,665)	(98,665)
Balance as at 30th September 2015	1,207,389	990,872	1,714,168	3,912,429
Balance as at 01 April 2016	1,207,389	990,872	1,796,637	3,994,898
Net Profit for the period	-	-	118,653	118,653
Other comprehensive income	-	-	-	-
Transaction with the owners of the Group				
Dividends Paid	-	-	(112,760)	(112,760)
Balance as at 30th September 2016	1,207,389	990,872	1,802,530	4,000,791
COMPANY	Stated Capital Rs.	Revaluation Reserve Rs.	Retained Earnings Rs.	Total Equity Rs.
Balance as at 01 April 2015	1,207,389	-	486,370	1,693,759
Net Profit for the period	-	-	23,996	23,996
Other Comprehensive Income	-	-	-	-
Transaction with the owners of the Company				
Dividends Paid	-	-	(98,665)	(98,665)
Balance as at 30th September 2015	1,207,389	-	411,701	1,619,090
Balance as at 01 April 2016	1,207,389	-	258,947	1,466,336
Net Loss for the period	-	-	(136,625)	(136,625)
Other Comprehensive Income	-	-	-	-
Transaction with the owners of the Company				
Dividends Paid	-	-	(112,760)	(112,760)
Balance as at 30th September 2016	1,207,389	-	9,562	1,216,951
Notes form an integral part of these Financial Statements. Figures in brackets indicate deductions.				

NAWALOKA HOSPITALS PLC

Cash Flow Statement

	GROUP		COMPANY	
	Period Ended	Period Ended	Period Ended	Period Ended
	30.09.2016 Rs.'000	30.09.2015 Rs.'000	30.09.2016 Rs.'000	30.09.2015 Rs.'000
Cash flows from Operating Activities				
Profit/(Loss) before Tax	132,651	163,913	(122,623)	23,996
Adjustments for :				
Jointly controlled entity results	(36,544)	(24,169)	-	-
Depreciation & Amortisation	258,072	245,859	167,630	171,563
Finance Cost	221,264	190,932	210,388	182,585
Interest Income	(22,566)	(14,342)	(16,458)	(1,099)
Provision for Retiring Gratuity	9,600	10,168	9,000	10,168
Provision for Bad & Doubtful Debts	-	18,972	-	(19,500)
Operating Profit before Working Capital Changes	562,477	591,333	247,937	367,713
Changes in Working Capital				
(Increase)/Decrease in Inventories	(11,464)	(73,685)	(26,733)	(45,721)
(Increase)/Decrease in Debtors, Deposits & Advances	(410,962)	(165,094)	(294,819)	(96,844)
Increase/Decrease in Related Party Balances	(7,767)	(52,293)	(261,080)	(356,921)
Increase/(Decrease) in Creditors & Other Payables	372,845	(5,460)	349,971	11,871
	(57,348)	(296,532)	(232,661)	(487,615)
Cash Generated from/(Used in) Operating Activities	505,129	294,801	15,276	(119,901)
Interest Paid	(219,216)	(188,884)	(208,340)	(180,537)
Gratuity Paid	(11,356)	(13,753)	(11,356)	(13,753)
Income Tax/ESC Paid	(15,761)	-	-	-
Net cash Generated from/(Used in) Operating Activities	258,797	92,164	(204,420)	(314,191)
Cash flows from Investing Activities				
Investment in Fixed Deposit	(48,353)	(10,547)	834	12,243
Other Investments	23,666	(41,572)	23,666	(4,790)
Purchase of Property, Plant & Equipment	(1,137,987)	(540,916)	(129,108)	(178,759)
Net cash Used in Investing Activities	(1,162,674)	(593,035)	(104,608)	(171,306)
Cash flows from Financing Activities				
Proceeds from Long Term Borrowings and Leases	1,396,712	510,192	747,436	476,492
Repayments of Long Term Borrowings and Leases	(320,922)	(113,546)	(297,610)	(93,546)
Interest Received	22,566	14,342	16,458	1,099
Dividends Paid	(112,760)	(98,665)	(112,760)	(98,665)
Net cash Generated from/ (Used in) Financing Activities	985,596	312,323	353,524	285,380
Net Increase/(Decrease) in				
Cash & Cash equivalents during the period	81,718	(188,548)	44,495	(200,117)
Cash & Cash equivalents at the beginning of the period	(880,299)	(593,905)	(711,252)	(451,157)
Cash and Cash equivalents at the end of the period	(798,581)	(782,453)	(666,757)	(651,274)
Analysis of Cash and Cash equivalents at the end of the period				
Cash at Bank & in Hand	43,586	32,664	28,246	26,167
Bank Overdraft	(842,167)	(815,117)	(695,003)	(677,442)
	(798,581)	(782,453)	(666,757)	(651,275)

EXPLANATORY NOTES

- 1** Interim Financial Statements of Nawaloka Hospitals PLC and its subsidiaries comprise the Statement of Financial Position, and the Statements of Comprehensive Income, Other Comprehensive Income, Changes in Equity and Cash Flows together with Accounting Policies and Notes thereon and have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs / LKASs) laid down by the Institute of Chartered Accountants of Sri Lanka (ICASL) and requirements of the Companies Act No. 7 of 2007.
- 2** The Financial Statements of the company and those consolidated with such for the interim period have been prepared on the same basis as the most recent audited financial statements.
- 3** According to the best of the knowledge and belief of the Directors no circumstances have arisen since the Balance Sheet date, which would require adjustments to or disclosure in the Financial Statements.
- 4** All known expenses have been provided for in the financial statements.
- 5** Company has paid an interim dividend of Rs.0.08 per share on 12/07/2016 for the year 2016/17.
- 6** During the quarter there were no material changes in the composition of assets, liabilities and contingent liabilities.

**NAWALOKA HOSPITALS PLC
NOTES TO THE FINANCIAL STATEMENTS**

07 Debentures

GROUP		COMPANY	
2016 Rs'000	2015 Rs'000	2016 Rs'000	2015 Rs'000
1,486,152	1,484,105	1,486,152	1,484,105

During the financial year 2013/2014 the company has issued 15 Mn Rated Unsecured Redeemable Debentures at a par value of Rs.100 and allocation is as follows.

Class	Issue	Coupon Rate	Listing Status	Interest Payable frequency	Issued Date	Maturity Date	Quantity	Consideration Received	Value As at 30th September 2016	Comparative Government Bonds Rates %	Yield to Maturity %
							Nos	Rs'000	Rs'000		
A	Public	14.15%	Listed	Quarterly	9/30/2013	9/30/2018	10,427,900	1,042,790	1,034,057	8.65	11.09
B	Public	14.15%	Listed	Quarterly	9/30/2013	9/30/2019	2,696,000	269,600	266,867	11.17	13.33
D	Public	14.35%	Listed	Quarterly	9/30/2013	9/30/2021	1,645,500	164,550	162,482	11.55	11.96
E	Public	14.40%	Listed	Quarterly	9/30/2013	9/30/2022	120,000	12,000	11,840	11.77	12.14
F	Public	14.45%	Listed	Quarterly	9/30/2013	9/30/2023	110,600	11,060	10,906	11.80	12.47
							15,000,000	1,500,000	1,486,152		

07.1 Market Summary

Class	Highest	Lowest	Last Traded	Traded Quantity	Last Traded Date
A	-	-	-	-	-
B	111.80	111.80	111.80	1,000,000	2015-Nov-16
D	-	-	-	-	-
E	-	-	-	-	-
F	-	-	-	-	-

07.1.1 Debentures were not traded during the current interim period of 1st July 2016 to 30th September 2016.

07.2 Purpose of the Issue

Purpose of the debenture issue is for funding the construction of multi storied building with car park facilities, Channeling, Out Patient Department & Indoor admission facilities adjoining the existing hospital building and to restructure the balance sheet by re-financing the existing loans.

07.3 Credit Ratings

ICRA Lanka Ltd has affirmed Nawaloka Hospitals PLC's long and short-term corporate credit ratings as SLA-(Stable) which is read as [SL] A minus (Stable).

08 Ratios

	Group	Company
Debt/Equity ratio	1.55	4.43
Quick asset ratio	1.04	2.32
Interest cover ratio	1.51	0.79
Interest Yield ratio	12.66%	12.66%

9. DIRECTORS' SHAREHOLDING

The aggregate shareholding of the Directors as at

Name of the Director	30/09/2016	30/06/2016
Mr.H K J Dharmadasa	462,736,182	462,736,182
Mr. U H Dharmadasa	3,360	3,360
Mr. A G Dharmadasa	3,004,026	3,004,026
Ms. A G Dharmadasa	5,066,686	5,066,686
Prof. Lal Chandrasena	601,198	601,198
Deshabandu Tilak de Zoysa	218,000	218,000
Mr. R T Wijetilleke	33,332	33,332
Mr. Sunil Abeyratne	NIL	NIL
Mr. T K Bandaranayake	NIL	NIL
Mr. Victor Rajamanner Ramanan	3,400,000	3,400,000
Mr.Palitha Kumarasinghe P.C	NIL	NIL

Shares held by public	121,314,523	137,572,536
Number of public shareholders	6,860	7,045
Public Holding Percentage	8.61%	9.76%

10. Number of shares representing the entity's stated capital as at

As at	30/09/2016	30/06/2016
No. of shares	1,409,505,596	1,409,505,596

Net Asset value per share (Rs)	30/09/2016	30/06/2016
	2.84	2.87

11. Share prices during the interim period as at

As at	30/09/2016 Rs.	30/06/2016 Rs.
Highest Price	4.80	5.00
Lowest Price	4.60	3.40
Last Traded Price	4.60	4.10

12. Twenty Largest Shareholders

NO	SHARE HOLDERS NAME	As at 30.09.2016		As at 30.06.2016	
		NO. OF SHARES	%	NO. OF SHARES	%
1	MR. H.K.J. DHARMADASA	462,736,182	32.83	462,736,182	32.83
2	NAWALOKA CONSTRUCTION COMPANY LIMITED	441,778,880	31.34	441,778,880	31.34
3	Mr. K.D.D. PERERA	360,824,081	25.60	349,074,150	24.77
4	MR. C. K. ATAPATTU	7,000,000	0.50	6,051,985	0.43
5	EMPLOYEES PROVIDENT FUND	6,186,379	0.44	9,237,939	0.66
6	MISS AG DHARMADASA	5,066,686	0.36	5,066,686	0.36
7	MRS P NANAYAKKARA	5,066,666	0.36	5,066,666	0.36
8	MR. D.M. RAJAPAKSE	4,496,389	0.32	4,496,389	0.32
9	Mr. V.R. RAMANAN	3,400,000	0.24	3,400,000	0.24
10	Mr. A.G. DHARMADASA	3,004,026	0.21	3,004,026	0.21
11	NAWALOKA DEVELOPMENTS (PVT) LTD	2,814,932	0.20	2,814,932	0.20
12	MRS C S DHARMADASA	2,581,866	0.18	2,581,866	0.18
13	MR. K.S. WARUSAVITARANA	2,500,066	0.18	2,500,066	0.18
14	MR. U. H. PALIHAKKARA	2,404,498	0.17	2,384,498	0.17
15	Mr. L. HETTIARACHCHI	2,135,663	0.15	2,087,000	0.15
16	Mr. H.A. PIERIS	2,028,883	0.14	2,028,883	0.14
17	MRS. P. GANESHAN	2,000,000	0.14	2,000,000	0.14
18	ELGIN INVESTMENTS LIMITED	1,750,000	0.12	2,088,400	0.15
19	TRANZ DOMINION, L.L.C.	1,712,067	0.12	1,712,067	0.12
20	MRS. N.H.ABDUL HUSSEIN	1,513,499	0.11	1,555,500	0.11

Total	1,321,000,763	93.72	1,311,666,115	93.06
Balance held by other shareholders	88,504,833	6.28	97,839,481	6.94
Total No. of shares	1,409,505,596	100	1,409,505,596	100

Corporate Information

Name of the Company

Nawaloka Hospitals PLC

Company Registration No.

PQ 78

Registered Office

No. 23, Deshamanya H. K. Dharmadasa Mawatha,
Colombo 02, Sri Lanka.

Telephone

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Telefax

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E-mail/Website

finance@nawaloka.com, www.nawaloka.com

Legal Form

Quoted Public Company with limited liability incorporated in Sri Lanka under the Companies Ordinance 1938 and re-registered under the Companies Act No. 07 of 2007.

Board of Directors

1. Mr. H.K. Jayantha Dharmadasa (Chairman and CEO)
2. Mr. Rienzie T. Wijetilleke (Vice-Chairman)
3. Prof. Lal G. Chandrasena (Director/General Manager)
4. Deshabandu Tilak de Zoysa
5. Mr. Tissa Kumara Bandaranayake
6. Mr. U.H. Dharmadasa
7. Mr. A.G. Dharmadasa
8. Ms. A.G. Dharmadasa
9. Mr. Palitha Kumarasinghe P.C
10. Mr. Damian Sunil Abeyratna
11. Mr. Victor Rajamanner Ramanan

Secretaries to the Company

M & A Company Secretaries (Private) Limited,
No. 28 (Level 2),
W.A.D. Ramanayake Mawatha,
Colombo 02.

Auditors

KPMG
Chartered Accountants,
No. 32A, Sir Mohamed Macan Markar Mawatha,
Colombo 03.

Lawyer(s)

Nithi Murugesu & Associates
Attorneys-at-Law & Notaries Public,
No. 28 (Level 2), W.A.D. Ramanayake Mawatha,
Colombo 02.

Mr. H. Chandrakumar de Silva

Attorney-at-Law,
No. 7, Hedges Court,
Colombo 10.

Bankers

Hatton National Bank PLC
Sampath Bank PLC
People's Bank
Commercial Bank PLC
Bank of Ceylon
DFCC Bank PLC

Subsidiaries

New Nawaloka Hospitals (Pvt) Ltd.
New Nawaloka Medical Centre (Pvt) Ltd.
Nawaloka Medicare (Pvt) Ltd.

Joint Venture

Nawaloka Metropolis Laboratories (Pvt) Ltd.