

March 2019

Interim Financial Statements  
For The Twelve Months Ended  
31st March 2019



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

NAWALOKA HOSPITALS PLC				
Consolidated Statement of Financial Position as at 31st March 2019				
	Group		Company	
	Unaudited 31.03.2019 Rs'000.	Audited 31.03.2018 Rs'000.	Unaudited 31.03.2019 Rs'000.	Audited 31.03.2018 Rs'000.
<b>ASSETS</b>				
<b>Non- Current Assets</b>				
Property, Plant and Equipment	13,684,882	13,641,936	1,947,932	2,144,159
Leasehold Right over Land	216,029	219,005	45,871	46,780
Investment Property	-	-	192,417	192,417
Investment in Subsidiaries	-	-	2,016,985	2,016,985
Investment	19,740	-	19,740	-
<b>Total Non Current Assets</b>	<b>13,920,651</b>	<b>13,860,941</b>	<b>4,222,945</b>	<b>4,400,341</b>
<b>Current Assets</b>				
Inventories	485,718	556,577	228,589	279,254
Trade and Other Receivables	699,847	608,872	586,320	455,255
Deposits and Advances	312,957	328,724	233,026	234,050
Current Tax Receivable	3,162	-	-	-
Receivable from Related Parties	428,617	270,598	3,442,596	3,960,773
Short Term Investments	283,881	1,344,188	36,347	1,148,453
Cash and Cash Equivalents	163,055	177,723	111,612	65,399
	<b>2,377,237</b>	<b>3,286,682</b>	<b>4,638,490</b>	<b>6,143,184</b>
Assets classified as held for sale	136,694	136,694	2,500	2,500
<b>Total Assets</b>	<b>16,434,582</b>	<b>17,284,317</b>	<b>8,863,935</b>	<b>10,546,025</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and Reserves</b>				
Stated Capital	1,207,389	1,207,389	1,207,389	1,207,389
Revaluation Reserve	1,083,456	1,083,456	38,202	38,202
Retained Earnings	1,617,067	1,967,660	(486,213)	28,496
<b>Total Equity</b>	<b>3,907,912</b>	<b>4,258,505</b>	<b>759,378</b>	<b>1,274,087</b>
<b>Non Current Liabilities</b>				
<b>Non-Current Liabilities</b>				
Debentures	455,225	1,494,266	455,225	1,494,266
Employee Benefits	231,961	226,814	176,065	177,346
Deferred Tax Liabilities	993,852	961,346	147,661	147,661
Borrowings	6,106,717	5,146,679	3,713,385	2,962,816
Finance Leases	83,635	92,000	2,414	-
	<b>7,871,390</b>	<b>7,921,105</b>	<b>4,494,750</b>	<b>4,782,089</b>
<b>Current Liabilities</b>				
Trade Creditors and Other Payables	1,437,535	992,870	1,142,268	825,614
Unclaimed Dividends	21,706	4,265	21,706	4,265
Current Tax Liabilities	-	16,891	-	-
Payable to Related Companies	184,889	196,954	305,207	192,249
Borrowings	1,368,861	2,275,561	987,399	2,129,034
Finance Leases	19,454	8,000	10,064	-
Bank Overdrafts	1,622,835	1,610,166	1,143,163	1,338,687
	<b>4,655,280</b>	<b>5,104,707</b>	<b>3,609,807</b>	<b>4,489,849</b>
<b>Total Liabilities</b>	<b>12,526,670</b>	<b>13,025,812</b>	<b>8,104,557</b>	<b>9,271,938</b>
<b>Total Equity and Liabilities</b>	<b>16,434,582</b>	<b>17,284,317</b>	<b>8,863,935</b>	<b>10,546,025</b>
Net Asset Per Share	2.77	3.02	0.54	0.90

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.

.....Sgd.....  
Nalaka Nirosana  
Head of Finance & Corporate Planning

.....Sgd.....  
Jayantha Dharmadasa  
Chairman/ Chief Executive Officer

.....Sgd.....  
Director

NAWALOKA HOSPITALS PLC

Statement of Comprehensive Income For the year Ended 31.03.2019

	Group				Company			
	Year Ended 31st March		Quarter ended 31st March		Year Ended 31st March		Quarter ended 31st March	
	2019 Rs'000	2018 Rs'000	2019 Rs'000	2018 Rs'000	2019 Rs'000	2018 Rs'000	2019 Rs'000	2018 Rs'000
Revenue	8,727,795	7,955,279	2,222,960	2,149,573	3,574,821	3,568,770	961,867	943,194
Cost of Services	(4,335,068)	(3,551,349)	(1,277,084)	(664,702)	(1,906,153)	(1,532,152)	(568,866)	(277,828)
Gross Profit	4,392,727	4,403,930	945,876	1,484,871	1,668,668	2,036,618	393,001	665,366
Other Income	361,905	345,832	93,812	15,950	340,590	660,741	41,960	16,573
Staff Cost	(1,712,841)	(1,583,472)	(422,816)	(465,987)	(710,080)	(676,365)	(173,013)	(196,269)
Administrative Expenses	(2,012,546)	(1,761,825)	(654,664)	(637,843)	(767,326)	(845,736)	(190,377)	(311,965)
Other Operating Expenses	(67,084)	(83,245)	(24,790)	(38,559)	(62,942)	(55,148)	(25,443)	(16,591)
Profit/ (Loss) from Operations	962,160	1,321,220	(62,582)	358,432	468,910	1,120,110	46,128	157,114
Finance Expenses	(1,215,445)	(764,022)	(254,691)	(166,654)	(913,145)	(663,078)	(255,524)	(124,634)
Profit/(Loss) before Taxation	(253,285)	557,197	(317,273)	191,778	(444,235)	457,032	(209,396)	32,480
Income Tax Expenses	(26,833)	(377,238)	19,167	(227,738)	-	(3,424)	-	6,576
Profit/(Loss) for the year, attributabl to equity holders of the company	(280,118)	179,959	(298,106)	(35,960)	(444,234)	453,608	(209,396)	39,056
<b>Other Comprehensive Income</b>								
Acturian Gain/(Loss) from valuaton of Defined Benefit plan	-	(9,864)	-	(9,864)	-	(5,437)	-	(5,437)
Revaluation of Property, Plant & Equipments	-	(2,451)	-	(2,451)	-	(2,451)	-	(2,451)
Related Taxes	-	(202,794)	-	(202,794)	-	(4,937)	-	(4,937)
Other comprehensive (loss)/income for the year, net of tax	-	(215,109)	-	(215,109)	-	(12,825)	-	(12,825)
Total comprehensive income / (loss) for the year	(280,118)	(35,150)	(298,106)	(251,069)	(444,234)	440,783	(209,396)	26,231
Earnings/(Loss) Per Share	(0.20)	0.13	(0.21)	(0.18)	(0.32)	0.32	(0.15)	0.02

**NAWALOKA HOSPITALS PLC**  
**STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 March 2019	<b>Stated Capital Rs.</b>	<b>Revaluation Reserve Rs.</b>	<b>Retained Earnings Rs.</b>	<b>Total Equity Rs.</b>
<b>GROUP</b>				
<b>Balance as at 01 April 2017</b>	1,207,389	1,291,462	1,935,754	4,434,606
Profit for the year	-	-	179,959	179,959
Other comprehensive income (net of tax)	-	(208,007)	(7,102)	(215,109)
Total comprehensive income	-	(208,007)	172,857	(35,150)
<b>Transaction with the owners of the Company</b>				
Dividends Paid	-	-	(140,951)	(140,951)
<b>Balance as at 31 March 2018</b>	1,207,389	1,083,456	1,967,661	4,258,505
<b>Balance as at 01 April 2018</b>	<b>1,207,389</b>	<b>1,083,456</b>	<b>1,967,661</b>	<b>4,258,505</b>
Profit for the year	-	-	(280,118)	(280,118)
Other comprehensive income/(loss) (net of tax)	-	-	-	-
Total comprehensive income	-	-	(280,118)	(280,118)
<b>Transaction with the owners of the Company</b>				
Dividends Paid	-	-	(70,475)	(70,475)
<b>Balance as at 31 March 2019</b>	<b>1,207,389</b>	<b>1,083,456</b>	<b>1,617,067</b>	<b>3,907,912</b>
<b>COMPANY</b>				
<b>Balance as at 01 April 2017</b>	1,207,389	47,112	(280,246)	974,255
Loss for the year	-	-	453,608	453,608
Other comprehensive income (net of tax)	-	(8,910)	(3,915)	(12,825)
Total comprehensive income	-	(8,910)	449,693	440,783
<b>Transaction with the owners of the Company</b>				
Dividends Paid	-	-	(140,951)	(140,951)
<b>Balance as at 31 March 2018</b>	1,207,389	38,202	28,497	1,274,087
<b>Balance as at 01 April 2018</b>	1,207,389	38,202	28,497	1,274,087
Profit for the year	-	-	(444,234)	(444,234)
Other comprehensive income/(loss) (net of tax)	-	-	-	-
Total comprehensive income	-	-	(444,234)	(444,234)
<b>Transaction with the owners of the Company</b>				
Dividends Paid	-	-	(70,475)	(70,475)
<b>Balance as at 31 March 2019</b>	<b>1,207,389</b>	<b>38,202</b>	<b>(486,213)</b>	<b>759,378</b>
Notes form an integral part of these Financial Statements. Figures in brackets indicate deductions.				

**NAWALOKA HOSPITALS PLC**  
**CASH FLOW STATEMENT**

<b>FOR THE YEAR ENDED 31 MARCH</b>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2019</b> <b>Rs.000</b>	2018 Rs.000	<b>2019</b> <b>Rs.000</b>	2018 Rs.000
<b>Cash flows from Operating Activities</b>				
Profit / (Loss) before Tax	(253,284)	557,197	(444,234)	457,032
<b>Adjustments for :</b>				
Depreciation & Amortisation	845,655	643,217	365,730	343,899
Finance Cost	1,233,240	769,467	895,536	668,523
Interest Income	(97,770)	(147,016)	(64,598)	(126,503)
Provision for Employee Benefits	10,119	44,776	(1,281.12)	30,555
Provision for Bad & Doubtful Debts	-	11,052	-	10,541
Provision for slow moving inventories	-	-	3,537	-
Dividend Income	-	-	(200,000)	(425,000)
<b>Operating Profit before Working Capital Changes</b>	<b>1,737,959</b>	<b>1,878,693</b>	<b>554,689</b>	<b>959,047</b>
<b>Changes in Working Capital</b>				
(Increase)/decrease in inventories	67,322	(164,302)	47,128	(101,520)
Decrease in debtors, deposits and advances	(75,207)	(91,562)	(130,041)	(164,021)
Increase/(decrease) in related party balances	(170,084)	364,471	631,136	(1,452,114)
Increase in creditors and other payables	471,313	188,129	334,092	97,220
	293,344	296,736	882,315	(1,620,435)
<b>Cash Generated from/(used in) operating activities</b>	<b>2,031,304</b>	<b>2,175,429</b>	<b>1,437,004</b>	<b>(661,388)</b>
Interest Paid	(1,233,240)	(764,022)	(895,536)	(663,078)
Gratuity Paid	(4,973)	(25,029)	-	(19,934)
Current Tax Paid	(20,052)	(12,892)	-	-
<b>Net cash Generated from / (Used In)Operating Activities</b>	<b>773,039</b>	<b>1,373,486</b>	<b>541,469</b>	<b>(1,344,401)</b>
<b>Cash flows from/(used in) investing activities</b>				
Purchase of Property, Plant & Equipment	(885,625.09)	(3,328,350)	(168,593.43)	(126,140)
Debenture Repayment	(1,039,041)	-	(1,039,041)	
Other Investment	(19,740)		(19,740)	
Interest received	97,770	147,016	64,598	126,503
Investment in short-term deposits	1,060,307	(349,518)	1,112,106	(338,026)
Dividend Received	-	-	200,000	425,000
<b>Net cash (used in)/generating from investing activities</b>	<b>(786,329)</b>	<b>(3,530,852)</b>	<b>149,330</b>	<b>87,337</b>
<b>Cash flows from/(used in) financing activities</b>				
Proceeds/Repayment from Long Term Borrowings and Leases	56,428	1,908,119	(378,587)	1,012,409
Dividends Paid	(70,475)	(140,114)	(70,475)	(140,114)
<b>Net cash Generated from Financing Activities</b>	<b>(14,047)</b>	<b>1,768,005</b>	<b>(449,062)</b>	<b>872,295</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash equivalents during the year</b>	<b>(27,337)</b>	<b>(389,361)</b>	<b>241,737</b>	<b>(384,768)</b>
Cash & Cash equivalents at the beginning of the year	(1,432,443)	(1,043,082)	(1,273,288)	(888,520)
<b>Cash and Cash equivalents at the end of the year</b>	<b>(1,459,780)</b>	<b>(1,432,443)</b>	<b>(1,031,551)</b>	<b>(1,273,288)</b>
<b>Analysis of Cash and Cash equivalents at the end of the year</b>				
Cash at Bank & in Hand	163,055	177,723	(138,311)	65,399
Bank Overdraft	(1,622,835)	(1,610,166)	(893,241)	(1,338,687)
	<b>(1,459,780)</b>	<b>(1,432,443)</b>	<b>(1,031,551)</b>	<b>(1,273,288)</b>

Notes form an integral part of these Financial Statements.

Figures in brackets indicate deduction.

## **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** No material circumstances have arisen post reporting period which require adjustments or disclosures.
- 4** All known expenses have been provided for the financial statements.
- 5** Company has paid an interim dividend of Rs.0.05 per share on 19/07/2018 for the year 2018/19.
- 6** There were no material changes during the reporting period relating to the composition of assets, liabilities and contingent liabilities

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

07 Debentures	GROUP		COMPANY	
	2019 Rs'000	2018 Rs'000	2019 Rs'000	2018
	455,225	1,494,266	455,225	1,494,266

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 Nos	Consideration Received Rs.	Value As at 31 March 2019 Rs.	Comparative Government Bonds Rates %	Yield to Maturity %
B	Public	14.15%	Listed	Quarterly	9/30/2013	9/30/2019	2,696,000	269,600,000	269,059,213	11.17	13.33
D	Public	14.35%	Listed	Quarterly	9/30/2013	9/30/2021	1,645,500	164,550,000	163,331,481	11.55	11.96
E	Public	14.40%	Listed	Quarterly	9/30/2013	9/30/2022	120,000	12,000,000	11,890,371	11.77	12.14
F	Public	14.45%	Listed	Quarterly	9/30/2013	9/30/2023	110,600	11,060,000	10,944,074	11.80	12.47
							<b>15,000,000</b>	<b>1,500,000,000</b>	<b>455,225,139</b>		

**07.1 Market Summary**

Class	Highest	Lowest	Last Traded	Traded Quantity	Last Traded Date
B	111.80	111.80	111.80	1,000,000	16/11/2015
D	-	-	-	-	-
E	-	-	-	-	-
F	-	-	-	-	-

**07.1.1** Debentures were not traded during the current interim period of 1st January 2019 to 31st March 2019.

**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 [SL]BBB+ Stable which is read as [SL] BBB+ Plus Stable.

**08 Ratios**

	Group	Company
Debt/Equity ratio	2.01	5.92
Quick asset ratio	0.44	1.22
Interest cover	0.79	0.51
Interest Yeild ratio	12.66%	12.66%

## 9. Share Information

### 9.1 Public Share Holdings

As at	31.03.2019	31.12.2018
Shares held by public	482,138,604	482,177,804
Number of public shareholders	6,435	6,424
Public Holding Percentage	34.21%	34.21%
Compliant under option 5- Float adjusted market capitalization (LKR Mn)	2,025	2,266

Name of the Director	31/03/2019	31/12/2018
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
Vidya Jyothi 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 Mendis Kumarasinghe	NIL	NIL

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

As at	31/03/2019	31/12/2018
No. of shares	1,409,505,596	1,409,505,596

As at	31/03/2019	31/12/2018
Net Asset value per share (Rs)	2.77	2.97

### 11. Share prices during the interim period as at

As at	31/03/2019	31/12/2018
	Rs.	Rs.
Highest Price	4.70	4.70
Lowest Price	4.10	4.30
Last Traded Price	4.20	4.70



**12. Twenty Largest Shareholders**

NO	SHARE HOLDERS NAME	As at 31.03.2019		As at 31.12.2018	
		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	389,676,904	27.65	389,635,873	27.64
4	EMPLOYEES PROVIDENT FUND	6,186,379	0.44	6,186,379	0.44
5	MISS AG DHARMADASA	5,066,686	0.36	5,066,686	0.36
6	MRS P NANAYAKKARA	5,066,666	0.36	5,066,666	0.36
7	MR. L. HETTIARACHCHI	3,440,321	0.24	3,400,000	0.24
8	Mr. V.R. RAMANAN	3,400,000	0.24	3,418,000	0.24
9	Mr. A.G. DHARMADASA	3,004,026	0.21	3,004,026	0.21
10	NAWALOKA DEVELOPMENTS (PVT) LTD	2,814,932	0.20	2,814,932	0.20
11	MR. U. H. PALIHAKKARA	2,598,641	0.18	2,542,666	0.18
12	MRS C S DHARMADASA	2,581,866	0.18	2,586,541	0.18
13	MR. K.S. WARUSAVITARANA	2,500,066	0.18	2,500,066	0.18
14	TRANZ DOMINION, L.L.C.	1,719,990	0.12	1,719,990	0.12
15	RANATUNGA MOTORS (PVT) LTD	1,337,598	0.09	1,337,598	0.09
16	MR.G.C.GOONETILLEKE	1,166,338	0.08	1,099,998	0.08
17	MR.V.K.L.SUGUMAR	1,099,998	0.08	1,090,000	0.08
18	COCOSHELL ACTIVATED CARBON COMPANY LIMITED	922,398	0.07	922,398	0.07
19	DR.S.SALGADO	799,998	0.06	799,998	0.06
20	MR.K.C.VIGNARAJAH	722,801	0.05	722,801	0.05

<b>Total</b>	<b>1,338,620,670</b>	<b>94.97</b>	1,338,429,680	94.96
<b>Balance held by other shareholders</b>	<b>70,884,926</b>	<b>5.03</b>	71,075,916	5.04
<b>Total No. of shares</b>	<b>1,409,505,596</b>	<b>100</b>	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

(+94 11) 2544444-56, 2305051-79, 5577111

### Telefax

(+94 11) 2430393

### E-mail/Website

nawaloka@slt.lk, 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. Vidya Jyothi 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.

### Bankers

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

### Subsidiaries

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