



*Healing with feeling:
rooted in care-
towards excellence*

Healing with feeling: rooted in care – towards excellence

For decades, Nawaloka has been healing with feeling, placing care foremost as we continued to redefine private healthcare. From clinical precision to digital innovation, every advance we make is shaped by the need of our people and values we stand for. We're building a future of healthcare that is not only advanced but deeply human – for the world.

Contents

► *Overview*

- 3 About this Report
- 4 Organisational Overview
- 8 Financial Highlights
- 9 Awards and Accreditations

► *Leadership*

- 11 Chairman's Message
- 13 Deputy Chairman's Message
- 15 Director/General Manager's Review
- 17 Board of Directors
- 23 Senior Management Team
- 28 Executive Clinical Management Team
- 30 Strategic Value Creation
- 31 Value Creation Model
- 32 Stakeholder Engagement

► *Management Discussion and Analysis*

- 34 Operating Environment
- 37 Clinical Excellence and Patient Care Outcomes
- 44 Financial Sustainability
- 49 People and Knowledge
- 57 Sustainability and Stewardship
- 62 Medtech Integration

► *Organisational Stewardship*

- 66 Risk Management
- 70 Corporate Governance
- 84 Annual Report of the Board of Directors
- 89 Remuneration Committee Report
- 90 Audit Committee Report
- 92 Related Party Transactions Review Committee Report
- 93 Nominations and Governance Committee Report
- 95 Directors' Responsibility in Financial Reporting
- 96 Chief Executive Officer's and Group Chief Financial Officer Statement of Responsibility
- 97 Senior Independent Director's Statement

► *Financial Information*

- 99 Financial Calendar
- 100 Independent Auditors' Report
- 104 Statement of Profit or Loss and Other Comprehensive Income
- 105 Statement of Financial Position
- 106 Statement of Changes in Equity
- 107 Statement of Cash Flows
- 109 Notes to the Financial Statements

► *Supplementary Information*

- 169 Investor Information
- 171 Ten Year Financial Summary
- 173 Notice of Meeting

Enclosed Form of Proxy

Inner Back Cover Corporate Information

About this Report

We are pleased to present our 13th Integrated Annual Report which sets out the performance of Nawaloka Hospitals PLC and its subsidiaries (hereinafter referred to as the “Nawaloka”) for the financial year ended 31 March 2025. The Report provides a comprehensive and cohesive view of our performance during the financial year in review.

Scope and Boundary

The Report covers the activities of the Group – Nawaloka Hospitals PLC and its three subsidiaries New Nawaloka Hospitals (Private) Ltd., New Nawaloka Medical Centre (Private) Ltd., and Nawaloka Laboratories (Private) Ltd., and equity accounted investees – Nawaloka College of higher studies (Private) Ltd. for the period 01 April 2024 to 31 March 2025. An annual reporting cycle has been adopted and the most recent report for the financial year ended 31 March 2024 is available on our website www.nawaloka.com.

Reporting Standards

The following frameworks were used to prepare the report moving beyond regulatory compliance to incorporate international best practices into our reporting processes.

Financial Reporting

- Sri Lanka Financial Reporting Standards
- Companies Act No. 07 of 2007
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995

Narrative Reporting

- Integrated Reporting Framework of the IFRS Foundation
- Sustainability Accounting Standards Board (SASB) – Healthcare Delivery Sector

Corporate Governance

- Continuing Listing Requirements of the Colombo Stock Exchange and Corporate Governance Rules
- Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka

Reporting Structure

In response to evolving stakeholder expectations and our commitment to greater transparency, this year's report is also guided by the principles and content elements of the International Integrated Reporting Framework (<IR> Framework) issued by the International Integrated Reporting Council (IIRC). This approach enables us to present a more holistic view of how our strategy, governance, performance, and prospects; within the context of the external environment.

Quality Assurance

The Group has obtained an independent opinion on the Financial Statements from its External Auditors Messrs KPMG (Chartered Accountants) which is set out on pages 100 and 103 of this Report.

Digital Format

For the first time, Nawaloka Hospitals PLC is presenting its Annual Report in a comprehensive end-to end HTML version and as an interactive PDF, offering enhanced accessibility and seamless navigation for all stakeholders. This innovative approach reflects our broader commitment to embracing digital transformation and leveraging Artificial Intelligence to optimise our operations.



Scan to view the comprehensive end-to-end online HTML version.



Scan to view the Interactive PDF version.

Feedback

We welcome feedback from all stakeholders to continuously improve our reporting practices and enhance stakeholder engagement. Kindly share your comments and suggestions with us at:

Chief Financial Officer

Nawaloka Hospitals PLC
No. 23, Deshamanya H K Dharmadasa Mawatha,
Colombo 02, Sri Lanka.
Email: cfo@nawaloka.com
Tel: +94 11 557 7111

Organisational Overview

Who We Are

Established 40 years ago, Nawaloka Hospital's innovative spirit has continued to set the benchmark for excellence in the private healthcare sector. Our consistent commitment to accessible, compassionate and technologically advanced care has earned Nawaloka Hospitals the trust of generations. We continue to deliver on our founding vision of transforming healthcare in the country by aligning patient needs with medical innovation and global standards.



Celebrating 40 Years of Healthcare Excellence

In September 2025, we celebrated our 40th anniversary, a milestone that reflects four decades of pioneering private healthcare in Sri Lanka. Since our inception in 1985, we have remained steadfast in our mission to deliver world-class clinical care, blending compassion with innovation. Over the years, we have introduced advanced technologies, nurtured medical expertise, and upheld the highest ethical standards, earning the trust of generations of patients. This anniversary is not only a celebration of our legacy but also a reaffirmation of our commitment to shaping the future of healthcare with resilience, excellence, and patient-centric values.

Vision

"To be the Hospital of Tomorrow", to provide quality and safe healthcare to the people whilst maintaining leadership and excellence in the healthcare facility.

Mission

"Healing with Feeling", to provide the best quality healthcare in accordance with international standards to the needy in a cost-effective, timely and professional manner.

Values

- ▶ Strengthen Safety and Quality
- ▶ Drive Innovation, Technology and Research
- ▶ Enable Our People
- ▶ Plan for a Sustainable Future
- ▶ Achieve Financial Health

Anchored in our core aspirations to become a next generation healthcare provider, Nawaloka Hospitals remained resilient balancing innovation with a sustainable outlook to create lasting value for all stakeholders.

Organisational Overview

Our Group

The Nawaloka Hospital was established in 1985 by our founder Chairman Deshamanya H K Dharmadasa. It has since expanded to a Group consisting of Nawaloka Hospitals PLC and three 100% owned subsidiaries and one equity accounted investee. Nawaloka Hospitals PLC was listed on the Colombo Stock Exchange in 2004.

FULLY OWNED SUBSIDIARIES

- New Nawaloka Hospitals (Private) Ltd.
- New Nawaloka Medical Centre (Private) Ltd.
- Nawaloka Laboratories (Private) Ltd.

EQUITY ACCOUNTED INVESTEEES

- Nawaloka College of Higher Studies (Private) Ltd.

▶ ***Nawaloka Hospitals PLC*** (Parent Company)

Healthcare services

As our flagship entity, Nawaloka Hospitals PLC serves as the foundation of the Group's healthcare operations and stands tall as one of Sri Lanka's leading private multi specialist medical service providers. It delivers advanced tertiary and specialised care, setting benchmarks in clinical excellence, patient safety and ethical governance while steering the Group's long-term growth and strategic direction.

▶ ***New Nawaloka Hospitals (Private) Ltd***

Healthcare services

A wholly owned subsidiary incorporated in Sri Lanka under the Companies Act, New Nawaloka Hospitals (Private) Ltd extends the Group's presence in the healthcare sector. It supports the parent company's mission by expanding access to specialised medical services and boosting capacity in patient care.

▶ ***New Nawaloka Medical Centre (Private) Ltd***

Healthcare services

New Nawaloka Medical Centre (Private) Ltd caters to outpatient and preventive care needs, offering accessible, tech enabled services. It plays a vital role in early diagnosis, wellness programmes and continuous patient engagement.

▶ ***Nawaloka Laboratories (Private) Ltd***

Laboratory services

Incorporated in 2017 under the Companies Act, Nawaloka Laboratories (Private) Ltd provides high quality laboratory and diagnostic services. With a growing network and modern infrastructure, it ensures reliable, timely testing that supports both hospital operations and independent clinical referrals across Sri Lanka.

Organisational Overview

Differentiation Through Excellence

We consistently craft out a path of progress by adopting cutting-edge medical technology, enhancing patient care and improving our standards and processes. This commitment is institutionalised through the work of our Quality and Accreditation Department, which ensures that excellence is not just an aspiration but a standard across all operations. As the first ISO-certified private hospital in Sri Lanka, Nawaloka has established a reputation for compliance, evidence-based practices, and sustainable healthcare delivery. Over the years, we have maintained globally recognised benchmarks, obtained compliance certifications and won recognition from prestigious entities, and delivered world-class care.

Adherence to Best Practices



ISO 9001:2015 Certification Renewal – Ensuring Quality Service Delivery

The successful renewal of ISO 9001:2015 underscored Nawaloka's sustained commitment to quality, leadership accountability, and customer satisfaction. This continuity in certification positioned the hospital as a reliable healthcare provider, reinforcing long-term patient loyalty and operational stability.



ISO 15189:2012 SLAB Accreditation for Diagnostic and Laboratory Excellence

SLAB accreditation under ISO 15189:2012 validated the accuracy, precision, and timeliness of Nawaloka's diagnostic services. This enhanced the Hospital's clinical credibility and diagnostic reliability, directly supporting better health outcomes and attracting both local and international patients seeking trustworthy lab services.

The Five Crowns Award for Clinical Excellence – A Benchmark for Quality Care

This prestigious recognition highlighted Nawaloka's superior clinical governance, patient safety standards, and outcomes-driven care. It amplified brand prestige and reassured stakeholders of the Hospital's ability to uphold world-class clinical practices in a competitive healthcare landscape.

Awards and Recognition

Great Place to Work Certification 2024 – Recognising an Inclusive and Engaged Workplace Culture

This certification showcased Nawaloka's strong organisational culture and employee engagement. It translated into improved staff retention, elevated morale, and better patient care outcomes – demonstrating the Hospital's understanding of the critical link between workforce satisfaction and service excellence.

National Business Excellence Award 2024 – Acknowledging Strategic Leadership and Innovation

Recognition at the National Business Excellence Award affirmed Nawaloka's holistic value creation across strategic leadership, financial resilience, and innovation. It strengthened the Hospital's corporate reputation and investor confidence while validating its digital transformation initiatives in a rapidly evolving healthcare environment.

Award for Outstanding Waste Management Practices 2024 – Commitment to Environmental Sustainability

This award highlighted Nawaloka's leadership in sustainable healthcare operations. Through advanced waste management and eco-conscious practices, the Hospital demonstrated environmental responsibility, bolstering its CSR profile and resonating with environmentally conscious stakeholders.

Key Sponsorships

Official Healthcare Partner of Sri Lanka Cricket – Eight Consecutive Years of Sports Medicine Excellence

Nawaloka's eight-year partnership with Sri Lanka Cricket underscores our expertise in high-performance sports medicine and rehabilitation. This enduring alliance enhanced brand visibility at a national level, reinforced trust in Nawaloka's specialised care capabilities, and positioned the Hospital as a pioneer in athlete-focused healthcare. It created shared value by supporting national sports while elevating the Hospital's profile as a leader in integrated, performance-oriented medical services.

Organisational Overview



Clinical excellence

Surgeries performed:	Channel appointments:	Beds:
12,899	437,464	330+



Employees

Total employees:	Qualified nurses:	Training investments:
1,996	425	Rs. 1.9 Mn.
Training hours:	Gender ratio: (M:F)	Employees with 10+ years' service:
7,936	3:7	60



Environment

Energy consumed:	Water usage:
9,522,986 kWh	235,812 m ³



Patient care

Channel appointment:	In-patient admission:
437,464	22,585

Island-wide lab network

Main labs	Mini labs	COCO (Company-owned; Company Operated)
4	5	13



Infrastructure and technology

Property, plant and equipment:	In-house pharmacies:
Rs. 15,937 Mn.	7

Highlights

- ▶ Launch of South Asia's first AI-powered Radiology Centre
- ▶ AI-powered Medical Evaluation Service

Financial

▶ Revenue	Rs. 11,013 Mn.
▶ Net profit	Rs. 56 Mn.
▶ Total assets	Rs. 20,024 Mn.
▶ Equity	Rs. 4,913 Mn.

Plan for 2025

- ▶ Investments in AI-powered clinical systems
- ▶ Continued investment in technology-driven diagnostics and expanded channelling services.
- ▶ The integration of robotic surgical tools
- ▶ Rollout of mini-medical centres and diagnostic labs

Financial Highlights

For the year ended 31 March	2025 Rs.	2024 Rs.	Change %
INCOME STATEMENT DATA			
Revenue	11,012,689,270	10,379,164,804	6.10
Operating profit	1,008,243,743	1,024,615,844	(1.60)
Profit/(loss) before tax	336,642,651	(247,007,212)	236.29
Profit/(loss) after tax	56,381,099	(304,747,263)	118.50
Total comprehensive income/(expense) for the year	327,464,971	(338,102,459)	196.85
Gross profit	5,878,494,104	5,616,640,676	4.66
Gross profit margin (%)	53.38	54.11	(1.35)
Operating profit margin (%)	9.16	9.87	(7.24)
Net profit/(loss) margin (%)	0.51	(2.94)	117.41
Return on asset (ROA) (%)	5.04	5.00	0.71
Return on capital employed (ROCE) (%)	8.99	22.00	(59.14)
Return on equity (ROE) (%)	1.15	(7.00)	(116.39)
Interest cover (Times)	1.12	1.00	12.24
FINANCIAL POSITION			
Total assets	20,023,511,885	18,695,046,547	7.13
Total liabilities	15,110,648,486	14,109,648,119	7.12
Shareholders' equity	4,912,863,399	4,585,398,428	7.14
Debt/equity ratio (%)	1.36	0.75	81.28
Net assets per share	3.49	3.25	7.25
Current ratio (Times)	0.32	0.25	27.67
Quick assets ratio (Times)	0.27	0.21	28.44
SHAREHOLDER INFORMATION			
Number of shares in issue	1,409,505,596	1,409,505,596	-
Earnings per share	0.04	(0.22)	118.18
Dividend per share	-	-	-

Awards and Accreditations

In 2025, Nawaloka Hospitals was honoured with prestigious awards, a true reflection of our unwavering commitment to excellence in healthcare. Each accolade stands as recognition of our pioneering spirit, patient-centered care, and the pursuit of innovation. These achievements not only celebrate our team's dedication but also reaffirm our dedication to excellence.





*11 Chairman's Message 13 Deputy Chairman's Message 15 Director/General Manager's Review 17 Board of Directors
23 Senior Management Team 28 Executive Clinical Management Team 30 Strategic Value Creation
31 Value Creation Model 32 Stakeholder Engagement*

Leadership

Chairman's Message



‘ The year 2024/25 marked the strategic evolution of Nawaloka Hospitals Colombo PLC, steered by the foundation of resilience of the past few years to embrace innovation, clinical excellence and patient care. ’

The year 2024/25 marked the strategic evolution of Nawaloka Hospitals Colombo PLC, where the resilience of recent years was transformed into renewed momentum for growth. Our core focus on patient wellbeing, technology adaptation, process improvements, and ethical stewardship shaped our progress and illustrated our undisputed leadership in the private healthcare sector in Sri Lanka. In this backdrop, I am pleased to present the financial and non-financial performance of Nawaloka Hospitals Colombo PLC for the financial year 2024/25.

In spite of industry-wide cost pressure, Nawaloka recorded a revenue of Rs. 11,013 Mn., indicating a 6% year-on-year growth. Meanwhile, our net profit after tax reached Rs. 56 Mn., representing a year-on-year growth of 119%. Medical tourism and increased patient volumes supported this turnaround, reflecting the strength of our strategy. Following the close of the financial

year, the Group concluded a landmark debt settlement with Hatton National Bank PLC. This achievement has fortified our financial foundation, strengthened our financial stewardship, and enhanced our ability to channel resources into future growth. The successful resolution of this facility with HNB stands as a clear endorsement of the trust and confidence placed in Nawaloka Hospitals, and provides us with a stronger platform to pursue our long-term strategic ambitions while consistently delivering sustainable value to our stakeholders.

Furthermore, the share price of Nawaloka Hospitals, which stood at Rs. 3.90 as of 31 March 2024, has since appreciated to Rs. 8.00. This outstanding performance has elevated our market capitalisation from approximately Rs. 5.5 Bn. to Rs. 11.3 Bn., reflecting growth of more than 105%. When compared with our Group net assets of Rs. 4.9 Bn., this valuation at over 2.3 times

book value is a clear testament to investor confidence and the substantial wealth created for our shareholders. This achievement was made possible by the collective and unwavering commitment of our staff, whose dedication continues to drive our success.

At Nawaloka, we remain a step ahead, ensuring our patients experience tomorrow's healthcare today. This forward-looking approach earned us recognition as the Leading Hospital in AI & Innovation – Asia Pacific 2025 at the Global Health Asia Pacific Summit in Bangkok, and honored for excellence in the Healthcare Sector at the National Business Excellence Awards.

Chairman's Message

Stewardship

Our governance culture, shaped by the "Do No Harm" approach, anchors our integrity. Ethical stewardship guides us in clinical, financial, and social spheres, ensuring patient safety, fairness, and accountability. Oversight of ESG initiatives, data protection, and clinical integrity is embedded in our governance framework, with the Board ensuring alignment to national and international standards.

Future Outlook

With a stable foundation, Nawaloka Hospitals Colombo PLC is well-positioned to meet evolving healthcare needs through technology, infrastructure, knowledge, and partnerships, while remaining dedicated to creating sustainable value for all stakeholders.

I extend my heartfelt gratitude to the Board of Directors for their guidance, to our consultants for their expertise, to our employees for their loyalty and professionalism, to our investors and partners for their confidence, and, most importantly, to our patients for entrusting us with their care.



Dr Jayantha Dharmadasa

Chairman/Chief Executive Officer

04 September 2025

Deputy Chairman's Message



‘The financial year 2024-25 marked a decisive turning point for Nawaloka Hospitals PLC. On the back of a crippling financial crisis now largely resolved, the year under review saw the macro environment further stabilise, even as a change in government spelt possible policy shifts.’

The financial year 2024-25 stands out as a defining period for Nawaloka Hospitals PLC, marking a new era of resilience and innovation. With the steadfast guidance of our esteemed Chairman, Dr. Jayantha Dharmadasa, our institution navigated through challenges with renewed focus and determination, ensuring stability and sustainable progress in a constantly evolving healthcare landscape.

Nawaloka Hospitals PLC emerged stronger from the financial adversity faced in prior years, demonstrating remarkable operational recovery and strategic foresight. Under Dr. Dharmadasa's visionary leadership, our Board and management united to institute robust governance measures and reinvigorate our mission of delivering world-class healthcare to the people of Sri Lanka. The collective commitment of our staff, paired with clear direction from the top, enabled us to uphold the highest standards of service even as external conditions shifted, including developments in national policy and the macroeconomic environment.

During the year under review, we prioritised strategic investments in medical infrastructure and advanced technology, further elevating the quality and reach of our services. Our efforts to expand patient care through innovation, digital transformation, and continuous staff development reinforced our reputation as an industry leader. With the integration of state-of-the-art equipment and best-in-class practices, Nawaloka Hospitals PLC was able to meet the growing demands of patients, improve clinical outcomes, and ensure safety across all touchpoints.

The organisation's financial performance also reflected positive momentum. Careful management of resources, focused cost controls, and strategic expansion initiatives contributed to a stronger balance sheet and improved profitability. This financial

health has not only benefited stakeholders, but has allowed us to drive further investments in community outreach, patient education, and staff empowerment programs—all of which are vital to our long-term mission.

As the healthcare sector continues to evolve in response to changing regulatory frameworks and technological advancement, our institution remains firmly committed to supporting national health priorities alongside the Ministry of Health and other government agencies. Recognising our role as a corporate citizen, we pursue initiatives that make healthcare more accessible and affordable to every Sri Lankan, and actively seek partnerships that amplify our impact on public health outcomes.

Deputy Chairman's Message

On behalf of the Board, and with gratitude for the enduring support of Chairman Dr. Jayantha Dharmadasa, I extend sincere thanks to our exceptional team of employees, our patients, partners, and shareholders. Their trust and commitment form the bedrock of our success. Together, we will continue to set new benchmarks in healthcare excellence, drive sustainable development, and empower positive change in the communities we serve. Looking forward, Nawaloka Hospitals PLC is poised for continued growth, innovative transformation, and a lasting legacy that reflects the very best of Sri Lankan healthcare.



Mr Anisha Dharmadasa

Deputy Chairman – Executive Director

04 September 2025

Director/General Manager's Review



‘ During the year under review, overall patient satisfaction averaged 4.3 out of 5, with 80% of surveyed patients recommending Nawaloka to others. This affirmation reflects the strength of our commitment to delivering high-quality healthcare experiences grounded in precision, compassion, and trust. ’

Clinical excellence remains the cornerstone of Nawaloka Hospitals' operations. Our focus has been on enhancing patient outcomes through improved service delivery, advanced medical technology, and smooth and continuous care pathways. Every patient is a valued experience to us, supported by measurable clinical benchmarks that bears testimony to this.

The past year saw significant strides in investments in technology. The AI-assisted Radiology Unit, the first of its kind in South Asia, now supports MRI, CT, and X-ray diagnostics and remote reporting, enabling more targeted treatments. Across our clinical units—from Emergency and OPD to Pharmacy, Laboratory, and Patient Discharge—we have streamlined processes, reduced Turn-around-Times with AI-enabled solutions, improving both efficiency and accuracy.

Beyond diagnostics, digital health tools such as patient portals and integrated clinical records have empowered patients to actively participate in their healthcare journey. These innovations ensure continuity of care, transparency, and informed decision-making, aligning with our principle of “Healing with Feeling.”

Our progress is anchored in a strong ethical governance framework that emphasizes transparency, accountability, and medical ethics. Oversight from the Strategy, Sustainability, and Innovations Committees ensures that investments whether in technology, infrastructure, and human capital are guided by long-term sustainability and patient benefit.

The Sustainability Committee integrates ESG principles into operations, from reducing environmental impact to supporting community health programs. The Innovations Committee drives adoption of medical technologies only when they demonstrate tangible clinical value and efficiency gains.

The Nawaloka Hospitals Research and Education Foundation, remains as the pioneer in advancing medical research and knowledge in the private sector. Our commitment to education extends to supporting Continuing Medical Education (CME), allied healthcare training, and aged care services through the Nawaloka Institute of Healthcare and the Nawaloka College of Professional Studies. These initiatives strengthen the broader healthcare ecosystem while building future capacity.

Director/General Manager's Review

Refining the patient journey continues to be a key priority. From emergency admissions to planned surgeries, care is coordinated across disciplines guided by medical evidence and attuned to patient preferences. This model blends efficiency with empathy, ensuring that every patient experiences compassionate, personalised care that reflects our enduring value of "Healing with Feeling".

As Sri Lanka navigates complex macroeconomic conditions, financial sustainability will remain central to our growth. Our strategy balances high-quality clinical services with prudent economic planning, evaluating every investment for both its immediate impact on patient care and its contribution to long-term operational resilience.

Future growth will be driven by investments in technology, workforce development, and facility upgrades, alongside expansion in international medical tourism. Special emphasis will be placed on non-communicable diseases, transplant services, cancer prevention, and advanced day-care facilities supported by, AI-assisted laparoscopic technologies leading to robotics.

In 2024–25, Nawaloka Hospitals reestablished its leadership and strongly emerged as the leader in clinical, technology, innovation and ethical governance under the able guidance, direction and foresight of our Chairman. This journey reaffirms our commitment to setting a globally benchmarked and patient-focused standard in Sri Lankan healthcare.

As we bring another successful year to a close, I wish to convey my heartfelt gratitude to our Chairman/CEO, the Deputy Chairman, and the Board of Directors for their visionary and steadfast leadership. Their guidance has been instrumental in steering Nawaloka Hospitals towards continued excellence.

I also extend my deep appreciation to our dedicated healthcare professionals whose tireless commitment has enabled us to uphold our pioneering role in the healthcare sector. My sincere thanks go to our medical and administrative teams, who have served our patients with unwavering compassion and care throughout the year.

We remain grateful to our valued business partners and stakeholders for their consistent support, and to our patients and their families for the trust and confidence they continue to place in us.

Thank you for being an integral part of our journey to advance health and wellbeing for all.



Vidya Jyothi Emeritus Professor Lal Gotabhaya Chandrasena
Director/General Manager

04 September 2025

Board of Directors



Dr Jayantha Dharmadasa

Chairman/CEO – Executive Director

Dr Jayantha Dharmadasa has been the Chairman of the Company since 2011 and was the Deputy Chairman from 1985. He is a businessman by profession and counts over 46 years of experience in Executive Management of which 40 years are in the healthcare industry. He is also the CEO of the Company, a Fellow member of the Institute of Certified Professional Managers (FCPM), Chairman of Nawaloka Hospitals PLC, Nawaloka Construction Company (Pvt) Ltd., Nawaloka Holdings (Pvt) Ltd., Nawaloka Aviation (Pvt) Ltd., Nawaloka Laboratories (Private) Ltd., Nawaloka College of Higher Studies (Pvt) Ltd., Nawaloka Steel Industries (Pvt) Ltd., Nawaloka Guardian International (Pvt) Ltd., New Nawaloka Hospitals (Pvt) Ltd. and New Nawaloka Medical Centre (Pvt) Ltd. Dr Dharmadasa holds an Honorary Doctorate from Swinburne University of Technology, Australia and is the Honorary Consul General of the Republic of Singapore in Sri Lanka. Also the Chairman of Cinestar Foundation and was the Chairman of Outstanding Song Creators Association (OSCA), Vice President of Sri Lanka Cricket, Director of Sri Lanka Telecom PLC, President of Sri Lanka Cricket, President of Asian Cricket Council, Chairman of National Film Corporation and a Board member of Sri Lanka Rupavahini Corporation. He is the Vice President of Sri Lanka Cricket at present.



Mr Anisha Dharmadasa

Deputy Chairman – Executive Director

Mr Anisha Dharmadasa has been a Director of the Company since 2000. He has 28 years of experience in Executive Management. Mr Dharmadasa is the Deputy Chairman of Nawaloka Hospitals PLC and Nawaloka Construction Company (Pvt) Ltd., and a Director of Nawaloka Medical Centre (Pvt) Ltd., New Nawaloka Hospitals (Pvt) Ltd., New Nawaloka Medical Centre (Pvt) Ltd., Nawaloka Holdings (Pvt) Ltd., New Ashford International (Pvt) Ltd., Nawaloka Engineering (Pvt) Ltd., Nawaloka Petroleum (Pvt) Ltd., Nawaloka Guardian International (Pvt) Ltd., Quincy (Pvt) Ltd., Sasiri Polysacks (Pvt) Ltd., Nawaloka Laboratories (Private) Ltd., Nawaloka Graphic (Pvt) Ltd., Nawaloka ACG Aluminum Company (Pvt) Ltd., NCC Plantations (Pvt) Ltd., Nawata Group (Pvt) Ltd., Nawata Reliable Motors (Pvt) Ltd., Nawata Restaurant (Pvt) Ltd., Supreme Flora (Pvt) Ltd., NCC Edifice (Pvt) Ltd., M Branch (Pvt) Ltd., and Nawaloka Institute of Healthcare (Pvt) Ltd. Mr Dharmadasa is also the Chairman of Sikure Security Service (Pvt) Ltd., and Nixon Distribution Service (Pvt) Ltd.



Vidya Jyothi Emeritus Professor Lal Gotabhaya Chandrasena

Director/General Manager – Executive Director

Professor Lal Chandrasena has been a Director of Nawaloka Hospitals PLC since 2003. He is a Clinical Biochemist by profession and counts 24 years of University Academic Service and 40 years of experience in Hospital and Healthcare Administration and Laboratory Sciences.

Professor Lal Chandrasena is a Director of Nawaloka Hospitals Research and Education Foundation, Nawaloka Hospitals International (Pvt) Ltd., Nawaloka College of Higher Studies (Pvt) Ltd., Nawaloka Guardian International (Pvt) Ltd., Nawaloka Laboratories (Private) Ltd., and New Nawaloka Hospitals (Pvt) Ltd.

He is the Emeritus Professor of Biochemistry and Clinical Chemistry, Faculty of Medicine, University of Kelaniya. Professor Chandrasena has a Doctorate in Philosophy from University of Liverpool (UK) and a Bachelor of Science (Hons) from the University of Liverpool (UK). Post-Doctoral Fellow, Colorado State University, USA. He is Fellow of American Association for Clinical Chemistry, Fellow of the Institute of Chemistry, Ceylon and

Board of Directors

a Chartered Chemist, Fellow of Royal Society of Chemistry, FRS (UK) and a Fellow of the National Academy of Sciences of Sri Lanka (FNASSL). He is a member of the Private Health Services Regulatory Council, Ministry of Health. He is the Past President of the Association of Private Hospitals and Nursing Homes and the Association for Clinical Biochemistry, Sri Lanka. He is a Fellow member of the Institute of Chartered Professional Managers of Sri Lanka and holds a Certificate in Hospital Administration from the Indian Institute of Management, Ahmedabad. He was awarded an Honorary Fellowship of the College of Chemical Pathologists of Sri Lanka. He was conferred the National Honour “Vidhya Jyothi” in 2017 by His Excellency the President of Sri Lanka.



Ms Ashani Givanthi Dharmadasa
Executive Directress

Ms Givanthi Dharmadasa has been a Directress of the Company since 2003 and has 25 years of experience in Executive Management. She is also a Directress of Nawaloka Holdings (Pvt) Ltd., Nawaloka Air Services (Pvt) Ltd., Nawaloka Aviation (Pvt) Ltd., Waves Destinations (Pvt) Ltd., Nawaloka Construction (Pvt) Ltd., Redline Services (Pvt) Ltd., Redline Design & Printing (Pvt) Ltd., Redline International (Pvt) Ltd., Nawaloka Laboratories (Private)

Ltd., Nawaloka Hospital Research and Education Foundation, JDC Printing Technologies (Pvt) Ltd., JDC Graphics Systems (Pvt) Ltd., Unifold (Pvt) Ltd., JDC Inks & Chemicals (Pvt) Ltd., and Nawaloka Institute of Healthcare (Pvt) Ltd., New Tergo Services (Pvt) Ltd., Tergo Services (Pvt) Ltd., and Tergo Pest Control Service (Pvt) Ltd. Ms Dharmadasa is also the Deputy Chairperson of Redline Capital (Pvt) Ltd., and the Managing Partner of Redline Agriculture.



Deshabandu Tilak De Zoysa
FCMI (UK), FPRI (SL)
Independent Non-Executive Director

A well-known figure in the Sri Lankan business community, Tilak De Zoysa, FCMI (UK), FPRI (SL), Honorary Consul for Croatia and Global Ambassador for HelpAge International was conferred the title of “Deshabandu” by His Excellency the President of Sri Lanka in recognition of his services to the Country and was the recipient of “The Order of the Rising Sun. Gold Rays with Neck Ribbon” conferred by His Majesty the Emperor of Japan, and was the Recipient of the LMD Lifetime Achievers’ Award 2017. In addition to being the Chairman of Associated CEAT (Pvt) Ltd., Amaya Hotels and Resorts USA (DoubleTree by Hilton), Jetwing Zinc Journey Lanka (Pvt) Ltd., Trinity Steel (Pvt) Ltd., CG Corp Global

Sri Lanka and HelpAge Sri Lanka and the Automobile Association of Ceylon. He is also the Vice Chairman of CEAT Kelani Holdings (Pvt) Ltd., and serves on the Boards of several listed and private companies which include TAL Lanka Hotels PLC (Taj), TAL Hotels and Resorts Ltd. (Taj), Nawaloka Hospitals PLC, Associated Electrical Corporation Ltd., INOAC Polymer Lanka (Pvt) Ltd., Cinnovation INC, Varun Beverages Lanka (Pvt) Ltd. (Pepsi), and is a member of the Kalutara Bodhi Trust. Mr Tilak De Zoysa was the Past Chairman of the Supervisory Board (AMW) and Advisor to the Al-Futtaim Group of Companies in Sri Lanka, Past Chairman of the Ceylon Chamber of Commerce, the National Chamber of Commerce of Sri Lanka, HelpAge International (UK), Colombo YMBA and Board of Governors and the Sasakawa Memorial Sri Lanka Japan Cultural Centre Trust, and served as a member of the Monetary Board of Sri Lanka (2003-2009).



Mr Tissa K Bandaranayake
FCA, BSc
Non-Executive Director

Mr Tissa K Bandaranayake joined the Company as a Director in 2009. He is a Fellow member of The Institute of Chartered Accountants of Sri Lanka and graduated with a BSc from the

Board of Directors

University of Ceylon. He has more than 50 years of commercial and professional experience. He was with Ernst & Young, Sri Lanka for 27 years until retirement in April 2009 as the Senior Audit Partner, managing a large portfolio of clients both local and multinational in various industries. He was a Director of Brown & Co. PLC., Samson International PLC, Renuka Holdings PLC, and Overseas Realty (Ceylon) PLC prior to December 2024 and continues to serve as a Director of Harischandra Mills PLC. He also serves as an Advisor/Consultant to the Governance Committee of Noritake Lanka Porcelain (Private) Ltd. Mr Bandaranayake was a past Chairman of the Audit Faculty of The Institute of Chartered Accountants of Sri Lanka and a Past President of the Practicing Chartered Accountants' Forum. He served as the Founder Chairman of the Quality Assurance Board of Sri Lanka established by The Institute of Chartered Accountants of Sri Lanka. He is also a Past President of National Stroke Association of Sri Lanka, He was a member of the Rotary International Finance Committee from 2013 to 2016 and served as the Rotary District Governor for Sri Lanka in 1999-2000. In recognition of his contribution to the accountancy profession, the commercial sector and the community over the years, Mr Bandaranayake was admitted to the Hall of Fame of The Institute of Chartered Accountants of Sri Lanka in 2016.



Mr Victor R Ramanan
Non-Executive Director

Mr Victor Ramanan is a Sri Lankan born British National residing in London. Being educated in Sri Lanka and UK. He is a versatile marketer and administrator with more than 34 years of hands on experience working in many countries including United Kingdom, Kuwait, Dubai, Bahrain, Germany, France, USA, and Sri Lanka. He has worked in areas such as IT, HR, Marketing and Business Development of which more than 17 years has been in the fields of Oil and Gas, Logistics and Real Estate sectors. Presently holds positions as a Chairman, Deputy Chairman and Director in the under mentioned companies: "Nation Lanka Finance PLC – Chairman" Nawaloka College of Higher Studies (NCHS) – Deputy Chairman – Nawaloka Hospitals PLC – Director.



Dr Maiya Gunasekera
Non-Executive Director

Dr Maiya Gunasekera completed his education at Royal College, Colombo 7 and passed out from the Colombo Medical College with Honours in 1976. He is further qualified in MS, FRCS (Eng), FRCS (Ed), FICS, FMAS, FIAGES, FISCP, FCRS Fellow college of robotic surgeons and is also a Fellow of College of Surgeons of Sri Lanka. At present he practices as a Consultant Surgeon at the Nawaloka Hospitals. He is a Consultant Surgeon in General Surgery, Laparoscopic Surgery, Gastroenterology Surgery and Endoscopy. He was awarded School Colours in Rugby Football and Basketball for Royal College. He represented Sri Lanka in Rugby Football at the 3rd and 4th Asian Games in 1972 and 1974 and at the Hong Kong Sevens Tournament in 1996 and 1997. In 1974 he was awarded the "Lesley Handunge Trophy" for the Most Outstanding Sportsman of the Universities of Peradeniya and Colombo combined. He is a Chairman of the National Sports Council and a member of the National Sports Selection Committee and life member of the CR and FC Rugby Club. He was also the National Rugby Coach from 1993 to 1994 for Hong

Board of Directors

Kong Sevens Rugby. From 1995 to 1997 he was the Manager of the National Rugby Team and President of Sri Lanka Rugby Football Union from 1998 to 1999. He was Chef de Mission Commonwealth Games in Malaysia in 1998. Further, he was the Chief National Rugby Selector from 2001 to 2004. He was Chairman of the National Sports Council. For the past two years and also member of the National Sports Selection Committee. He was a member of the Public Service Commission from 2014 to 2015. He serves as Surgeon to the SLRFU from 1984 to date and is also a life member of SLRFU and WPRFU.



Dr Mohan Rajakaruna
Non-Executive Director

Dr Mohan Rajakaruna is a distinguished cardiologist with extensive training and global recognition. He holds a Bachelor of Science degree from North Colombo Medical College, MD from St. George's University and completed fellowships at Coney Island Hospital and Maimonides Medical Centre, New York. Awarded for his excellence in internal medicine, cardiology and interventional cardiology, Dr Rajakaruna has been committed to advancing cardiovascular care in Sri Lanka since 1999 as the Senior Resident Cardiologist at Nawaloka Hospitals PLC. His unwavering dedication and expertise make him a leader in the field of cardiology.



Dr M T D Lakshan
Non-Executive Director

Dr M T D Lakshan, a distinguished figure in medicine and technology, possesses an exceptional academic background from Royal College Colombo and the University of Colombo. His achievements include first-class honours in MBBS, the Sumanawathi de Costa Jubilee Award, the Professor K Dharmadasa Gold Medal, and an impressive nine Distinctions and eight Gold Medals at the Final MBBS Exam. Demonstrating continued excellence, Dr Lakshan completed his Master's Degree with top honours, securing 1st place and the PR Anthonis Gold Medal. His professional contributions as a Consultant ENT and Head and Neck Surgeon at Nawaloka Hospitals PLC and Senior Lecturer at the University of Kelaniya have been significant. With qualifications including MBBS (Col), MS(Oto), DOHNS(Eng), FEB ORL-HNS (Europe), and FRCSEd ORL-HNS, Dr Lakshan has established himself as a leader in his field. Dr Lakshan's innovative work in telemedicine and healthcare IT solutions has transformed medical service delivery. His keen interest in AI and its integration into patient care showcases his commitment to advancing healthcare practices. An excellent communicator loved by patients, Dr Lakshan combines technical expertise with a

compassionate approach to care. His research in vertigo, tinnitus treatment, and Endoscopic Ear Surgery has resulted in numerous peer-reviewed publications and a book chapter on Paediatric ENT. Dr Lakshan's dedication to personal and professional growth through AI integration further cements his position as a visionary in modern medical practice, continually setting new standards in the convergence of medicine, technology, and patient care.



Mr Virann De Zoysa
Senior Independent Non-Executive Director (SID)

Mr Virann De Zoysa holds an Undergraduate Degree in Finance and Accounting from Clarion University, USA, and a Master of Business Administration from Edith Cowan University, Australia. He began his career gaining experience in Finance and Project Management at Parker Hunter Finance (PA) and Virtusa Inc., before joining Associated Motorways (Pvt) Ltd. in 2004.

At AMW, Mr De Zoysa held leadership roles in Automotive Marketing, After-Sales Service, and Brand Management, eventually serving as Director – Automotive. He also took on the role of Director – Manufacturing & Exports, heading AMW's Tyre Manufacturing & Export operations.

Board of Directors

Currently, he serves as Group CEO of Evolution Auto (Private) Limited, where he has been instrumental in introducing electric mobility solutions to Sri Lanka's commercial and passenger vehicle sectors.

In addition to his automotive expertise, Mr De Zoysa has experience in the tourism and hospitality sector as a Director of Arika Villas Dambulla, a boutique property in Sri Lanka's cultural triangle.

He was recently appointed Chairman of the Ceylon Motor Traders Association, an affiliate of the Ceylon Chamber of Commerce, representing the interests of the automotive industry in Sri Lanka.



Dr Chamara Bandara

Independent Non-Executive Director

Dr Bandara is a holder of a PhD in Business/Management from the Management and Science University, Malaysia and a Master of Business Administration from the University of Southern Queensland, Australia. He is a distinguished Chartered Accountant (Sri Lanka, and England and Wales) with over two decades of experience in business consultancy and other corporate services.

Dr Bandara is the founder of SCB Corporate (Accounting Globally), Corporate Doctors (Pvt) Ltd. and Berry Technology (Pvt) Ltd. Before founding the above, he gained experience across various industries including building construction and engineering, hospitality and garments.

Dr Bandara is the current Vice President of AAT Sri Lanka and serves as an Independent Director of Kapruka Holdings PLC. He was the former Country Representative of Faster Capital Global Incubator and a former Council Member of the Rajarata University of Sri Lanka. As the founder president of the Young Chartered Accountants Forum of Sri Lanka (YCAF), Dr Bandara has focused on developing leadership and entrepreneurial skills among young Chartered Accountants. He has also served as the Chairman of the Panel of Judges for the Federation of Chambers of Commerce and Industry of Sri Lanka in 2013, recognising and encouraging Sri Lankan entrepreneurs. Additionally, he has been a judge for the annual report awards competition organised by The Institute of Chartered Accountants of Sri Lanka and has represented various committees of CA Sri Lanka.



Dr Ratnayake Mudalige Samantha Pushpakumara

Independent Non-Executive Director

Dr Rathnayaka counts over 25 years of management and learning solutions experience in diverse sectors, including the Food and Agriculture Organisation of the United Nations (UN FAO), the ICICI Bank India, and the Sri Lanka Institute of Marketing (SLIM), and the Sri Lanka Foundation (SLF). He serves as a senior faculty/lecturer at the Postgraduate Institute of Management (PIM) of the University of Sri Jayewardenepura, Sri Lanka since 2016.

Dr Ratnayake is the holder of a PhD in Management from the Infrastructure University of Malaysia, a Master of Business Administration from the Postgraduate Institute of Management of University of Sri Jayewardenepura, Sri Lanka and a Bachelor of Business Management (Human Resource Management Special) Degree from the University of Kelaniya, Sri Lanka. Having gained experience in the fields of Management, Human Resource Management and Marketing. Dr Ratnayake is currently working as a senior lecturer at the Postgraduate Institute of Management of University of Sri Jayewardenepura.

Board of Directors

Dr Ratnayake is contributing as a chairman, council member, co-chair, in a number of leading professional bodies and associations in Sri Lanka including, the Chartered Institute of Professional Managers of Sri Lanka, Federation of Chamber of Commerce and Industries of Sri Lanka, Sri Lanka Institute of Training and Development, Institute of Bankers of Sri Lanka, National Science Foundation of Sri Lanka, and Sri Lanka Development Journalists Forum to name a few.



Mr Chamira Pramodha Wijetilleke
Independent Non-Executive Director

Mr Wijetilleke is the holder of a Bachelor of Science Degree in Finance from the University of Houston, USA and also holds a Master of Business Administration from Western Sydney University, Australia. Having gained experience in both the Finance and Banking fields at ANZ Grindlays Bank and Standard Chartered Bank, Mr Wijetilleke moved to HSBC Sri Lanka in 2004 where he held the position of Head of Corporate Banking from 2010 to 2016.

He served as a full time Consultant at N-able (Pvt) Ltd., a subsidiary of Hemas PLC, on banking technology and digital transformation of fintechs based on emerging technology. He currently serves as CEO of Somerville Stock Brokers (Pvt) Limited.

Mr Wijetilleke is a career finance professional with over 30 years of leadership experience and possesses international experience in banking having worked in Jordan and Australia. He was responsible for running the largest corporate banking portfolio amongst all foreign banks in Sri Lanka.



Professor Priyankarage Prasad Manjula Jayaweera
Independent Non-Executive Director

Professor Jayaweera is a Commonwealth Academic Fellow with a PhD and a PhL (Licentiate in Philosophy) in Computer and Systems Science from the Stockholm University of Sweden and holds a Bachelor of Science Computer Science from the University of Colombo, Sri Lanka. Having gained experience in the fields of Computer Science, Information Systems Engineering, Science and Technology, Professor Jayaweera is currently serving as the founder Dean of the Faculty of Computing at the University of Sri Jayewardenepura. He was the very first Chair Professor

of Computer Science and now holds the Chair Professor of Information Systems Engineering and Informatics at the University of Sri Jayewardenepura. He served as a Senior Lecturer of the Department of Computer Science at University of Ruhuna and as a Postdoctoral Researcher at University of Reading – UK, University of Namur – Belgium, and Stockholm University – Sweden. Professor Jayaweera has published his research contributions in several national and international forums as well as in journals. He has been a Founder member of the Editorial Board of the International Journal of Multidisciplinary Studies since 2014 and Editorial Board Member of the Journal of the National Science Foundation since 2019 to date. Professor Jayaweera has supervised several PhD, MPhil, and MSc Students in Sri Lanka and Sweden.

Professor Jayaweera extended his services to various public and corporate-sector organisations including as a member of the “National Foundation for Open-Source Health Software” at the Health Information/Management Development and Planning Unit, Ministry of Health.

Senior Management Team



Dr Tissa Perera

Medical Superintendent

Dr Tissa Indrasiri Perera Medical Superintendent of Nawaloka Hospitals brings a wealth of expertise and experience to his role. Dr Tissa Indrasiri Perera graduated from the University of Colombo, Sri Lanka in 1984 with an MBBS. Dr Perera has dedicated his career to advancing medical administration and healthcare management. He holds an MSc in Medical Administration from the Postgraduate Institute of Medicine Sri Lanka, a Postgraduate Diploma in Toxicology from the University of Colombo, and specialised certifications in Cardiovascular Health and Health Programme Management from prestigious institutions including the University of Monash, Australia, and the University of Colombo. With a distinguished tenure spanning over 29 years in the public sector and more than eight years in the private sector, Dr Perera has served in pivotal roles within the Ministry of Health, Sri Lanka. His international training in medical administration and clinical management across Switzerland, Germany, Australia, Singapore, Thailand, Vietnam, and India underscores his commitment to enhancing healthcare delivery and management practices globally.



Mrs U W Padmini

Chief Nursing Officer

Mrs U W Padmini has been a dedicated member of Nawaloka Hospital since 1987. She began her career as a junior staff nurse and rose through the ranks to become the Chief Nursing Officer in 2024. With over 38 years of nursing experience, she has been instrumental in establishing critical care units such as the Surgical Intensive Care Unit, Kidney Transplant Unit, Hemodialysis Unit, and Endoscopy Unit. Mrs Padmini has also served as Sister-in-Charge, managing the Medical, Cardiac, and Psychiatric wards, and later as Assistant Matron, where she was responsible for the overall supervision of all Intensive Care Units (ICUs), Emergency Treatment Units (ETUs), and Surgical Units. Her commitment to nursing excellence is further supported by her PHSRC certification and her early training at Asiri Surgical Hospital in Narahenpita. Her leadership, extensive experience, and commitment to quality care have been invaluable in enhancing the nursing standards and patient care services at Nawaloka Hospital.



Mr M T V De Silva

Group Chief Financial Officer

Member – CA Sri Lanka, Member – CMA Sri Lanka,
Fellow Member – AAT Sri Lanka, Member – SLID

Mr Theja De Silva is a highly accomplished finance professional with over 20 years of experience across diverse industries including pharmaceuticals, construction, real estate, agriculture, retail and wholesale, hospitality, manufacturing, IT, banking, and plantations.

As the Group Chief Financial Officer of Nawaloka Hospitals PLC, he provides strategic financial leadership and governance, driving the organisation's growth, innovation, and sustainability. His expertise in corporate restructuring, financial planning, and risk management has positioned him as a trusted advisor to Boards of Directors and senior leadership teams.

Mr De Silva is an Associate Member of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Institute of Certified Management Accountants of Sri Lanka (CMA Sri Lanka), a Fellow Member of the Association of Accounting Technicians of Sri Lanka (AAT), and a Member of the Sri Lanka Institute of Directors (SLID).

Senior Management Team

He also serves as a Council Member and Board Director of AAT Sri Lanka and actively contributes to professional development initiatives through leadership roles in committees of CA Sri Lanka and AAT Sri Lanka. A frequent speaker and panelist at industry forums, he is recognised for his thought leadership on taxation, auditing, and accounting reforms.



Mr Sampath Tennakoon

Chief Financial Officer

BSc, Member – CA Sri Lanka, Member – AAT Sri Lanka, Member – SLID

Mr Sampath Tennakoon is an accomplished finance professional with over 17 years of experience in accounting, financial reporting, and corporate finance. He holds a Bachelor of Science (BSc) in Management from the University of Sri Jayewardenepura, specialising in Business Administration. He is also an Associate Member of both The Institute of Chartered Accountants of Sri Lanka and the Association of Accounting Technicians of Sri Lanka, providing him with a strong foundation in accounting principles and practices.

Mr Tennakoon possesses extensive expertise in diverse regulatory reporting frameworks and demonstrates proven proficiency in adhering to local and international financial reporting standards, including Sri Lanka Accounting Standards (SLAS), Sri Lanka Auditing Standards (SLAuS), International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), as well as the compliance requirements of the Securities and Exchange Commission of Sri Lanka (SEC) and the Colombo Stock Exchange (CSE).

Throughout his career, he has consistently delivered critical financial insights, in-depth analysis, and strategic recommendations that enable organisations to make informed decisions. His ability to challenge conventional perspectives while offering practical, value-driven solutions has significantly contributed to the optimisation of financial strategies and the enhancement of organisational performance.

Mr Tennakoon's comprehensive background and unwavering commitment to sound financial governance make him a trusted and effective leader, ensuring the implementation of robust financial practices that drive the long-term success of Nawaloka Hospitals PLC.



Mr Indika Balasuriya

Chief Information Officer

Mr Indika Prasath Balasuriya is a visionary IT strategist and transformation leader, bringing over 27 years of expertise at the intersection of technology, business, and innovation. His portfolio spans enterprise-scale project management, ERP consultancy, application development, system implementation, and workforce enablement delivering measurable impact across industries. Holding an MSc in Information Technology from Keele University, UK (2005), Mr Balasuriya has been at the helm of Nawaloka Hospitals' digital evolution since 2008, architecting future-ready systems that enhance operational efficiency, patient care, and data-driven decision-making.

A recognised thought leader, he is an active member of the British Computer Society (BCS), the Computer Society of Sri Lanka (CSSL), and the Certified Project Manager (CPM) network. His early academic achievements include the NIBM and the BCS Diploma in IT foundations that have powered a career collaborating with global enterprises and delivering cutting-edge solutions.

Celebrated as a *Digital Maestro* by Dynamic CIO – India for three consecutive years (2018, 2019, 2020), Mr Balasuriya is widely respected for his ability to bridge visionary strategy with practical execution. His leadership continues to shape digital transformation roadmaps, champion emerging technologies, and inspire innovation cultures in healthcare and beyond.

Senior Management Team



Mrs Arosha Koggalawellala
Manager – Legal

Ms Arosha Koggalawellala is a highly qualified Attorney-at-Law with nearly two decades of experience practicing in the Supreme Court. She holds two Master's Degrees in Law (LLM) from the University of Staffordshire and the University of Wales, as well as a Bachelor's Degree in Law (LLB) from the University of Colombo. In addition, she has completed a Diploma in Forensic Science (DFMS – Colombo) from the University of Colombo, further broadening her expertise in the intersection of law and science. Her credentials are further strengthened by her roles as a, Notary Public, and Commissioner for Oaths. Since joining Nawaloka Hospitals in 2009, Ms Koggalawellala has been a pivotal member of the team, providing strategic legal guidance and contributing to the Organisation's overall success. Her extensive legal expertise and deep understanding of corporate law have been instrumental in shaping the Hospital's legal framework and ensuring compliance across all operations.



Mrs Rasika Tilakaratne
Head of Marketing

Ms Rasika Tilakaratne is a well-known marketing expert who has worked in healthcare for more than 20 years. For the past eight years, she has been a key member of the organisation. She is now the Head of Marketing at Nawaloka Hospitals.

Rasika knows a lot because she has a Master of Science in Strategic Marketing from Asia eUniversity in Malaysia and is now working on her Master of Business Administration (MBA) at Cardiff Metropolitan University in the UK. Rasika is a dedicated marketer who is a member of both the Chartered Institute of Marketing (CIM) in the UK and the Institute of Personnel Management (IPM) in Sri Lanka.

Her Lean Six Sigma certification shows how dedicated she is to doing things well and always getting better. Rasika's work as a marketing leader has been very important to the Hospital's strategic plans, brand growth, and market expansion. These efforts have really helped the Organisation do well and be well-known in the healthcare industry.



Mr Kithsiri Siriwardana
Manager – Human Resources

Mr Kithsiri Siriwardana is a multidisciplinary professional with over 20 years of hands-on local and international experience in multinational organisations, including a Fortune 500 company. His expertise lies in strategic and operational improvements. He is a results-driven, strategic, and resilient Senior Human Resources Leader with over 10 years of experience directing HR functions, particularly within manufacturing industries.

Mr Siriwardana holds a Chartered Qualification in Human Resource Management and a Professional Qualification in Human Resource Management from CIPM Sri Lanka. He also has an Associate Degree in Information Technology from Gordon University UK. His expertise spans the full HR spectrum, where he applies strong strategic planning and leadership to direct HR functions. He demonstrates an aptitude for problem-solving and decision-making to navigate complex challenges, while his skills in team building and relationship management are crucial for fostering collaboration and positive employee relations. His adaptability ensures he can effectively respond to dynamic internal and external factors.

Senior Management Team



Mrs Samantha Dhammi Hewawasam
Manager – Laboratory Services

Mrs Samantha Dhammi Hewawasam is a highly experienced leader in the medical laboratory field, with over 31 years of expertise. She began her career as a Medical Laboratory Technologist at Nawaloka Hospital PLC in 1991, where her dedication and excellence in patient care quickly set her apart. Since 2017, Mrs Hewawasam has served as the Manager of Laboratory Services, where she has been instrumental in enhancing the Hospital's laboratory operations and maintaining the highest standards of diagnostic accuracy and quality. Her leadership has been pivotal in advancing the laboratory's capabilities and service delivery. She holds a Diploma in Laboratory Technology in Chemistry from the College of Chemical Sciences – Institute of Chemistry of Ceylon (1993) and has been registered with the Sri Lanka Medical Council (SLMC) since 2009, underscoring her commitment to professional standards and ethical practice. In 2024, Mrs Hewawasam further developed her leadership acumen by completing the CEO Future Forward Healthcare Programme at the National University of Singapore. This programme equipped her with innovative strategies and insights to effectively navigate the evolving healthcare landscape. Her extensive experience and ongoing professional development continue to drive excellence in laboratory services at Nawaloka Hospital PLC.



Deshabandu Dr M Allan Gerreyn
Food and Beverage Manager/Executive Chef

Dr M Allan Gerreyn is a distinguished professional with over 40 years of extensive experience in the hotel industry. He has been a key member of Nawaloka Hospitals PLC since 2003, where he has made significant contributions as the Food and Beverage Manager and Executive Chef. In recognition of his exceptional service and contributions, Dr Gerreyn was honoured with the prestigious Deshabandu title by the Nanaguna Foundation in 2014. He has also been recognised for his outstanding achievements in food hygiene, winning the 5 Crown Awards for five consecutive years, starting in 2012. Dr Gerreyn's commitment to professional excellence is further evidenced by his certifications, which include ISO 22000 Food Safety Management Systems (HACCP Systems) from the Sri Lanka Standards Institution in 2006, an Internal Auditor on ISO 22000:2005 from Ind-Expo Certification (Pvt) Ltd. in 2011, and a programme on Food Safety Management and Safeguard Consumer and Your Company from UNIDO in association with Ind-Expo Certification (Pvt) Ltd. in 2008. He also holds a Food Hygiene Safety certification from the USA Council. Dr Gerreyn's deep industry expertise and unwavering commitment to excellence are integral to the success of Nawaloka Hospitals PLC, ensuring high standards in food and beverage management and contributing to the Organisation's overall success.



Mr Kanishka Warusavitarana
Senior Manager – Operations

Mr Kanishka Warusavitarana is a highly experienced professional with 36 years of expertise in the healthcare industry. Since joining Nawaloka Hospitals in 1988, he has played a key role in the Organisation's growth and operational excellence. A Member of the Association of Accounting Technicians of Sri Lanka, Mr Warusavitarana also brings significant financial acumen to his role, having gained nine years of valuable experience with a leading chartered accountants firm. His dual background in accounting and healthcare provides a strong foundation for his leadership in operations. Mr Warusavitarana's comprehensive knowledge and strategic insights have been integral to the Senior Management team, driving effective decision-making and operational efficiency across the Organisation.

Senior Management Team



Mr M D Ariyawansa

Senior Coordinating Officer

Mr M D Ariyawansa is a seasoned professional with an impressive 39-year career in the healthcare industry. Since joining Nawaloka Hospitals in 1985 as an Executive Officer, he has held several key roles across various business units, demonstrating his versatility and commitment to the Organisation. He holds a Diploma in Business Management from the National Institute of Business Management (1983) and a Certificate in Hospital Management from the Japan Overseas Health Administration Centre in Yokohama (1999). In his current role as Senior Coordinating Officer, Mr Ariyawansa is responsible for overseeing the public relations functions of strategic business units, ensuring effective communication and coordination across the Organisation. His extensive experience, deep industry knowledge, and strategic insight play a crucial role in enhancing the Hospital's operational efficiency and supporting its long-term growth objectives.

Executive Clinical Management Team



Dr Maiya Gunasekera

MBBS, FRCS (Eng.), FICS, FRCS (Ed.), MS (Surgery), FIAGES, FCS (Sri Lanka), FMAS, FISC, FCRS Fellow College of Robotic Surgeon, Consultant Surgeon/General Surgery/Gastroenteroscopy/Laparoscopy and Endoscopy Consultant-inCharge of Surgical Service



Dr Duminda Pathirana

MBBS (Col.), DCH (Col.), MD (Col.), MRCP (UK), MRCP, CH (UK), FCCP Consultant Paediatrician



Professor Neville D Perera

MBBS (Col); MS; FRCS. Eng; FRCS. Edin; Dip. Urol (Lond); Hon FCS(SL); Hon FSLAUS; Dip. Laparoscopy (Strasbourg) Senior consultant Urological (Genitourinary) Surgeon



Dr Rushika Lanerolle

MBBS M.phil MD Consultant Nephrologist



Dr Harindu Wijesinghe

MBBS, MD, MRCP (UK) Consultant Rheumatologist Specialist in Sports Medicine



Dr Riaz Moujood

MBBS, MD (Col), MRCP (UK), FRCP (Edin) Consultant Respiratory/Chest Physician Consultant-in-Charge Nawaloka Chest and Sleep Unit



Dr Mohan Rajakaruna

MD, FACC, FCCP (USA) Consultant Cardiologist



Dr P Prakash Priyadharshan

MBBS MD MRCP (UK), MRCPS (Glasgow), FRCP (Edin), FRCP (London), FCCP, FEACVI, FSLCC, FESC Consultant Cardiologist Special Interest – Cardiac Imaging



Dr M T D Lakshan

MBBS MS DOHNS FEB ORL – HNS FRCSEd ORL – HNS Consultant ENT and Head and Neck Surgeon



Dr Punsith Gunewardene

MBBS (Colombo), MS (Colombo) Consultant Neurosurgeon

Executive Clinical Management Team



Dr Hemant Digambar Waikar

MBBS, MD, DA, PDCC in Cardiothoracic and Vascular Anaesthesia and Neuroanaesthesia, Former Additional Professor of Cardiac Anaesthesia Sctimst, Trivandrum, Kerala, India



Dr Sandeep K Sharma

MD (Anesthesiology)
Consultant Cardiac Anesthetist and Intensivist



Dr (Mrs) Usha Samarasinghe

MBBS, MD (RADIOLOGY)



Dr M C Shivanthan

MBBS (Colombo), MD (Colombo)
FRCP (Edin)
Consultant Physician



Dr Saman Perera

MBBS (Col), MD (Radiology)
Consultant Radiologist

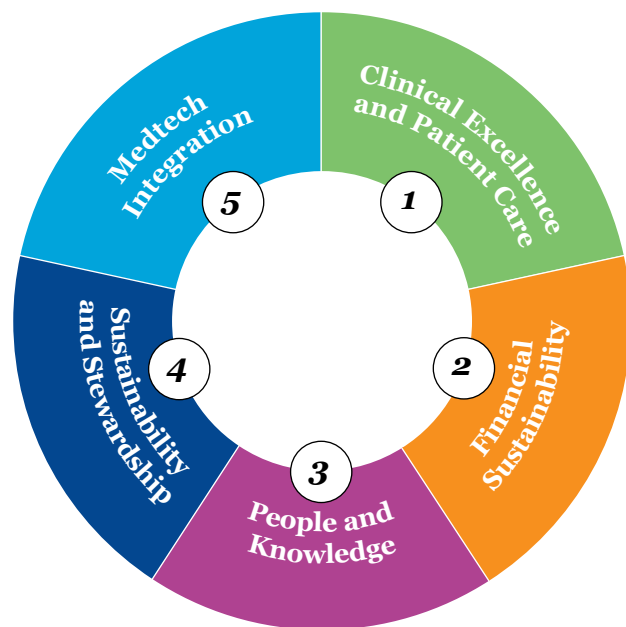


Dr Nalaka Gunawansa

MBBS, MS, MCh (Edinburgh)
MSc (Liverpool), FCSSL, FSVS
Consultant Vascular and Transplant Surgeon

Strategic Value Creation

The strategic direction of Nawaloka Hospitals PLC stems from a robust combination of the Hospital's legacy as a pioneering healthcare institution in the country, as well as our forward-looking ambition to become a globally recognised healthcare brand. As such, we pivot the core strategic focus on five key integrated areas. Recognising that our progress is linked to a unified sustainable vision, we have established three distinct committees to steer our strategic journey with guidance from the Board of Directors. The strategy committee looks into the overall strategy of growth, while the sustainability committee looks into ESG concerns. The Innovations committee oversees infrastructure, equipment and innovation adaptation aligned with our overall growth aspirations.



Clinical Excellence and Patient Care

The hospital has strengthened our clinical governance structures and adopted global standards such as ISO and other internationally acclaimed frameworks to elevate the quality of care. Our continuous improvement focused endeavours include robust incident reporting, root cause analysis, and risk management. These have directly contributed to measurable improvements in patient outcomes and safety metrics. Simultaneously, the development of multidisciplinary centres of excellence in cardiology, oncology, orthopedics, and neurology continues to ensure that patients receive holistic, integrated care of the highest standard.

Financial Sustainability

To this end, we pursue a dual-market strategy targeting both domestic and international patients. In 2024, Nawaloka transitioned into a predominantly medical tourism services provider. Strategic partnerships with global insurance firms, healthcare facilitators, and travel agencies enabled the hospital to offer all-inclusive medical travel packages that attract patients from the Maldives, Middle East, Europe, and Australia. These efforts have significantly increased foreign exchange earnings and reinforced Sri Lanka's position as a regional healthcare hub.

Additionally, we ensure that our purpose-built hospital buildings contribute to sustainable financial value creation in the long-term through enhancing our comprehensive services to patients.

People and Knowledge

Our approach towards people development and knowledge improvement reflects our belief that high-quality care begins with an empowered workforce. Nawaloka has invested extensively in medical education, nursing development, and caregiver training aligned with NVQ standards.

Sustainability and Stewardship

Nawaloka's role as a steward of healthcare extends beyond hospital walls, with a growing emphasis on environmental sustainability, community responsibility and a strong governance stance. The hospital received national recognition for its outstanding waste management practices and has actively implemented energy-efficient technologies and green building initiatives. Community health is also advanced through subsidised outreach programmes, awareness campaigns, and public health education. These endeavours affirm Nawaloka's place as a socially conscious healthcare provider.

Medtech Integration

This remains a core aspect of strategic value creation. Digital transformation has enabled seamless patient journeys via telemedicine, electronic medical records, virtual consultations, and the "NawalokaCare" mobile app. Real-time operational dashboards and performance scorecards further empower agile decision-making, enhancing both clinical precision and administrative efficiency.

Guided by a clear strategic framework and a high-performing leadership team, we strive to implement a cohesive value creation strategy that is resilient, inclusive, and impact-driven. As we continue to scale the Nawaloka presence across borders and sectors, we remain committed to ensuring that value is created not only for shareholders, but for patients, employees, the environment, and society at large.

Value Creation Model

Surpluses reinvested into infrastructure, training, and innovation					
Board oversight in value creation activities	Clinical Excellence and Patient Care	Inputs	Strategic Activities	Outputs	Outcomes
		- Highly skilled multidisciplinary clinical teams with specialised expertise - ISO aligned clinical protocols - Service improvements and innovations - Specialised centres of excellence (e.g. cardiology, oncology, orthopaedics)	- Strengthened clinical governance and incident reporting systems - Proactive risk management and root cause analysis - Patient-centric service expansion (e.g. drive-through pharmacies, lab points) - Implementation of international standards in care quality	- Reduced adverse event rates - Higher procedure success rates - Better patient satisfaction and safety metrics - Expanded range of clinical services	- Enhanced trust and reputation among domestic and international patients - Improved long-term health outcomes - Stronger position in the medical tourism sector - Improved clinical reputation as a high-quality medical care provider
	Financial Sustainability	- High bed occupancy and brand equity - Revenue from local and international markets - Investments in infrastructure and new services - Building relationships with global insurance providers and medical tourism facilitators	- Expansion into medical tourism services markets - Introduction of tiered medical tourism packages - Participation in global health expos (Dubai, Berlin, Singapore) - Strategic partnerships with foreign insurance firms and travel agencies - Purpose-built infrastructure and well-planned developments to ensure world-class care blended with clinical excellence.	- Diversified income streams - Surplus from medical tourism services - Growth in market share and service offerings - Streamlined service delivery through cashless hospitalisation, expanded referral channels, and a steady increase in international patient admissions.	- Improved and sustained profitability - Financial resilience during macroeconomic uncertainty - Sustained revenue growth across business units - Enhanced brand credibility in the international arena and foreign exchange earnings
	People and Knowledge	- Skilled clinicians and nursing staff - NVQ-aligned training modules - Inclusive HR practices and wellness programmes	- Continuous medical education and in-house training - Promotion of internal teams (e.g. cricket team to Division 1) - Digitally integrated care ecosystem with easy access to clinicians	- Improved employee retention and job satisfaction - Broader talent pipeline and internal leadership development - Greater participation in team-building and wellness programmes	- A motivated, high-performing workforce - Enhanced knowledge across the organisation and community - Superior care quality and empathy in service delivery
	Sustainability and Stewardship	- Environmental infrastructure and hospital waste management systems - Stakeholder commitment to CSR and ESG - A strong governance framework supported by skilled compliance personnel, secure financial systems, and clearly defined procurement and reporting protocols. - Community outreach programmes	- Recognition for outstanding waste management - Implementation of energy-efficient practices (e.g. lighting, green buildings) - Enforcement of ethical billing, transparent procurement practices, regular internal audits, and board-level oversight - Medical camps and public health awareness initiatives - Nurturing the "Trusted-by-many" ethos through meaningful community engagement.	- Reduced environmental footprint - Improved public access to basic health services - Clear and compliant financial reporting, fair and efficient procurement processes, and transparent billing - Awards for sustainability leadership	- Strong CSR credentials and public trust - Enhanced brand image as a responsible corporate citizen - Increased stakeholder confidence and reduced compliance risks - Alignment with long-term national and global health goals
	Medtech Integration	- AI-assisted diagnostics - Digital health infrastructure (EMR, telemedicine platforms)	- Virtual consultations for international and local patients - Digital dashboards for performance tracking (clinical, financial, operational) - Online systems for appointments, patient records, and billing	- Streamlined patient experience - Realtime decision-making and strategy monitoring - Continuity of care across geographies	- Positioned as a tech-enabled, modern healthcare provider - Greater patient convenience and satisfaction - Operational agility and efficiency
Quarterly gap analyses guide course corrections					

Continuous feedback through KPIs, patient reviews, and Board reviews

Stakeholder Engagement

Nawaloka Hospitals strengthened stakeholder relationships through structured engagements, including surveys, forums, and focused meetings with patients, employees, consultants, insurers, and regulators. These initiatives enabled us to identify key expectations and co-create solutions that enhance patient care, diagnostic efficiency, employee training, and corporate health solutions, while reinforcing our enduring commitment to clinical excellence, quality standards, and trusted healthcare delivery.

As we strive to build long-term economic, social, and environmental value through consistently improving our clinical excellence, patient care, governance standards, environmental sustainability and financial strength, we seek to purposefully integrate stakeholder requirements into our growth approach. As such, we conducted a series of structured engagement exercises to strengthen relationships, identify key concerns, and co-create solutions with our core stakeholder groups.

This approach enables Nawaloka to retain the “Trusted by many” ethos that has remained inherently true to the Nawaloka brand. This innate trust that Nawaloka evokes in the public psyche, has been built over decades of high quality healthcare delivery, world class standards, advanced medical technology and compassionate care.

To this end, we relied on digital and in-person feedback surveys for patients, consultant forums to align clinical priorities, employee town halls to surface operational insights, and focused meetings with insurance providers and corporate clients to optimise service offerings. Additionally, we engaged with government health authorities and accreditation bodies to ensure regulatory alignment and quality assurance.

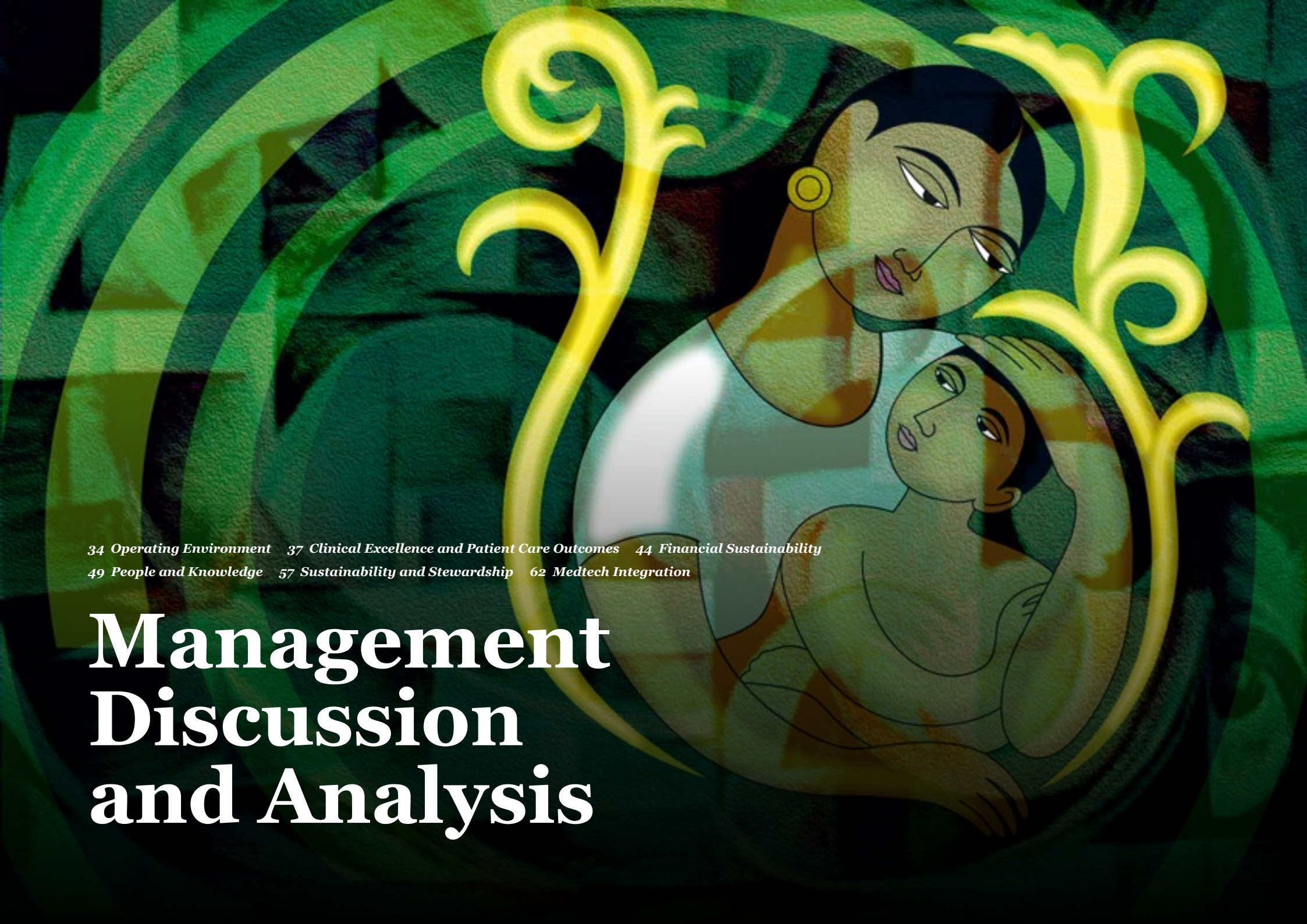
The insights gathered through these engagements translated into informed improvements across patient care pathways, employee training, diagnostic efficiency, and corporate health solutions.

The below table present the stakeholder engagement process during the year under review, and outcomes:

Stakeholder Group	Engagement channels	Key outcomes
Patients	Digital and in-person satisfaction and feedback surveys (OPD, inpatient, diagnostics)	Enhanced discharge planning/Improved pharmacy coordination/Clearer post-treatment instructions
Consultants	Consultant forums and departmental review sessions	Improved diagnostic turnaround visibility/Upgraded scheduling systems and dashboard interfaces
Employees	Employee town halls/departmental audits	Expanded training and upskilling/Implementation of digital rostering and shift planning Clear career progression and above industry level remuneration opportunities.
Corporate Clients/Insurers	Partnership review meetings/Service design consultations	Development of cost-effective corporate healthcare packages with bundled value-added services
Regulators	Consultations and compliance reviews	Strengthened regulatory alignment/Continued certifications and standards compliance

Nawaloka Hospitals PLC continues to facilitate this ongoing dialogue to build a responsive, inclusive, and high-performing healthcare ecosystem that pivots on mutual trust and shared value.

Going forward, we will continue to reinforce our stakeholder engagement process through further relying on the insights we gather through increased digitalisation and AI integration. We believe that integrating further insights into strategic decision making will enable us to not only to address immediate concerns but also to build enduring trust and shared value. This approach ensures that stakeholder insights continue to shape our journey towards sustainable growth and resilience.



34 *Operating Environment* 37 *Clinical Excellence and Patient Care Outcomes* 44 *Financial Sustainability*
49 *People and Knowledge* 57 *Sustainability and Stewardship* 62 *Medtech Integration*

Management Discussion and Analysis

Operating Environment



Macroeconomic Context

Following several years of relative uncertainty, the operating environment in 2024/25 was largely shaped by a steady, somewhat cautious improvement in global conditions and an encouragingly stabilising domestic economy. Internationally, as inflation moderated and consumer demand proved increasingly resilient, healthcare investment sustained its momentum, though geopolitical uncertainty and cost pressures persisted. At home, following the devastation of the 2022 financial crisis, Sri Lanka continued its forward momentum on its path of recovery, eyeing a

more ambitious journey towards sustainable growth. With interest rates easing further and foreign reserves growing, early signs of renewed investor confidence proved a welcome relief. These shifts indicated a rise in patient affordability, healthcare demand patterns and capital planning across the private sector, which was especially of interest to us at Nawaloka as a major industry player.

Global Outlook

The global economy during the year under review was marked by modest but largely uneven growth, with the International Monetary Fund (IMF) projecting a global gross domestic product (GDP) expansion of 3.2% for both 2024 and 2025. Supported by ever tighter monetary policy, inflation pressures eased across advanced economies, even as energy and food prices stabilised from earlier highs. Among the world's top two economies, the US maintained solid momentum with growth of 2.6% in 2024, while China's economy slowed to around 4.6% amid some strain in the property sector and weakened external demand. In emerging markets, meanwhile, growth was more varied, with regional risks and capital outflows tempering momentum. Geopolitical instability, notably in the Middle East and Eastern Europe, also continued to pose risks to global supply chains, investor sentiment and of particular note, health sector procurement costs.

Domestic Picture

Back home, Sri Lanka's domestic economy showed signs of gradual recovery in 2024/25, following the severe contraction of 2022, the worst in decades. The Central Bank of Sri Lanka (CBSL) estimated real GDP growth of 2.5-3.0% for 2024, supported by an impressive rebound in tourism, moderating inflation and increased remittances. Headline inflation, which had peaked at over 70% in mid-2022, fell sharply to low single digits by end-2024, with CCPI-based annual average inflation dropping to 1.2%. This helped restore purchasing power and ease pressure on household health spending, which had taken a hit following the crisis.

The rupee remained relatively stable throughout the reporting period, averaging Rs. 320 per USD. This was supported by improved reserves, tourism, and medical tourism services revenue and remittance inflows. It must be noted, however, that exchange rate volatility remains a material risk for sectors that rely on imported medical equipment and pharmaceuticals; the need for prudent capital planning is ever present. Meanwhile, interest rates trended downward, continuing on from the post-crisis recovery agenda, spurring credit demand across sectors. However, long overdue fiscal consolidation under the Extended Fund Facility (EFF) programme with the IMF continued to place some constraints on public health spending and household subsidies, inviting the private sector to step in and help meet national healthcare demand.

Sri Lanka elected a new government in the latter part of 2024 signalling a new policy direction; in a welcome development, the state continued its engagement with the IMF, and the programme remains critical to larger macro stabilisation. The international lender's third programme review in March 2025 emphasised structural reforms, debt sustainability and governance. At the time of publishing this Report, market observers view this political transition as an inflection point, with implications for policy continuity, investor sentiment and the pace of healthcare sector liberalisation.

Sector Landscape Regulatory Environment

The regulatory environment for private healthcare in Sri Lanka, a country that prioritises free healthcare, has historically been one that emphasised a patient-first approach to service delivery. During the year under review, this regulatory zeal continued to evolve, with a renewed and sharper focus on quality assurance, compliance and digital integration. Several developments in the regulatory landscape over the past several years remained institutionally relevant during the reporting period. Among these,

Operating Environment

the Private Health Services Regulatory Council (PHSRC), under the Ministry of Health, continued to advance its oversight through strengthened enforcement of standards for clinical governance, infection control and patient safety. Regulatory focus has now expanded to include periodic audits, transparent billing practices and adherence to updated guidelines on electronic prescriptions and data protection. In parallel to this, the National Medicines Regulatory Authority (NMRA) has intensified scrutiny of medical devices and pharmaceutical imports, in a bid to ensure supply chain integrity amid increasing reliance on foreign medical consumables. The Sri Lanka Medical Council (SLMC), meanwhile, further supported professional regulation by tightening continuing professional development (CPD) requirements for private sector practitioners. Collectively, these shifts reflect a broader policy push toward aligning with international accreditation frameworks, improving audit-readiness and ensuring that private hospitals contribute meaningfully to the national healthcare quality agenda.

Systemic Shifts

Sri Lanka's private healthcare sector has undergone significant transformation over recent years, due to rising disposable incomes, a growing burden of non-communicable diseases (NCDs), expanding medical tourism and a marked shift towards customised, high-quality care. Nawaloka Hospitals has played a central role in shaping this evolution since its founding in 1985, offering innovations in cardiac care, organ transplantation, and minimally invasive surgery, and raising the bar of world-class care offered in the private healthcare sector. The Hospital's consistent investment in advanced medical technology, infrastructure, and patient engagement platforms has positioned it as a leading provider for both domestic and international patients.

Nawaloka has kept up with rising demand for outpatient and day-care procedures, digitised billing and diagnostics, and expanded international operations. These systemic shifts have been reinforced by key trends such as:

- Rising demand for specialised care (such as fertility, heart surgeries, elderly care)
- Increased digitalisation, especially in diagnostics, billing and patient engagement
- Growing preference for outpatient and day-care procedures
- Emergence of health insurance as a mainstream payer model
- Medical tourism growth, especially from Maldives, Bangladesh, and parts of Africa

Medical innovation and digital health adoption accelerated during the year under review. This included AI-driven diagnostics, telehealth, remote patient monitoring (RPM), and data interoperability. These tools enhanced early detection, personalised treatment, operational efficiency and real-time care coordination.

New regulations introduced in 2024 included:

- Stricter infection control and hazardous waste guidelines
- Updated rules on e-prescriptions and data privacy
- Enhanced documentation standards for insurance claims

Nawaloka's compliance teams proactively aligned with these updates to ensure full regulatory compliance throughout the reporting period. Meanwhile, policy-level reforms anticipated broader implementation of government-sponsored insurance, universal health coverage and mandatory private hospital accreditation, areas in which Nawaloka is already ahead of the curve.

The external environment has also evolved in line with global quality benchmarks such as the World Health Organisation (WHO)'s National Quality Policy and Strategy (NQPS) and accreditation systems including ISO. Emphasis is placed on people-centred, safe, efficient care, bolstered by governance, patient engagement and measurable outcomes.

The Institute of Chartered Accountants of Sri Lanka has introduced SLFRS S1 and S2, based on IFRS S1 and S2, effective 01 January 2025. These require integrated disclosures on governance, strategy, risk management, and metrics related to sustainability and climate resilience. Nawaloka is well-positioned to lead this transition in the private healthcare sector.

Changing Patient Demographics

It has long been observed that Sri Lanka has an aging population. In 2023, total population stood at 22.97 million, with projections reaching 24.81 million by 2050. Aging demographics and NCD prevalence remain a sociocultural challenge and are shaping service demand across private and state health sectors. According to WHO data, the top cause of death in women in Sri Lanka is stroke (113.3), whereas the top cause of death in men is ischaemic heart disease (108.3). The data indicate the prevalence of NCDs such as cardiovascular diseases, hypertension and diabetes mellitus in both men and women.

Operating Environment

Top Causes of Death – Female

Deaths per 100,000 population, Sri Lanka, 2021

Stroke	113.3
Ischaemic heart disease	82.9
Diabetes mellitus	56.1
COVID-19	50.0
Chronic obstructive pulmonary disease	39.7
Alzheimer disease and other dementias	22.5

Top Causes of Death – Male

Deaths per 100,000 population, Sri Lanka, 2021

Ischaemic heart disease	108.3
Stroke	96.3
COVID-19	87.8
Chronic obstructive pulmonary disease	48.7
Diabetes mellitus	43.0
Self-harm	24.2
Kidney diseases	23.6

Patients increasingly favour shorter hospital stays, minimally invasive procedures, wellness-oriented services and real-time engagement via digital tools. There is also growing demand for elderly care and home-based care, decentralised diagnostics and chronic disease management. Nawaloka has responded with tech-enabled services and wellness platforms.

Competitive Landscape

In the wake of the 2022 currency crisis, labour migration has been debilitating issue for a majority of industries and healthcare has been particularly vulnerable to the outflow of skilled healthcare professionals. In 2024, 314,828 Sri Lankans departed for foreign employment, up 5.8% from 2023. The Government Medical Officers’ Association (GMOA) reported 526 medical officers on extended foreign leave, 200 departures without formal notification, and 197 resignations between August 2022 and August 2023; trends that pose a worrying challenge to workforce continuity in private healthcare.

Despite this, Nawaloka has preserved its competitive edge through international expansion and brand positioning. As mentioned previously in this chapter, markets such as the Maldives, Seychelles, the Middle East, Europe, and Australia were targeted through strategic alliances and tailored healthcare packages.

The Hospital has also anticipated rising global competition from regional peers like India and Thailand, focusing on specialisations such as oncology, fertility, cardiac surgery, orthopaedics, and cosmetic medicine. Our emphasis on advanced infrastructure, experienced consultants, and patient-centric care has sustained its appeal among international clients.

Service Range and Infrastructure

There are several areas of specialisation in which growing demand has been observed. These include:

- Fertility and women's health
- Dialysis and nephrology
- Cardiology and cath lab procedures
- Cosmetic and aesthetic medicine
- Preventive diagnostics and executive health checks

Nawaloka has continued to upgrade its service portfolio through investments in modern infrastructure and expert consultants. Services are complemented by digital platforms that offer appointment scheduling, real-time results and concierge-style patient support.

The Hospital has expanded its portfolio of services to better serve global patients, incorporating AI-assisted planning, RPM tools and integrated care systems. International engagement has been bolstered through market research and partnerships with medical facilitators.

Outlook and Strategic Implications

Nawaloka Hospitals PLC is well-positioned to navigate the evolving healthcare landscape amid macroeconomic recovery and sectoral transformation. Continued digitalisation, infrastructure modernisation and regulatory compliance enhance its strategic posture. The anticipated acceleration of ESG standards, combined with demographic pressures and policy liberalisation, offers both challenges and opportunities.

The Hospital's early alignment with emerging standards such as SLFRS S1/S2, and NQPS and our proactive international expansion strategy serve to boost our reputation as a leader in Sri Lanka's private healthcare sector and a regional medical tourism services provider. These developments are expected to drive sustainable growth, enhance patient outcomes and solidify Nawaloka's role in supporting national healthcare priorities.

Clinical Excellence and Patient Care Outcomes

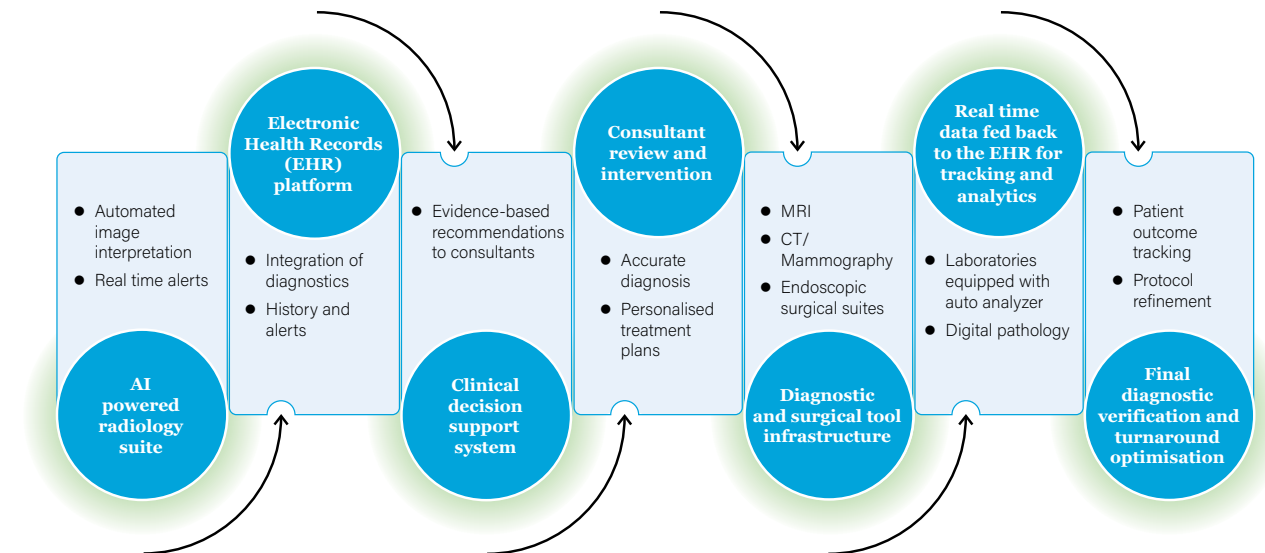
Clinical Excellence

In line with our strategic priorities, clinical excellence remains an evolving endeavour for Nawaloka Hospitals PLC. We pivot our clinical excellence roadmap on a culture of learning, agility, and innovation. Our approach to care delivery integrates technology, multidisciplinary expertise, and evidence-based protocols that elevate both patient outcomes and operational efficiency.

Integrated Clinical Protocols

As we strive to consistently enhance patient care outcomes, we proactively establish the synergy between advanced technology and clinical expertise. As such, we blend cutting-edge tools with a deeply connected, intelligent ecosystem to enable purposeful care decisions, optimised diagnostics, and faster treatment cycles. To facilitate this integration, we blend AI-assisted diagnostics, real-time lab analytics, and Electronic Health Record-supported decisions into a unified clinical protocol framework. This allows us to achieve enhanced accuracy, reduced errors, and more accurate, patient-centred outcomes.

The illustration below depicts how our clinical ecosystem operates:



Meanwhile, our Integrated Care Ecosystem incorporates a nationwide laboratory and mini-medical centre network, which facilitates continuity of care and diagnostic support throughout the country.

Protocol Evolution

Well-structured pilot programmes guide each new clinical tool that we adopt, followed by rigorous outcome assessments. We have witnessed measurable improvements in our patient care, in particular cardiology and post-surgical care. In 2024, Nawaloka Hospitals PLC maintained a 30-day readmission rate under 6%, well below global benchmarks. Innovations such as tele-follow-ups, enhanced discharge protocols, and dedicated care pathways for chronic conditions supported this positive outcome.

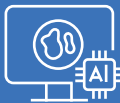
Meanwhile, we rely on incident reporting portals, multidisciplinary safety reviews, and root cause analysis protocols to feed learnings from every clinical episode into system-wide improvements. This has contributed to zero serious reportable events during the review period.

Nawaloka Hospitals PLC sustains clinical excellence through continuous learning and agile response.

Centres of Clinical Expertise

Nawaloka Hospitals PLC operates specialised centres or clinical hubs to provide focused, high impact care. These centres allow us to provide precise, compassionate and advanced medical care. Our clinical leadership, multidisciplinary expertise, and a continuous commitment to innovation facilitate the intentional delivery of patient care through the specialised hubs. Collectively, they position Nawaloka Hospitals as a national leader in delivering specialty-driven, outcomes-based healthcare.

Clinical Excellence and Patient Care Outcomes

 Heart Centre	 AI Powered Radiology Suite	 Bone Marrow Transplant Unit	 Fertility Centre	 Dialysis Unit	 Laparoscopic and Endoscopic Surgical Suites
The Nawaloka Heart Centre is a comprehensive cardiac care unit delivering a full spectrum of services such as diagnostic angiograms to high-risk stenting and complex cardiac surgeries. Staffed by dedicated cardiac consultant teams and equipped with state-of-the-art cath labs and operating theatres, the centre continues to maintain high procedural volumes and low readmission rates. It serves as a trusted referral hub both locally and regionally, offering precision interventions for acute and chronic cardiac conditions.	Setting a benchmark for diagnostic innovation, Nawaloka is home to South Asia's first AI-integrated Radiology Suite. This advanced system assists radiologists in rapidly identifying anomalies, reducing turnaround times, and improving reporting accuracy. Fully integrated with the Hospital's EHR system, the Suite enables real-time diagnosis, quality assurance, and faster clinical decision-making.	Our advanced Bone Marrow Transplant Unit is staffed by specialist-trained clinicians and adheres to rigorous infection control and patient safety standards. The Unit offers both autologous and allogeneic transplants. The multidisciplinary care model that spans pre-transplant evaluation to post-procedure rehabilitation underscores Nawaloka's leadership in haematologic care and complex immunosuppressive therapies.	- Celebrating 16 years of service, the Nawaloka Fertility Centre continued to help thousands of couples in Sri Lanka and overseas realise their dream of parenthood. With an IVF success rate exceeding 40%, on par with international benchmarks, the centre offers a full range of advanced fertility treatments, including IUI, IVF, and ICSI, supported by comprehensive diagnostics such as 4D ultrasound, laparoscopy, and sperm analysis. - Innovations this year include the introduction of Pre-implantation Genetic Testing (PGT) to detect genetic conditions and determine embryo viability prior to transfer. The centre also remains the only facility in Sri Lanka to offer immune testing and LIT therapy for couples with repeated IVF failures. - A recent renovation has enhanced privacy, with separate consultation, scanning, and treatment areas to ensure discretion and comfort. Combined with advanced technology, strict triple-witnessing protocols, and an expert multidisciplinary team, the centre maintains its position as a leader in reproductive health services.	The Dialysis Unit at Nawaloka Hospitals operates at optimised capacity with high patient turnover and excellent clinical outcomes. It provides chronic and acute dialysis support using advanced machines with real-time monitoring, ensuring safety, infection control, and patient comfort.	These suites are equipped with advanced visualisation systems that enable high-definition, minimally invasive procedures across a range of specialties. These technologies enhance surgical precision, reduce patient trauma, and support faster recovery times.

Clinical Excellence and Patient Care Outcomes

 Sleep Study Unit	 Maternity Unit	 Cosmetic Centre	 Physiotherapy Department	 Diagnostic Centre	 Home Nursing services
- The Sleep Study Unit introduced wireless sleep study technology, offering patients improved comfort and freedom of movement compared to traditional wired systems. Our expanded capability now includes Type I (full monitoring of sleep patterns vital parameters using advanced technology) and Type II (full assessment with comfortability, advanced wireless technology) studies, with Type III (apnoea link) also available. - Purpose-built rooms create a welcoming, restful atmosphere, while all inquiries are handled efficiently through the Nawaloka Business Centre to reduce patient waiting times. Highly skilled nursing staff, supported by experienced consultant physicians and pulmonologists, ensure accuracy and quality in diagnostics. Our service remains competitively priced without compromising on standards, strengthening our leadership in sleep disorder diagnosis.	During the reporting period, the maternity facilities at Nawaloka underwent a comprehensive upgrade, significantly elevating patient comfort, privacy, and the overall standard of care. Contemporary interiors, enhanced amenities, and improved privacy features now provide a warm, reassuring environment for expectant mothers and their families. The unit is equipped with state-of-the-art delivery suites, advanced fetal monitoring systems, and dedicated obstetric theatres designed to manage both routine and high-risk deliveries. A Level III Neonatal Intensive Care Unit (NICU), staffed by specialist neonatologists, ensures the highest standard of newborn care. Comprehensive antenatal and postnatal services, including ultrasound scanning, lactation consultation, physiotherapy, and nutrition counselling further enrich the patient journey. Partner-friendly birthing options, in-room newborn care, and coordinated follow-up visits reflect our commitment to personalised, family-centred care. These enhancements have strengthened our reputation as a trusted choice for maternity services, delivering exceptional outcomes and memorable beginnings.	The Nawaloka Skin Care and Cosmetic Centre continued to set benchmarks in aesthetic medicine, offering a comprehensive range of advanced treatments including FDA-approved laser hair removal, acne and scar treatments, pigmentation correction, wrinkle and stretch mark reduction, and phototherapy for chronic skin conditions. Specialised services such as PRP therapy, body contouring, fat freezing, radiofrequency skin tightening, and HIFU provide both surgical and non-surgical solutions tailored to client needs. The integration of AI-powered skin analysis ensures precise, personalised treatment plans. With a team of experienced professionals and cutting-edge technology, the centre delivers safe, effective, and customised care in a modern, sophisticated environment, reinforcing its reputation as a trusted leader in cosmetic and aesthetic healthcare in Sri Lanka.	The Physiotherapy Department marked a milestone year with several key advancements aimed at improving service quality, patient experience, and operational scope. The launch of TheraLuxe, a dedicated VIP treatment zone, introduced a refined and peaceful environment for premium clients, featuring enhanced comfort and individualised therapy. A new Rehabilitation Section was established to support patients recovering from surgery, injury, or chronic illness, broadening service offerings and reinforcing our role in long-term wellness. Looking ahead, the department is focused on integrating digital progress tracking, expanding paediatric physiotherapy, and enhancing interdepartmental collaboration to deliver more holistic patient care.	This year, we inaugurated the state-of-the-art Diagnostic Centre, designed to provide a seamless patient journey from initial investigation to follow-up care. Beyond delivering accurate diagnostic results, the centre ensures patients receive clear result explanations, personalised recommendations, and direct referrals to relevant specialists within the hospital. Serving as a central hub for coordinated care, the Diagnostic Centre enhances efficiency, reduces patient wait times, and ensures that every individual receives timely and complete medical guidance.	- In line with our core value of offering comprehensive care, our Home Nursing services provide personalised, hospital-standard care in the comfort of patients' homes, supported by skilled SLMC-certified nursing staff. We offer elderly care, post-operative recovery, chronic illness management, wound care, and palliative support. With a 92% client satisfaction rating, the Home Nursing services offer professionalism, compassion, and reliability to our patients and their families. We conduct ongoing staff training, integration of digital tools, and enhanced communication processes to elevate patient experience and operational excellence. - The Home Nursing services witnessed Significant improvements during the year. These included the adoption of a QuickBooks-based financial management system, the launch of a dedicated website and social media channels, and a structured complaint escalation process. Marketing campaigns and staffing optimisation drove higher service utilisation and improved financial performance.

Clinical Excellence and Patient Care Outcomes

The Nawaloka Hospitals Research & Education Foundation (NHREF)

Our research arm drives innovation in healthcare through advanced research and medical education. As part of Nawaloka Hospitals PLC, Sri Lanka's largest private healthcare provider, NHREF bridges research, clinical practice, and professional development to advance medical excellence. The foundation supports medical innovation by conducting and facilitating research studies, collaborating with leading institutions, and publishing findings to expand clinical knowledge and improve patient care. NHREF also delivers high-quality medical training through Grand Ward Rounds led by experienced doctors, specialised courses for healthcare professionals, and workshops and seminars that promote continuous professional development.



Specialised Paediatric Blood Collection

Nawaloka Hospitals PLC offers a world-class paediatric blood collection service designed to combine clinical accuracy with compassionate care. Our specialised cubicle provides a calm, supportive environment, while every sample is collected by trained paediatric phlebotomists following international best practices. Comfort positioning, distraction tools, topical numbing, and child-friendly communication ensure a positive experience for young patients. Strict aseptic techniques, single-use equipment, and

precise labeling safeguard accuracy and safety. This comprehensive and clinically precise combination delivers results that parents can trust while supporting the well-being of both children and their families.

Advanced Laser Hemorrhoid Surgery

In 2024, we introduced advanced laser hemorrhoid surgery, offering a minimally invasive alternative to conventional procedures. Our skilled surgical team performs this procedure, while the advanced technology used ensure precise tissue targeting, pain and bleeding reduction, and recovery time. Most patients resume normal activities within days, benefiting from our state-of-the-art theatres, advanced diagnostics, and personalised care. This addition strengthens our position as a leader in adopting world-class medical innovations and delivering precise, patient-focused treatment.

Patient Safety and Risk Management

Our calculated efforts to integrate safety into every touchpoint of care from clinical protocols to infrastructure design culminated in a robust safety framework. This system is formed on a foundation of global best practices ISO 9001:2015 and WHO surgical safety check-lists, coupled with vigilance and accountability.



Saving Lives with Next-Generation Aortic Aneurysm Care

In a landmark for cardiovascular medicine in Sri Lanka, Nawaloka Hospitals PLC successfully treated a rare, life-threatening mycotic thoracic aortic aneurysm, without open chest surgery. Our cardiovascular and thoracic specialists employed a precision, minimally invasive approach, combining:

- Coeliac artery coiling to control blood flow.
- Thoracic Endovascular Aortic Repair (TEVAR) to reinforce the damaged aorta.
- Video-assisted thoracoscopic surgery to remove the hematoma and infection.

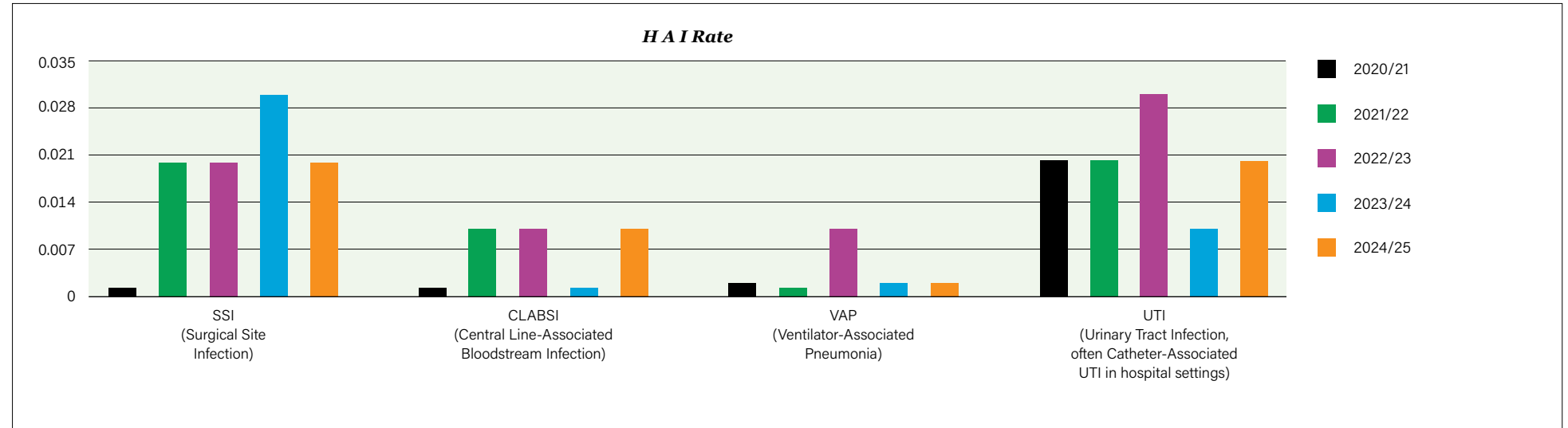
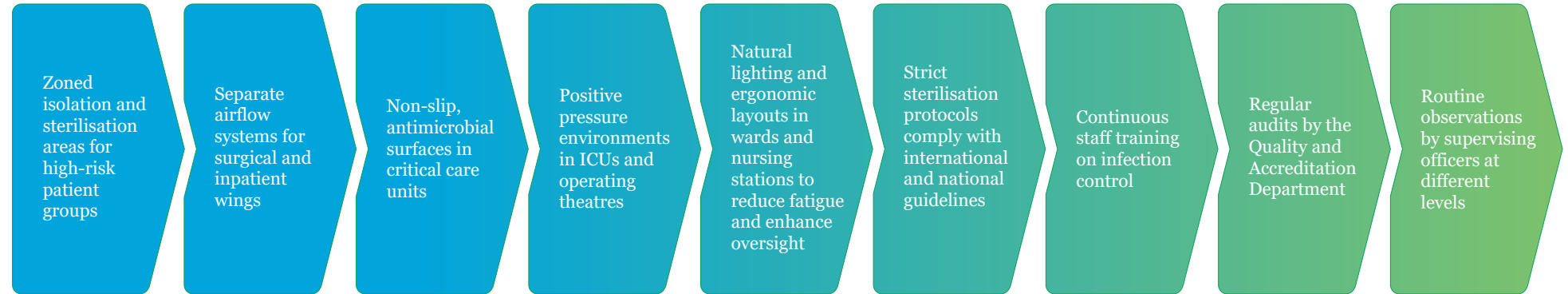
This approach allowed us to replace large incisions with advanced, image-guided techniques to reduce risk, accelerate recovery and enable a swift return to normal life. This case exemplifies the future of vascular care, that Nawaloka Hospitals PLC is already executing, characterised by cutting-edge technology, world-class expertise, and seamless teamwork delivering life-saving results.

The Hospital manages incidents through the application of a systematic 24/7 incident reporting portal followed by root cause analysis, monthly multidisciplinary safety reviews, and the implementation of corrective and preventive actions. These processes are overseen by the Quality and Accreditation Department (QAD).

Clinical Excellence and Patient Care Outcomes

Infection Control

Nawaloka's infection prevention protocols are embedded not only in practice but also in Hospital architecture and design. The below illustration presents the key aspects of our infection control process:



Clinical Excellence and Patient Care Outcomes



Digital Systems for Safety and Continuity

Our Unique Patient ID System, integrated into the Electronic Health Record (EHR) platform, ensures end-to-end traceability, data integrity and confidentiality. The system facilitates the reduction of errors and duplication to support accurate diagnosis, seamless care coordination, and predictive analytics for clinical decision-making.

Additionally, we have implemented robust protocols in place to ensure both physical and digital safety. Patient data is protected through stringent security measures while only authorised personnel can access the information. The Hospital's robust cybersecurity protocols and vigilant monitoring systems ensure full compliance with ethical, legal, and operational standards (ISO 9001:2015 and internal cybersecurity standards) related to patient data security.

We conduct periodic IT audits, train staff and rely on intrusion detection tools to further enhance system integrity and patient confidentiality.

In the year 2024-25, Nawaloka Hospitals PLC reported zero data breaches.

Digitally Enabled Care

Our commitment to clinical excellence and patient care is increasingly becoming reliant on digital innovation. As such, we continue to integrate artificial intelligence and electronic medical records to improve our patient care approach through increased connectivity, accuracy, patient satisfaction, and operational agility.

In this context, our AI-powered Radiology Suite (the first of its kind in South Asia) represent our prowess in diagnostic medicine. This advanced system offers automated scan interpretation, aiding radiologists in rapidly identifying abnormalities with higher precision. Fully integrated with our Electronic Health Record (EHR) platform, it provides real-time diagnostic support, reducing turnaround times, especially for high-volume CT and MRI scans. In-built quality assurance flags further enhance patient safety by alerting consultants to potential discrepancies or overlooked findings. This system allows the Hospital to reach clinical decisions (across specialties) faster in a more accurate manner, through combining machine intelligence with clinical oversight.

The "Medtech Integration" chapter of this Report provides a detailed outlook on how we integrate innovation and digital platforms into patient care and clinical excellence.

Patient Satisfaction

We consider patient satisfaction to be a critical benchmark of the success of our clinical effectiveness and service quality. Aiming to uphold our promise of compassionate, responsive care, we have developed a multi-modal feedback ecosystem that enables real-time insight into the patient experience across every touchpoint.

We employ feedback mechanisms such as digital surveys, QR code-enabled real-time inputs, physical comment forms, email and phone responses, and Google review tracking. The Hospital complements these with consultant-level evaluations and follow-up calls post-discharge. Additionally, our Quality and Accreditation Department (QAD) continuously analyses this input to identify service gaps, inform staff training, and implement targeted improvements.



Clinical Excellence and Patient Care Outcomes

Performance Highlights for 2024-25

- ▶ **Overall satisfaction score averaged 4.3 out of 5**
- ▶ **Approximately 88% of surveyed patients stated they would recommend Nawaloka Hospitals to others**
- ▶ **Average Emergency Treatment Unit (ETU) wait time:**
Non-peak hours – 10 minutes
High-traffic periods – 12-15 minutes



CONSISTENTLY WELL-RATED TOUCHPOINTS

- ▶ Staff courtesy
- ▶ Laboratory services
- ▶ Radiology turnaround times

- ▶ OPD wait times
- ▶ Post-discharge communication

PATIENT-IDENTIFIED AREAS FOR GROWTH

The efficiency improvements, in particularly in the Emergency Treatment Unit (ETU), stemmed from the strategic combination of experienced triage team, priority queuing for critical cases, digital integration via the NawalokaCare app, and infrastructure enhancements.

▶ Future Outlook

As we move forward, Nawaloka Hospitals PLC remains committed to advancing our clinical excellence framework through continuous innovation, outcome-driven care models, and a patient-first approach. Our strategic focus will remain on enhancing integrated care delivery, strengthening specialised clinical hubs, and accelerating the use of digital platforms to streamline diagnostics and treatment pathways.

Moreover, we are prioritising process redesign and targeted staffing reinforcements to enhance responsiveness. We will continue to align with international safety benchmarks, ensuring a zero-harm environment through rigorous risk management and clinical audit systems.

Financial Sustainability

As we gear towards a financially sustainable future, our strategy towards this end incorporates fortifying domestic healthcare operations and accelerating our position as a leading medical tourism services in the region. As such, we strive to reinforce our innate strengths through innovation in diagnostics, expanded specialty care, and digital transformation while also scaling up international patient services. Our strong financial performance in FY2024-25, in the backdrop of shifting economic dynamics and global healthcare transformations indicate our financial resilience and strategic foresight. As a leading private healthcare institutions, Nawaloka Holdings PLC demonstrated exceptional adaptability in navigating cost pressures, investing in technological innovation and expanding revenue streams while sustaining our commitment to delivering compassionate, world-class medical care.

Financial Performance

Nawaloka Hospitals PLC recorded a consolidated revenue of Rs. 11,013 Mn., reflecting a 6% year-on-year growth. Increased patient volumes, operational efficiency and adaptability amidst industry-wide cost pressures drove this performance. The hospital's net profit after tax of Rs. 56 Mn., representing a 119% growth compared to the previous year. Meanwhile, we witnessed significant growth in medical tourism services revenue during the period under review. Nawaloka strengthened its position as a leading player in Sri Lanka's medical tourism services market, driven by increased revenue from international patients. This reflects a notable year-on-year improvement compared to the previous period. This surge not only mitigated domestic market fluctuations but also positioned Nawaloka as a catalyst in promoting medical tourism and generating foreign exchange for the national economy.

Overall, profit acceleration is a testament to the hospital's effective approach to cost containment initiatives, optimal resource utilisation and focus on margin protection despite macroeconomic headwinds such as energy tariffs and currency fluctuations.

The table below further illustrates the strategic responses that led to the stable financial performance.

	2020/21	2021/22	2022/23	2023/24	2024/25
Revenue (Rs. Mn.)	11,828	15,302	9,305	10,379	11,013
Operating Profit (Rs. Mn.)	1,504	1,660	(73)	1,025	1,008
Net Profit After Tax (Rs. Mn.)	501	(97)	(2,438)	(305)	56
Earning Per Share (EPS) (Rs.)	0.36	(0.07)	(1.73)	(0.22)	0.04
Return on Assets (ROA) (%)	2.68	0.08	-	0.05	0.05
Net Asset Value per Share (Rs.)	2.91	4.74	3.49	3.25	3.49
Debt to Equity Ratio	1.44	2.00	2.86	1.40	1.36
Dividend Payout Ratio (%)	-	-	-	-	-

Revenue Growth Drivers

REVENUE DRIVERS

▶ Expanded CT/MRI capabilities and South Asia's first AI-powered Radiology Centre

▶ New infrastructure and CRRT (Continuous Renal Replacement Therapy) technology enhanced capacity.

▶ Establishment of the Elite Medical Centre and International Patient Care Centre (IPCC)

▶ Insurance partnerships

VALUE CREATED

▶ Increased patient volume

▶ Increased capacity to offer dialysis and renal care

▶ 240,000 outpatient visits

▶ Strengthened global appeal

▶ Admissions via insurance rose to 35%, improving both access and cash flow stability.

The year under review also marked a notable shift in the hospital's payer mix, reflecting broader changes in patient behaviour and healthcare financing trends. This growth was driven by expanded partnerships with both local and international insurance providers, the introduction of streamlined cashless admission processes, and the increasing popularity of corporate health check packages. Despite this

Financial Sustainability

shift, out-of-pocket payments remained strong at around 60%, while charitable and subsidised care accounted for 5% – 10% of total admissions. This balanced payer mix continues to support revenue diversification and financial resilience.

Additionally, we sustained revenue growth across major clinical departments. This reflected both operational enhancements and increased demand for specialised services. Radiology emerged as a strong contributor, bolstered by the integration of AI-enabled diagnostic tools and expanded CT/MRI capacity, which led to a rise in referrals. Laboratory Services also posted significant gains, driven by the expansion of regional sample collection centres, digital reporting capabilities, and proactive preventive screening initiatives. The Dialysis Unit experienced a marked uptick in patient volumes, supported by upgraded infrastructure and full utilisation of available machines. Meanwhile, OPD and Channelling services saw continued growth, particularly in internal medicine, paediatrics, and gynaecology, thanks to extended service hours and improved access through digital platforms. Even as certain units like the Heart Centre and Fertility Unit encountered volume fluctuations due to macroeconomic constraints, these challenges were proactively addressed through targeted awareness campaigns and enhanced financial counselling for patients.

As Sri Lanka continues to strengthen economic stabilisation, organisations face inevitable cost pressure challenges from ongoing cost pressure drivers. Nawaloka Hospitals PLC responded to such pressure with a pragmatic and effective approach to maintain margin resilience as detailed below:

Cost pressures	Instruments of margin resilience
Elevated electricity and utility bills following national tariff adjustments	Strategic procurement
Imported pharmaceutical and medical consumables affected by currency volatility	Digital efficiency initiatives including integrated billing and AI cost estimators
Rising human capital costs due to competitive dynamics in the healthcare labour market	Lean operations and digitised performance tracking

This disciplined approach allowed Nawaloka to scale revenue without proportionate increases in cost, thus preserving profitability.

Occupancy Rates

During the year under review, we maintained a bed occupancy rate of 45% – 55%. With approximately 330+ operating beds scattered over its main hospital and satellite sites, Nawaloka Hospitals serves a diverse population. This consistent level of utilisation reflects the effectiveness of our patient retention strategies, seamless integration of multi-specialty services, and a strong reputation for delivering positive clinical outcomes in high-demand specialties such as cardiology, oncology, and surgery.

Optimising Patient Care through Infrastructure and Medtech Integration

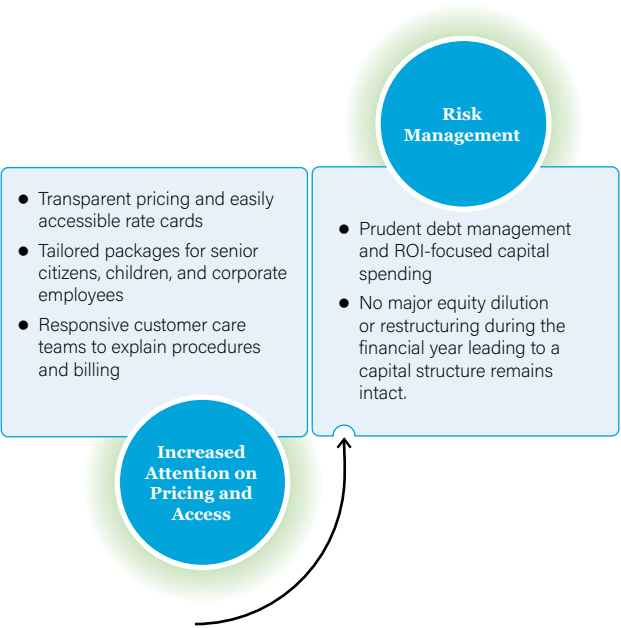
Nawaloka's purpose-built infrastructure, combined with advanced Medtech integration, has significantly reduced the need for prolonged hospital stays while expanding access to day care treatments and procedures. Enhanced diagnostic accuracy, minimally invasive surgical capabilities, and streamlined care pathways enable patients to return home sooner, supporting faster recovery and improved well-being. This shift towards efficient, same-day treatment models is being strategically managed to align with evolving global healthcare trends, ensuring both high-quality patient outcomes and the hospital's long-term financial sustainability.

Financial Sustainability

Strategising for Financial Sustainability

Nawaloka Hospitals’ financial sustainability strategy is anchored in diversification, digital transformation, and a strong commitment to patient-centred value creation. Recognising the need to build resilience in a rapidly evolving healthcare environment, we strategically expanded beyond traditional service boundaries, while embedding technology to optimise operations and enhance financial transparency.

Looking into both risk mitigation and social impact to balance financial success with our impact on society, Nawaloka Hospitals PLC increased focus on the areas below during the year under review:



A key pillar of this strategy is the diversification of revenue streams. In FY 2024-25, Nawaloka significantly broadened our service portfolio by investing in telemedicine platforms, establishing the surgical hub and expanding international patient services through the ELITE Medical Centre and International Patient Care Centre (IPCC).

As part of its long-term financial sustainability strategy, Nawaloka Hospitals has placed significant emphasis on expanding our footprint in international healthcare markets. In response to rising global demand for high-quality, cost-effective medical services, we developed a comprehensive suite of specialised treatment packages tailored specifically to international patients. These offerings span a broad spectrum of advanced clinical services including cosmetic and re-constructive surgeries, cardiac interventions, orthopaedic procedures, oncology services, fertility treatments and dental care.

To ensure a seamless and reassuring experience, these medical services are integrated into full-service international patient packages. These encompass end-to-end logistical support, including travel arrangements, visa facilitation, accommodation, language translation, and post-treatment care coordination.

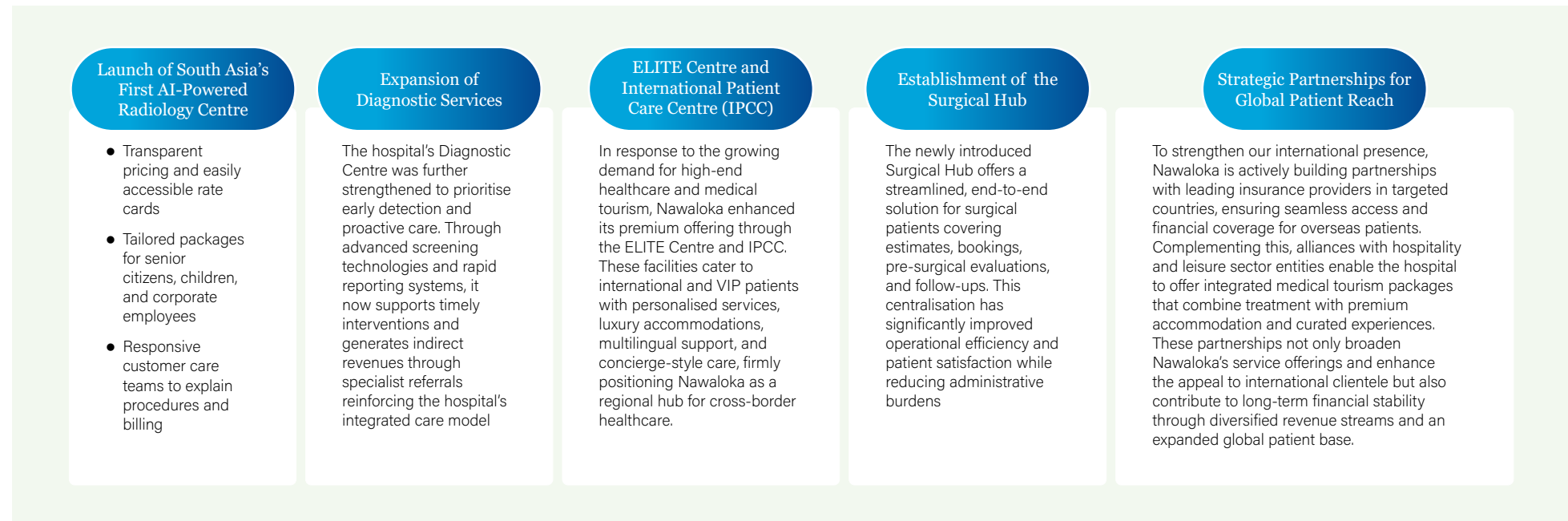
A cornerstone of this offering is the hospital's dedicated International Patient Services Unit, which oversees the patient journey holistically, starting from initial consultation and admission to discharge and follow-up. This unit plays a pivotal role in maintaining high satisfaction levels among international patients.

Cultural sensitivity and inclusivity are integral to the Group's international care model. To accommodate a diverse global clientele, Nawaloka offers multilingual support in Chinese, Hindi, Arabic, French, German, Russian, and Mandarin. In addition, culturally aligned amenities such as halal-certified dining options and designated prayer spaces have been introduced, particularly to serve Middle Eastern patients. All staff engaged in international patient care are trained in cultural competence, ensuring respectful, personalised, and dignified treatment at every stage of care.

These globally-attuned, concentrated efforts allow us to position Nawaloka as a preferred healthcare destination in the South Asian region, and contribute to foreign exchange inflows.

Financial Sustainability

Moreover, we continuously upgrade and adapt our products and services to facilitate the broader revenue diversification strategy. The illustration below presents product and service enhancements carried out during the year in review.



Operational efficiency has also been prioritised through a suite of digital transformation initiatives. The implementation of the integrated billing system has enabled real-time invoice generation. AI-assisted cost estimation tools now support more accurate financial planning at the point of admission, while the hospital's real-time performance dashboard offers actionable insights to resolve service bottlenecks and streamline workflows. These innovations have improved financial governance, accelerated decision-making, and significantly reduced administrative overheads.

Medtech Integration on pages 62 to 64 of this report provides more details on technology and digitalisation.

To foster greater patient empowerment, Nawaloka has taken deliberate steps to enhance pricing transparency and convenience. Approximately 75% of commonly utilised procedures now have baseline pricing available online or through printed materials. Tools such as electronic discharge summaries, QR-code-based payments, and virtual cashier services have simplified the financial journey for patients, strengthening trust in a price-sensitive market. These patient-centric features are supported by responsive customer service teams who guide individuals through insurance pre-approvals, billing options, and payment flexibility.

Underlying this multi-pronged approach is a disciplined focus on cost containment and process digitisation. The Group continues to pursue ROI-focused capital spending, ensure debt prudence, and modernise non-clinical workflows to maximise efficiency. Ultimately, we combine financial discipline with innovation and a global outlook to sustain growth.

Financial Sustainability

Infrastructure and Capital Expenditure

Nawaloka Hospitals PLC continued to invest strategically in infrastructure and medical technology to enhance clinical capability, patient experience, and long-term operational resilience. In FY 2024-25, the hospital allocated over Rs. 340 Mn. in capital expenditure.

Our purpose-built infrastructure directly contribute to enhanced patient wellbeing and clinical excellence. As such, the investments we make towards infrastructure development are welch-calulated to create long-term financial, environmental and social value.

Key investments during the year

- ▶ Acquisition of South Asia’s first AI-integrated radiology systems, significantly enhancing diagnostic precision and service throughput
- ▶ Expansion of critical care capacity, including upgrades to the Bone Marrow Transplant Unit, Fertility Unit, and Dialysis Services
- ▶ Procurement of a Continuous Renal Replacement Therapy (CRRT) machine, providing gentle, continuous dialysis support for critically ill patients in intensive care
- ▶ Installation of modular operating theatres and safety-enhanced surgical systems to support advanced surgical procedures
- ▶ Digital infrastructure upgrades, including full integration of Electronic Health Records (EHR) and billing systems to enhance clinical and administrative workflows

Strategic capital planning remains a key aspect of our roadmap towards lasting financial sustainability. Nawaloka’s capital expenditure strategy follows a structured roadmap guided by asset lifecycle management and demand-driven expansion. CAPEX is expected to rise progressively from Rs. 340 Mn. in 2025 to a peak of Rs. 1,885 Mn. in 2027, before tapering to Rs. 434.1 Mn. by 2029. This five-year investment plan supports infrastructure modernisation, clinical expansion, and sustained technological leadership.

Meanwhile, the hospital’s equipment base remains modern, with robust preventive maintenance protocols as detailed below:

 Imaging Equipment (MRI/CT/X-ray)	 Surgical Tools	 Monitoring and Diagnostic Devices
• Average age ranges from 1–5 years • Upgraded regularly to meet global standards • AI-enhanced imaging systems are being phased in	• Average age between 1–4 years • Plans are underway to introduce the Olympus X1 endoscopy system and FibroScan 630 Expert model to improve precision diagnostics and minimally invasive care	• Average age of 2–3 years (patient monitors, defibrillators, and lab analyser) • Goes through digital calibration and performance auditing

This lifecycle-based strategy minimises downtime, enhances patient safety, and ensures equipment is aligned with evolving clinical needs.

▶ Future Outlook

Looking ahead, Nawaloka Hospitals PLC remains committed to sustaining the current financial momentum through a blend of strategic foresight, operational agility, and targeted innovation. As Sri Lanka’s economy continues its stabilisation path, the healthcare sector is expected to face persistent cost pressures and evolving patient expectations. Against this backdrop, our focus will remain on driving growth through expanded international patient services, further diversification of revenue streams, and continuous enhancement of patient-centric care models.

We plan to strengthen our presence in the global healthcare market by scaling up our medical tourism capabilities, while simultaneously broadening our diagnostic and specialty care portfolios. Our capital investment roadmap, will fuel infrastructure modernisation and technological upgrades to support next-generation care delivery.

Digital transformation will remain a key enabler, with further integration of AI tools, automation, and analytics to elevate operational efficiency and financial governance. Equally, our patient empowerment agenda will advance through greater pricing transparency, digital access, and personalised service touchpoints.

People and Knowledge

Our deliberate investments in developing our people, enhancing knowledge and nurturing partnerships steer sustainable organisational growth. The Nawaloka Hospitals approach to empowering our people incorporate training and development as well as comprehensive performance management, psychological well-being, and a supportive, values-driven workplace culture. Beyond individual competencies, Nawaloka fosters collective intelligence through collaborative research initiatives, internal innovation processes, and the structured review of clinical practices. Our inclusive approach to innovation ensures that new ideas from within the Organisation translate into measurable improvements in patient care, efficiency, and operational safety.

Looking beyond the Organisation in our pursuit of knowledge, we nurture partnerships and foster collective intelligence through collaborative research initiatives, internal innovation processes, and the structured review of clinical practices. Additionally, we share knowledge through public seminars, digital education, multilingual materials, and active community outreach to bridge health literacy gaps.

Human Capital Development and Training

Our diverse and strategically developed workforce remains an integral part of our current reputation and future growth aspirations. We pivot our human capital development strategy on developing balanced and agile team comprising both clinical and non-clinical professionals across varying seniority levels. The clinical workforce includes doctors, nurses, consultants, and allied health professionals, while the non-clinical cohort encompasses operational, technical, and administrative personnel. The combination of these two steer the Nawaloka approach of clinical excellence and patient-centric service delivery.

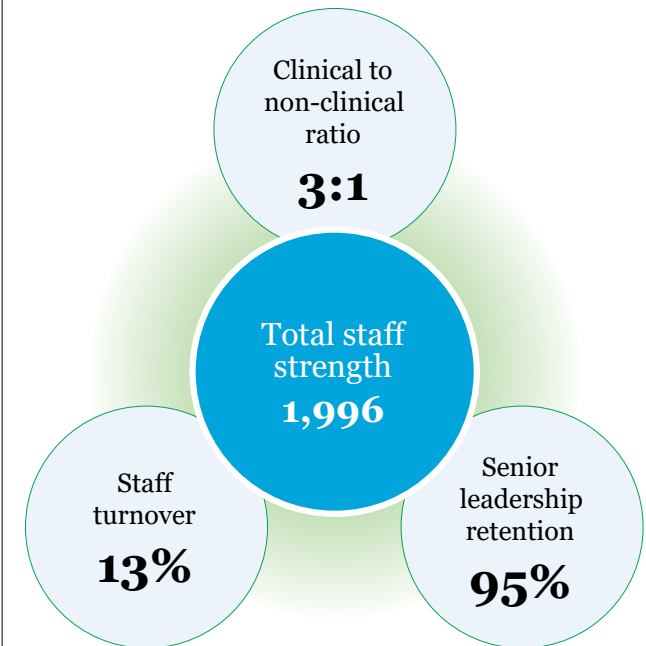
The Hospital employs a proactive strategy that combines workforce engagement, talent retention and succession planning to develop our people and translate the positive impact into organisational growth that benefit all stakeholders including employees in the short, medium and long terms.

Key drivers of talent retention

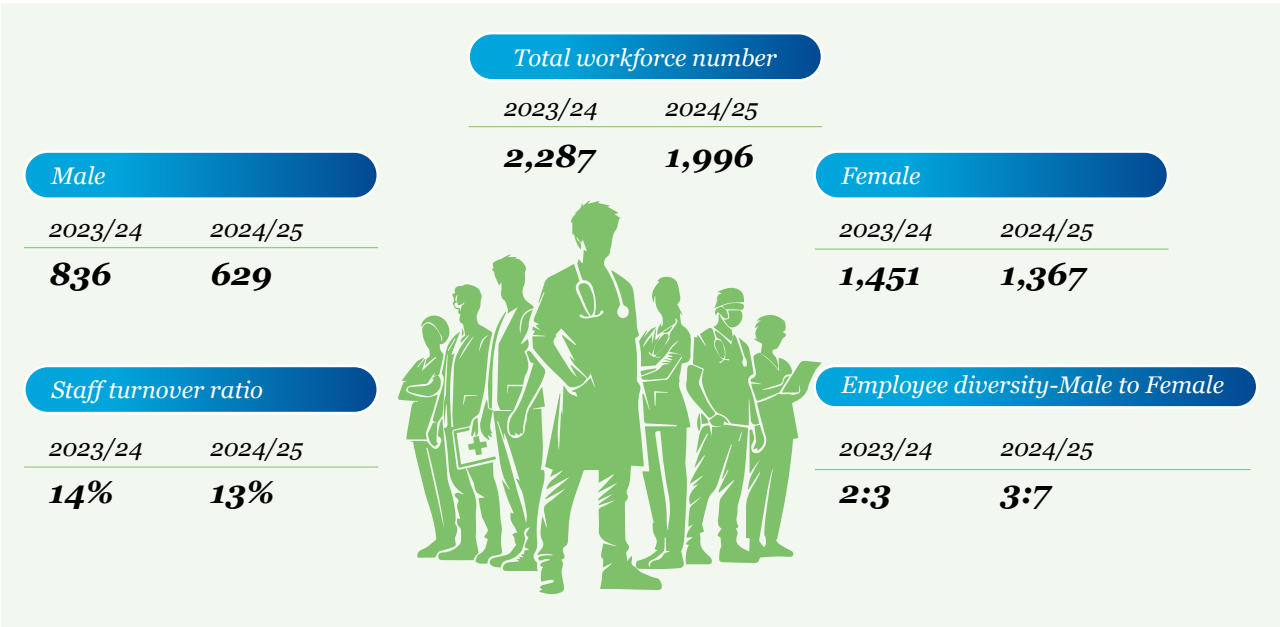
- ▶ *Competitive remuneration and benefits packages*
- ▶ *Clear career progression pathways, especially for nursing and paramedical staff*
- ▶ *Employee recognition programmes such as “Best Performer of the Quarter” and “Clinical Excellence Awards”*
- ▶ *Access to professional development certifications, leadership grooming, and cross-unit learning*
- ▶ *In-house wellness programmes, flexible rosters, and team-building activities*



The stable composition of our staff (in spite of the dynamics of the local healthcare sector and global trends) illustrates the effectiveness of this approach.



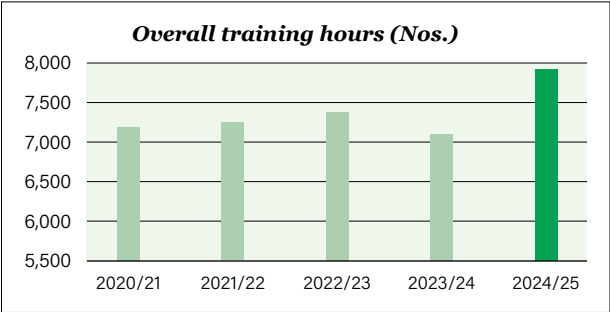
People and Knowledge





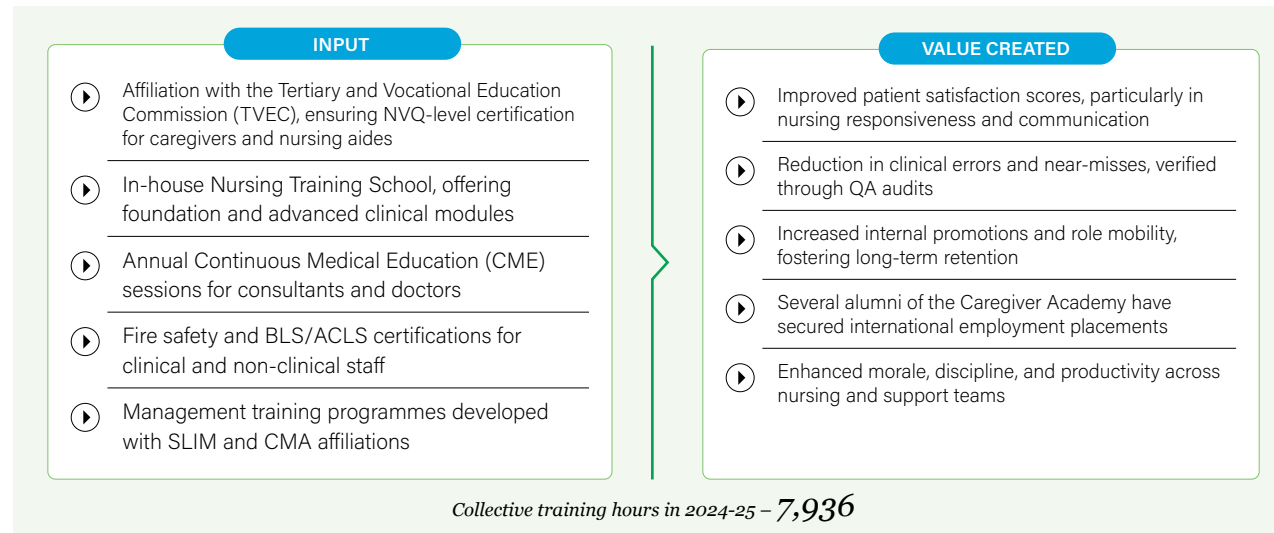
“ In 2024, the Nawaloka Hospitals Cricket Team achieved a remarkable milestone by advancing from Division 3 to Division 1 in national league competition. This sporting victory stands as a testament to Nawaloka’s broader commitment to employee engagement, team spirit, and a thriving workplace culture. ”

Training and Development



The Nawaloka Hospitals PLC approach to training and development relies on robust training infrastructure which blends accredited education, practical exposure, and global standards. During the year under review, we provided both clinical and non-clinical staff training through structured modules to enhance competencies and knowledge in clinical skills, compliance requirements such as infection control and fire safety and soft skills as well as leadership development as presented below:

People and Knowledge



Meanwhile, the Nawaloka Nursing Training School and the Caregiver Academy continued to offer NVQ-aligned curricula under the guidance of the Tertiary and Vocational Education Commission (TVEC), whilst maintaining partnerships with international certifying bodies. In 2024, the Nursing Training School and Caregiver Academy increased the intake to 120 students per cohort. While the school maintains a graduation rate of 90%, a large section of those graduated successfully obtained employment both in the local healthcare sector as well as in the international arena, in particular in the Gulf and Europe region. The school employs structured post-placement tracking to monitor clinical performance and professional growth.

Developing Leadership

Apart from the professional training programmes, Nawaloka facilitates a plethora of value-added skill development and knowledge enhancement opportunities as detailed below:

- ▶ *Leadership pathways for high-potential clinical and non-clinical staff*
- ▶ *Organisational assistance to follow postgraduate studies, certifications, and specialty fellowships*
- ▶ *Internal mentoring schemes, especially within nursing and support services*
- ▶ *Rotational assignments for skill diversification and cross-functional exposure*

These initiatives support our vision to nurture leadership within the organisation. As such, we have institutionalised a comprehensive leadership development framework. This includes succession planning, backed by structured talent mapping and performance-potential matrices.

The Nawaloka approach to leadership development incorporates the following:

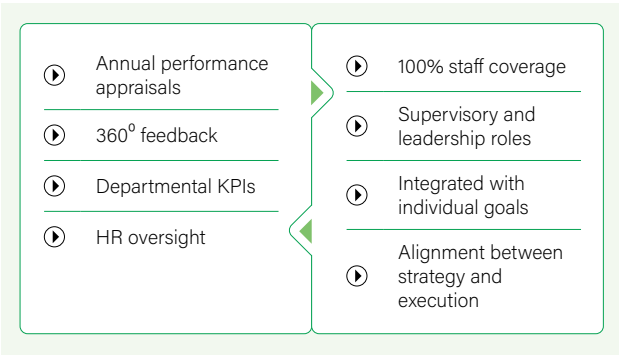
- ▶ *Internal leadership grooming tracks for unit heads and supervisory roles*
- ▶ *Strategic mentoring and second-in-command assignments across high-dependency units*
- ▶ *Cross-functional exposure programmes to widen leadership pipelines*
- ▶ *Retention of high-potential staff through career coaching and fast-track promotions*

People and Knowledge

Workforce Performance

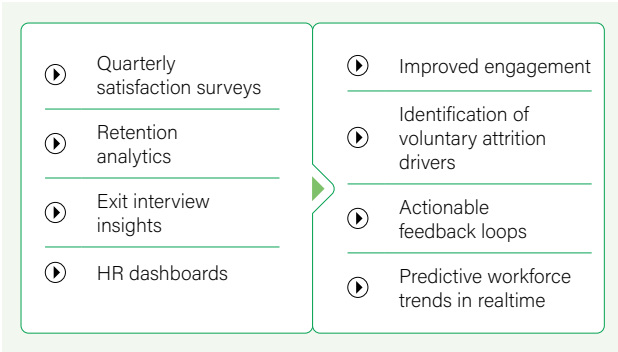
We align performance monitoring on a result-oriented yet empathetic approach that leads every team member from frontline caregivers to senior administrators to become part of the organisational mission of world-class and compassionate care-giving. In evaluating performance, Nawaloka employs an annual appraisal process that links individual outputs to departmental KPIs. This incorporates individual outputs to departmental KPIs to maintain a purposeful process that maintains accountability. A 360° feedback mechanism supports this process to establish leadership transparency and cultivate mutual respect within teams. The Human Resources and Organisational Development (OD) function retain oversight of performance evaluation and management to ensure consistency, fairness, and alignment between employee goals and strategic priorities.

Performance Culture Snapshot



This process has enabled more targeted interventions in underperforming departments and enhanced synchronisation between organisational vision and ground-level execution.

Meanwhile, we use a data and insight driven approach to understand workforce needs and act accordingly. Our investment in HR analytics has led to a comprehensive approach to employee engagement as well as risk and needs identification. The illustration below shows how we use HR analytics for insight-driven solutions.

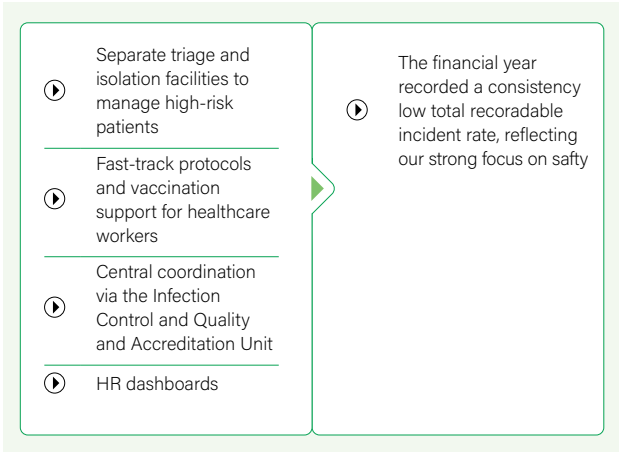


This data-driven approach allows Nawaloka to reduce voluntary attrition and establish improved role clarity.

Health and Safety

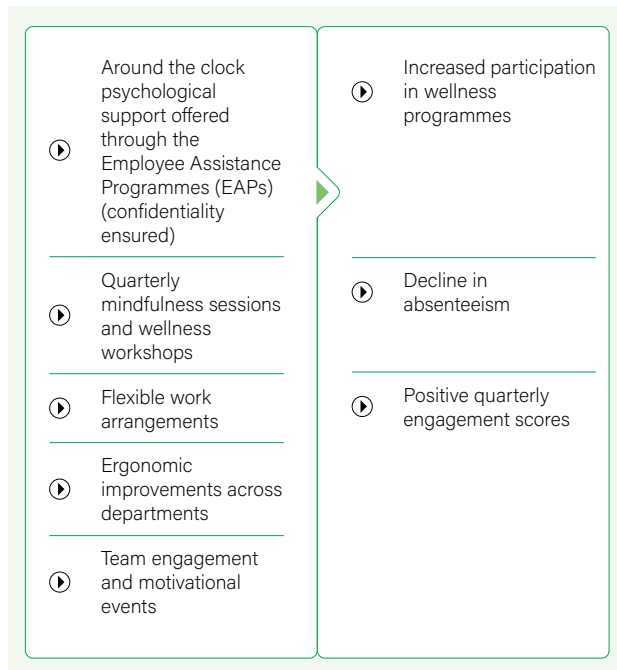
We employ a robust Occupational Health and Safety (OHS) framework, designed to proactively mitigate risk, provide necessary training and adhere to safety protocols. Our OHS Unit continuously monitors safety performance across departments, championing a culture of vigilance and early reporting. All new staff undergo mandatory safety inductions, while ongoing refresher programmes ensure sustained awareness. The Hospital also conducts regular emergency drills and preparedness simulations to maintain response readiness. Meanwhile, our infection prevention approach follows standardised personal protective equipment (PPE) protocols, alongside a well-equipped inventory for all clinical areas. We also conduct outbreak-specific simulations and training sessions, while centralised coordination through the Infection Control and Quality and Accreditation Unit ensures consistent compliance.

The illustration below depict the effectiveness of our infection control efforts:



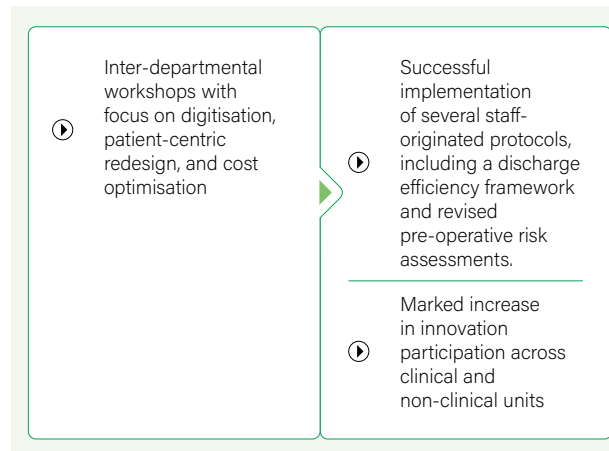
People and Knowledge

We are well-aware that the mental well-being of our people not only results in their personal well-being but also translates to sustainable organisational growth. As such, we strive to build a wellness culture within the Organisation that foster emotional resilience and work-life balance. The illustration below presents our efforts to maintain a healthy work environment and safeguard employee mental health and the outcome during the year under review:



Innovation and Knowledge

True to our pioneering spirit, Nawaloka continues to embed innovation into every aspect of our operations. From frontline-driven ideas to proprietary digital ecosystems, we prioritise intelligent transformation to meet the evolving needs of our patients and staff. The Clinical Excellence Committee oversees the internal innovation framework, relying on periodical reviews and endorsements of new medical practices. We complement this through a quarterly innovation review process, which involves staff submissions for clinical enhancements, workflow optimisations, or patient experience improvements. We recognise the high-impact contributions via the Kaizen Awards, giving opportunities to all employees to voice their insights. The illustration below presents the year's innovation highlights and outcomes:



In tandem with the digitalisation and digitisation evolutions taking place across the global healthcare sector, we consistently adopt digital solutions to increase operational efficiency, accuracy and clinical excellence. The illustration below presents a glimpse into our digital adaptations, while the Technology Integration chapter of this Report provide comprehensive details.

People and Knowledge

Integrated Billing System

The integrated billing system at Nawaloka Hospitals is a proprietary platform designed to support the hospital's multi-departmental operations. It provides real-time, patient-level financial visibility across services such as diagnostics, pharmacy, and inpatient care. This system enables transparent and accurate billing workflows resulting in enhanced operational efficiency, reduced errors, ultimately ensuring a smoother financial experience for both patients and administrators.

Electronic Health Record (EHR)

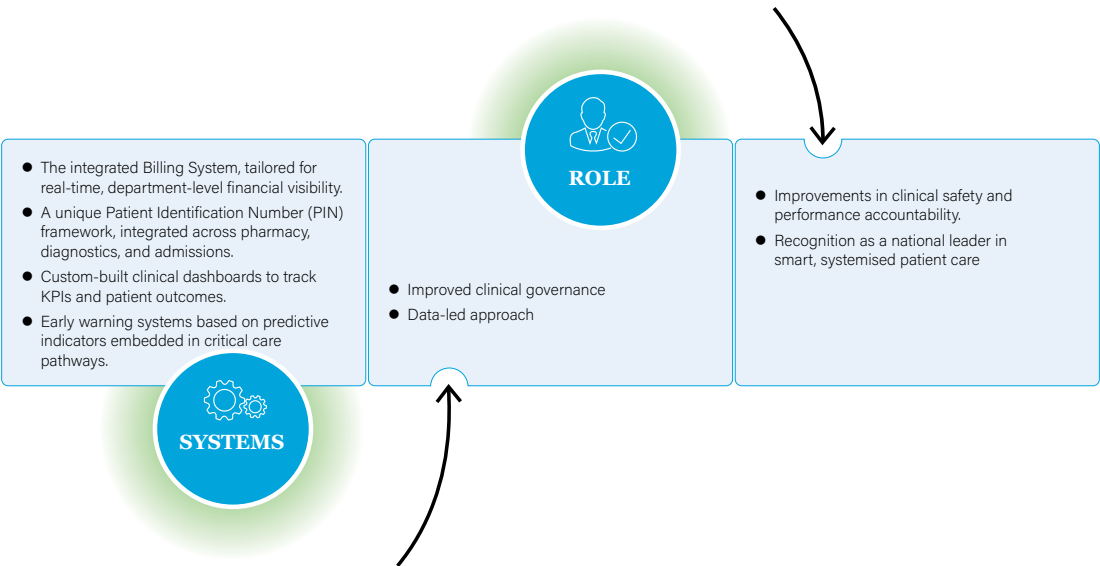
Nawaloka's Electronic Health Record (EHR) System serves as the digital backbone of patient care. It consolidates clinical data such as medical histories, diagnostics, treatments, and progress notes into a centralised, accessible platform. Integrated across all departments, the EHR supports continuity of care, enables informed clinical decisions, and facilitates data-driven innovations such as AI diagnostics and predictive care protocols.

AI-Powered Radiology System

In 2024-25, Nawaloka Hospitals became the first in South Asia to implement a full-scale AI-powered radiology system. This advanced tool automates scan interpretations, enhances diagnostic accuracy, and significantly reduces reporting turnaround times—especially for high-demand imaging like CT and MRI. Fully integrated with the EHR, it supports real-time clinical decision-making. Complementing this, predictive dashboards analyse patient data trends to provide early alerts for potential complications in critical units, enabling proactive and personalised care interventions.

- Faster diagnostics and improved turnaround, especially in high-volume radiology cases
- Reduced inpatient waiting times and improved bed turnover through the adoption of a structured discharge protocol

Our proprietary systems-enable Nawaloka Hospitals to improve our technological capabilities:



Partnerships for Knowledge and Global Reach

We consistently seek to build strategic knowledge partnerships and expand our presence across the globe.

At Nawaloka Hospitals, the pursuit of excellence in patient care is reinforced by strategic knowledge partnerships and a proactive global outreach agenda. These dual priorities support the Hospital's vision of becoming both a knowledge-driven and internationally recognised healthcare institution. These partnerships ensure that clinical teams remain aligned with evolving national and international standards.

People and Knowledge

The Hospital is also actively engaged in joint clinical research, particularly in oncology, cardiology, and fertility care, helping to generate locally relevant clinical evidence and best practices. Additionally, Nawaloka hosts periodic speaker sessions featuring faculty from leading medical universities, further enriching professional development opportunities.

To support evidence-based practice, we maintain data-sharing agreements (using de-identified datasets) with research institutions for trend analysis and clinical protocol validation.

Global Outreach

In 2024, we sought out to expand our international visibility through targeted branding and promotional campaigns across key healthcare markets. Participation in major medical tourism forums in the Maldives, Seychelles, Dubai, Berlin, and Singapore positioned the Hospital as a hub for affordable, high-quality care. Collaborations with global healthcare marketing firms enabled bilingual digital campaigns, targeted media outreach, and the strategic use of patient success stories and testimonials to build international credibility. Additionally, we conducted virtual campaigns in collaboration with Seychellois healthcare providers, specifically aimed at educating local physicians on Nawaloka's treatment capabilities and patient referral systems.

To streamline the international patient journey, Nawaloka secured partnerships with overseas medical facilitators, insurance companies, and health authorities, particularly across Europe and the Middle East. These collaborations led to increased patient referrals and more efficient care coordination. Further, we reached

agreements with airlines and hospitality providers to aid us in our medical tourism endeavours, through integrating healthcare, travel, and accommodation.

Our Multilingual Communication Platform (launched in 2024) offers interpretation support in Arabic, French, German, Dhivehi, and other relevant languages. Additionally, we facilitate the following to provide nurturing and comprehensive care to our international patients.

- ▶ *Dedicated international patient desks*
- ▶ *Concierge and travel coordination*
- ▶ *Culturally tailored dietary and hospitality options*
- ▶ *Cultural sensitivity and competency training for staff*

These enhancements have led to significantly higher patient satisfaction, stronger referral networks, and repeat visits, particularly from the Seychelles and Maldivian markets, where oncology and orthopedic services are in growing demand.

The Financial Sustainability chapter of this Report contains further details on our global reach.

▶ Future Outlook

Looking ahead, we will continue to invest in developing our people, enhancing knowledge and reinforcing our innovation agenda. Our focus will be on expanding leadership development pathways, scaling digital training platforms, and enhancing our talent pipeline through strategic academic partnerships. We aim to integrate predictive analytics further into workforce planning and performance management to anticipate emerging needs and strengthen resilience.

We will also intensify our efforts in collaborative research and evidence-based innovation, ensuring that internal insights and global knowledge converge to advance patient care. Building on our global positioning momentum, we plan to grow our medical tourism services footprint, expand multilingual patient support, and secure additional international accreditations to further cement our reputation as a world-class care provider.

People and Knowledge



We have built a robust culture prioritising patient safety and care, driven by continuous learning, transparent communication, and evidence-based practices to deliver superior healthcare outcomes consistently.

Sustainability and Stewardship

Mindful of the fact that sustainability incorporates lasting growth in terms of our economic, social and economic impact, Nawaloka Hospitals PLC embeds these principles into our operations, governance, and growth strategy. We employ a holistic approach that integrate ethical leadership, climate resilience endeavours, and community outreach efforts in our sustainability journey.

Environmental Responsibility

In line with our commitment to environmental stewardship, Nawaloka Hospitals PLC consistently focuses on improvements in energy, water, and waste management across our facilities. In the year 2024/25, we ensured efficiency upgrades, compliance with national standards, and hospital-wide awareness to reduce our ecological footprint while safeguarding patient comfort and safety.

Energy Efficiency and Emission Reduction

The Hospital's increased focus on smart energy usage facilitated the reduction of operational costs and environmental impact. We adopted energy-saving technologies, including motion-sensitive lighting and climate-optimised air conditioning systems as part of our energy efficiency and emission reduction commitment, as highlighted below:

- ▶ *Transitioned to LED lighting in all patient wards and operating theatres*
- ▶ *Installed Variable Frequency Drives (VFDs) to optimise HVAC performance*
- ▶ *Commissioned a 200 KVA rooftop solar power system (100 KVA currently operational)*
- ▶ *Introduced VRF air conditioning at the Specialist Centre*
- ▶ *Installed motion sensor lighting in all lift lobbies*
- ▶ *Staff awareness campaigns contributed to behavioural shifts in energy use*

Water Management

The nature of our clinical operations renders us inherently dependent on high volumes of water consumption. Mindful of this, we implemented several initiatives to conserve water while maintaining hygiene and infection control standards. Additionally, the Hospital carefully monitored water consumption and aligned with patient volume and bed occupancy. The key highlights of our water conservation efforts are presented below:

- ▶ *Installed low-flow fixtures and sensor taps in selected clinical areas*
- ▶ *Active monitoring of water consumption through monthly dashboards*
- ▶ *Reused treated water from the Effluent Treatment Plant (ETP) for irrigation and sanitation*

Waste Management and Hazard Mitigation

We have implemented a structured waste segregation and disposal framework that ensures full regulatory compliance while minimising risks to public health and the environment. Looking to streamline these efforts, we have set up an active Waste Management Committee that oversees segregation, storage, and audits, while also partnering with an external, licensed contractor to safely dispose of clinical waste. In the year, 2024-25, we maintained a positive track record of environmentally friendly waste management and hazard mitigation as presented below:

- ▶ *Placed colour-coded segregation bins hospital-wide*
- ▶ *Maintained a zero incident rate of non-compliance with waste handling regulations*

Sustainability and Stewardship

	2020/21	2021/22	2022/23	2023/24	2024/25
Energy consumption (kWh)	9,822,140	9,920,361	9,969,963	9,216,574	9,522,986
Water consumption (m³)	184,244	191,614	210,775	231,300	235,812

Environmental Governance and Compliance

Nawaloka’s environmental practices are guided by a central policy that sets clear sustainability targets and governs performance tracking. We maintain rigorous internal audit standards and performance monitoring to maintain our ongoing commitment to environmental governance and compliance.

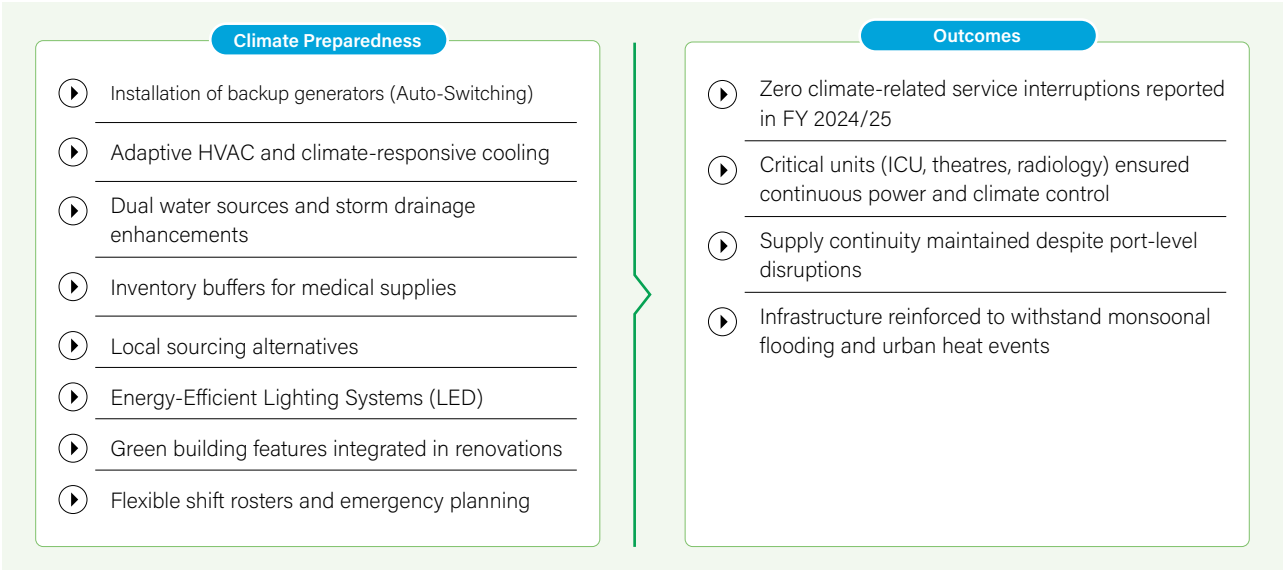
- ▶ *Environmental Management Policy targets a 10% energy intensity reduction over 3 years*
- ▶ *Green Procurement Policy promotes eco-conscious sourcing*
- ▶ *Monthly dashboards track energy, water, and waste indicators with variance analysis*

Climate Preparedness

Climate volatility continues to intensify across Sri Lanka’s urban centres. Recognising this, we look to safeguard uninterrupted healthcare delivery through proactive climate resilience planning. We have identified that urban flooding and heatwaves are likely to cause international supply chain disruptions, which in turn pose risks to the continuity of our clinical operations. As such, our strategic responses focus on infrastructure adaptation, critical system redundancy, and supply continuity to ensure patient safety and operational excellence under all conditions.

We have made targeted investments in infrastructure to mitigate the effects of extreme weather and environmental unpredictability. These include adaptive HVAC systems, backup power redundancy, and inventory buffering for essential medical supplies. Our hospital’s contingency measures, coupled with robust planning protocols, allowed us to maintain uninterrupted service throughout the year, even during periods of adverse weather and logistical constraints.

The illustration below presents our climate preparedness initiatives and outcomes during the year under review:



Sustainability and Stewardship

Ethical Stewardship and Responsible Practice

Ethical stewardship forms the bedrock of our institutional integrity. We employ the fundamental “Do No Harm” approach in shaping our clinical, financial and social responses. Our ethical commitments span data protection, fair billing, medical safety, and equitable access, ensuring patient dignity is protected at every point of care.

In 2024/25, we continued to strengthen our systems for privacy, controlled substance handling, and incident reporting, while making healthcare more accessible through subsidies, waivers, and compassionate billing. We also upheld zero tolerance for billing fraud through real-time audit mechanisms and robust cross-functional verification protocols.

Our ethical stewardship and responsible practice commitment is strongly linked to patient well-being and clinical excellence as presented on pages 37 to 43 in this Report. The highlights below present a concise glimpse into our ethical stewardship endeavours:

Ethical Stewardship at Nawaloka Hospitals PLC

- Unique patient ID for privacy and traceability
- Controlled drug handling (trained staff and audits)
- Transparent billing with pre/post disclosure
- QR-based real-time patient feedback
- Root cause analysis for incident response

Inclusive Access

Equity remains an integral aspect of our social responsiveness. We proactively remove affordability barriers through targeted subsidies, public-private partnerships, and special support for vulnerable patients, as presented below:

- ▶ *Over 2,800 patients supported through charity-based care and government-linked schemes*
- ▶ *Up to 50% subsidies provided for diagnostics and surgical procedures for pensioners and referred patients*
- ▶ *Sliding-scale fees and installment plans offered based on financial need*
- ▶ *Full/partial waivers approved by a senior medical board in humanitarian cases*
- ▶ *Oversight by the Billing Ethics and Welfare Committee ensures fairness in pricing and aid*

Community Outreach

Our community outreach initiatives align with our social value creation agenda. We believe that community engagement is central to health equity, public trust, and preventive care. Our collaborations with the Ministry of Health, NGOs, corporates, and educational institutions allow us to address health literacy gaps, facilitate increased access to essential screening, and ultimately bring medical services closer to underserved populations. In 2024/25, our outreach programmes touched thousands of lives across urban and rural Sri Lanka.



Outreach initiatives at a glance



Free screening camps (diabetes, cardiac, eye care)



School health checkups in partnership with the Ministry of Health



Mobile lab and pharmacy services in rural and urban areas



First-aid training and health fairs conducted in partnership with NGOs and corporate entities



Conducting social media campaigns on health awareness days

Sustainability and Stewardship

We held a Medical Camp in Baticaloa, in collaboration with a leading University to provide much-needed healthcare access to the local community. The programme offered free screenings such as ECG, blood test, Medical examination along with free medications. The event drew an excellent response from the public, underlining the importance of medical outreach in underserved regions.

The Medical Camp held in Baththaramulla in partnership with Little Preschool, focused on the health and wellbeing of children and their families. The camp featured dental check-ups, Medical examination, and health awareness programmes. The initiative, supported entirely by Nawaloka Hospitals PLC, highlighted the Company's commitment to building healthier futures for younger generations.

In collaboration with Mobitel, we hosted a Medical Camp in Diyatha to promote accessible healthcare for the community. Free screenings such as random blood sugar (RBS), BMI, and blood pressure were provided, along with essential medications. The event not only catered to medical needs but also emphasised the value of preventive healthcare and wellbeing.

The Medical Camp held in partnership with CCCPDD in Rajagiriya, offered vital health services to residents. The programme included screenings for blood tests and medical examination while also distributing free medications. The initiative witnessed strong participation and reinforced Nawaloka's role in advancing community health across Sri Lanka.



Nurturing Patient Relationships

Our engagement with patients is designed in a manner to foster empathy, trust and continuity of care. We employ digital tools, compassionate care, and multilingual communication to consistently enhance care. The Clinical Excellence and Patient

Care chapter of this Report presents more insights into our patient care endeavours. The highlights below provide a glimpse into the key aspects of our efforts to improve patient care.

Patient engagement highlights

- Multilingual care assistants enhance inclusivity and clarity
- Real-time feedback via QR codes with follow-through by unit heads
- Patient-centred events, including Baby Day celebrations, fertility reunions, and dialysis patient milestones

Health Literacy and Preventive Action Promotion

Nawaloka Hospitals PLC actively bridges health literacy gaps through education programmes across multiple platforms, formats, and languages, as presented below:

Health education initiatives

- Community seminars and webinars on chronic diseases
- Social media campaigns conducted in partnership with influencers
- Educational materials published in Sinhala, Tamil, and English
- Awareness drives conducted on National Health Days

Nurturing Partnerships

We maintain long-standing collaborations with external stakeholders to extend our social impact. From government regulators to academic institutions, our ecosystem approach ensures alignment, compliance, and innovation.

Sustainability and Stewardship

Collaborative contributions

- Joint clinical research in oncology, cardiology, and fertility
- Speaker sessions and training with Sri Lanka Medical Council, Tertiary and Vocational Education Commission, and universities
- Strategic insurer partnerships for accessible cashless care

Additionally, we maintain formal performance agreements with vendors (SLAs) and regularly audit their compliance to ensure that all medical supplies and services meet our safety, quality, and ethical standards.

Governance and Regulatory Alignment

We intentionally align with evolving national and international regulations to ensure that patient safety, data privacy, and clinical integrity remain uncompromised. During the year under review, we strengthened internal controls and digital infrastructure to meet emerging mandates around infection control, hazardous waste handling, e-prescriptions, and insurance documentation. Our Quality Assurance Department (QAD) played a pivotal role in institutionalising audit-readiness, standardisation, and transparency.

The key aspects of our governance commitment are as follows:

- ▶ *Quality Assurance Department (QAD) oversight*
- ▶ *Structured documentation and audit readiness*
- ▶ *ISO-aligned practices and ministry compliance*
- ▶ *Real-time quality dashboards (across units)*
- ▶ *Cross-functional internal audits*
- ▶ *Ethical billing and data protection protocols*

Anti-fraud Safeguards

We employ a billing system that facilitate transparency, traceability and accountability. The billing platform is integrated with the hospital-wide ERP system to enable the provision of real-time audit trails and automated alerts that flag inconsistencies, duplications, or unusual billing patterns. This comprehensive system ensures that every invoice is thoroughly reviewed, transparent, and defensible, as presented below.

Ethical billing and fraud prevention system

- Integrated billing with real-time audit trails
- Pre-discharge verification by clinical and finance teams
- Automated alerts for billing anomalies
- Randomised audits—consultants, pharmacy, diagnostics
- ISO 9001:2015 billing process certification

There were no significant fraud cases reported during the year under review, and the Hospital addressed minor discrepancies in a prompt manner through internal review and corrective action, without any adverse impact on stakeholders or financial integrity.

Adapting to Regulatory Change

Our comprehensive governance model incorporates regulatory foresight into strategic planning. As such, we prepare for policy shifts in advance to minimise disruptions and ensure compliance. In line with recent regulatory changes, we have accelerated our transition to digital record-keeping, enhanced our procedural discipline, and reinforced the importance of transparency.

Strategic responses to regulatory shifts

- Rapid adoption of e-prescription standards and data privacy protocols
- Strengthened documentation for insurance claims and clinical audits
- Increased internal compliance training and certification programmes
- Transparent billing disclosure frameworks for patient trust

Recognising that Sri Lanka is gearing towards increased public-private integration in healthcare, we remain well-prepared to respond to the transition in a prudent and beneficial manner. We have already equipped ourselves with the necessary accreditations and systems to facilitate anticipated policy shifts such as the expansion of government-sponsored insurance schemes, a national emphasis on universal health coverage (UHC), and mandatory clinical accreditation for private hospitals.

▶ Future Outlook

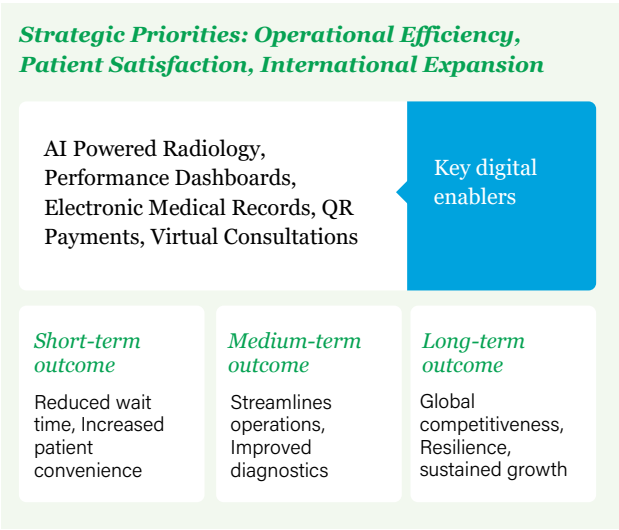
In the near future, we will maintain our approach towards advancing a healthcare model that is sustainable, inclusive, and future-ready. To this end, we wish to prioritise environmental stewardship through investments in energy-efficient technologies, smart water management, and green infrastructure. Our ethical governance frameworks will evolve in line with emerging regulatory expectations, ensuring transparency, compliance, and accountability. Moreover, we will expand our community health initiatives, strengthen digital health capabilities and nurture partnerships to achieve mutual progress.

Medtech Integration

In an era where technological innovation is reshaping global healthcare delivery, Nawaloka Hospitals seek to integrate advanced technologies across clinical, operational, and patient service domains, reinforcing our commitment to becoming a regional healthcare leader. Central to Nawaloka's business model is the integration of cutting-edge digital solutions that enhance patient care, improve clinical precision, and streamline service delivery. The deployment of South Asia's first AI-powered Radiology Centre in 2024, along with intelligent diagnostic tools, tele-medicine platforms, and real-time performance dashboards, reflects this bold and future-focused direction. These innovations not only elevate medical outcomes through speed and accuracy but also optimise operational efficiency and support the hospital's medical tourism services model.

Strategic Impetus

As technology integration remain a part of our strategic impetus. The below illustration depict how we integrate technology into the value creation process.



As such, during the year under review, we implemented a plethora of digital solutions and technological advancements across various aspects of our operations.

	2020/21	2021/22	2022/23	2023/24	2024/25
Medical Equipment	250,569,110	532,399,520	57,905,831	47,205,639	164,121,482

Clinical Excellence and Diagnostic Accuracy

AI Technologies – The key highlight of the year was the launch of South Asia's first AI-powered Radiology Centre. This facility integrates artificial intelligence into diagnostic imaging services such as CT, MRI, digital X-rays, and mammograms, significantly enhancing both speed and accuracy. The AI systems are capable of early disease detection by rapidly processing complex imaging data and highlighting potential discrepancies, allowing radiologists to focus on complex cases and deliver more informed clinical decisions. Fully integrated with the hospital's Electronic Health Record (EHR) system, this innovation shortens turnaround times, improves diagnostic reliability, and sets a new benchmark for regional healthcare technology. Additionally, we deployed an Inquiry Management System to track and resolve both patient and staff queries, ensuring accountability and prompt responses across the organisation.



Medtech Integration

Digital Innovation – We introduced a range of digital tools to complement the AI initiatives to improve diagnostic workflow and patient convenience. The AI-powered Medical Evaluation Service, part of the Diagnostic Hub, uses evidence-based algorithms to support clinicians in rapid and accurate assessments. Additionally, the implementation of the Electronic Diagnosis Card revolutionised the discharge process by consolidating vital medical information into a single digital file, reducing discharge times and improving post-treatment continuity. These advancements not only improved patient satisfaction and safety but also optimised internal efficiencies such as bed turnover and care coordination, reinforcing Nawaloka's operational excellence.

Centred Services for Global Clients – Nawaloka's diagnostic excellence extends to international patients through our virtual health services and smart digital interfaces. The hospital's virtual cashier and QR code payment systems facilitate cashless transactions, while digital inpatient menus support culturally sensitive meal choices. These features, combined with telemedicine consultations and globally accessible patient portals, provide seamless end-to-end healthcare for overseas clients. The integration of multilingual interpretation services further ensures that medical instructions are clearly understood, minimising risk and promoting trust. Together, these innovations represent a comprehensive approach to diagnostic and clinical care that prioritises both precision and patient empowerment.

Operational Efficiency

Real-Time Dashboard

To strengthen internal performance tracking and support responsive decision-making, Nawaloka Hospitals introduced a real-time dashboard system in 2024. This digital platform offers instant visibility into critical operational metrics such as cashiering efficiency, patient flow, and transaction volumes across departments. The system enables the immediate identification of bottlenecks and inefficiencies. This proactive management approach fosters a culture of agility and precision, ensuring consistent delivery of optimal patient experiences.

Electronic Diagnosis Card

The deployment of the Electronic Diagnosis Card system represents a transformative shift in Nawaloka's discharge procedures. We rely on this method to consolidate discharge summaries treatment protocols, prescriptions, and follow-up instructions into a single, easily accessible digital document. This facilitates patients to receive comprehensive, clear instructions promptly, enabling better understanding of their post-hospital care. Effectively, this process shortens discharge time, increases bed availability and offer a more efficient treatment follow-up, especially for our international patients.

Digital Health Records and Patient Portals

Nawaloka's adoption of Digital Health Records (DHR) and internationally accessible patient portals has redefined how healthcare data is managed and shared across borders. Patients can securely access their medical histories, test results, imaging reports, and treatment plans from anywhere in the world, enabling greater autonomy and informed participation in their care. These platforms also facilitate smooth collaboration between Nawaloka's clinicians and foreign referring doctors, promoting coordinated treatment strategies.

Patient Convenience Enhancement

QR Code Payments and Digital Menu

To enhance in-hospital convenience and patient empowerment, Nawaloka Hospitals introduced QR code-enabled payment gateways and digital menu access. These features allow patients and caregivers to make seamless, cashless payments using their mobile devices, removing the need for physical currency or cards and reducing transaction times. Simultaneously, the inpatient digital menu empowers patients to browse and select meals suited to their dietary preferences directly from their smartphones.

Virtual Cashier Services

Nawaloka Hospitals launched virtual cashier services in 2024 to enable remote financial transactions. Through a secure online platform, patients can now complete billing, deposits, and other payment-related tasks without visiting the hospital's cashier counters. This has significantly reduced wait times and congestion within the facility, contributing to both operational efficiency and patient satisfaction. The service is particularly beneficial for overseas patients and those with mobility limitations, offering a convenient and secure method to manage hospital finances from any location.

Nawaloka's Integrated Hospital Information System (HIS)

This system serves as the hospital's comprehensive digital backbone, connecting core services such as Admission, OPD, ETU, Pharmacy, Radiology, EMR, PACS, and Lab Analyzer with patient-facing tools such as the integrated billing. The ecosystem also incorporates essential backend platforms, including Procurement, Complaints Management, DocPad, and Token Management. Consequently, we have been able to reinforce care coordination through improved reporting accuracy, and reduced turnaround times across all departments, driving both clinical efficiency and patient satisfaction.

Expanding International Reach through Technology

Dedicated Web Portal and Chatbot

Recognising the distinct needs of international patients, Nawaloka Hospitals launched a dedicated web portal and real-time chatbot to streamline access to healthcare information and support. The portal serves as a centralised hub, offering detailed insights into treatment packages, doctor profiles, pricing estimates, and appointment scheduling. Designed for transparency and ease of use, this platform empowers patients to make informed decisions

Medtech Integration

prior to travel. Enhancing this experience, the AI-powered chatbot offers instant assistance, answers frequently asked questions, and guides patients through pre-admission steps. This web portal supports patients with appointments, report queries, and frequently asked questions, while the VoiceBot offers hands-free assistance, particularly valuable for elderly patients and those accessing care remotely.

Telemedicine and Virtual Consultations

To support the full continuum of care for overseas patients, Nawaloka Hospitals expanded our telemedicine and virtual consultation services in 2024. These digital health solutions enable international patients to connect with consultants remotely for pre-treatment assessments, second opinions, and post-operative follow-ups. The platform accommodates various time zones and languages, fostering accessible, high-quality healthcare across borders. Particularly valued by patients in Europe, the Middle East, and Australia, these services reduce travel burdens and healthcare delays, while ensuring continuity and personalised treatment planning from afar.

Hardware and Infrastructure enhancements

Alongside software and digital innovations, Nawaloka Hospitals strengthened our core hardware infrastructure to ensure a secure, high-performing technology environment. Upgrades included enterprise-grade firewalls, biometric systems for time attendance, and endpoint protection to safeguard system integrity. The hospital's mail server was reinforced with email security, while real-time network monitoring via Wireshark enhances oversight and responsiveness. These enhancements deliver robust cybersecurity, reliable uptime, and seamless interdepartmental communication, forming a resilient foundation for the hospital's expanding digital capabilities.

Cybersecurity and Data Protection

During the year 2024, we made significant advancements in safeguarding Nawaloka Hospitals' digital ecosystem. In collaboration with OrellIT, we conducted comprehensive penetration testing and vulnerability scans across our HIS, EMR, patient portals, firewalls, and cloud backups. These assessments validated the robustness of existing controls and led to the awarding of a Secured Data Certification, affirming that systems are well-protected against breaches, intrusions, and data leaks. The penetration testing established the fact that the key measures in place such as advanced encryption, firewall segmentation, and granular user access controls have been fully implemented and aligned with global best practices. Supported by enterprise-grade firewalls, endpoint protection, and adherence to ISO 9001:2015 standards, Nawaloka Hospitals PLC has built a future-ready, highly secure digital infrastructure capable of sustaining the trust of patients and partners alike.

Technology Risk Mitigation

We are well aware of the fact that technology integration comes with its own set of risks and challenges. As such, we continue to take appropriate measures to mitigate risks. Our approach emphasises strategic oversight, responsible adoption, and continuous monitoring of all digital systems, including AI-driven diagnostics, electronic health records, and telemedicine platforms. With sensitive medical data at the core of these innovations, we prioritise secure infrastructures and compliance with data protection protocols. Furthermore, we employ a proactive performance monitoring system, such as the real-time operational dashboard, to detect anomalies, optimise workflows, and ensure resilience across all service areas.

▶ National Recognition

Nawaloka's Data & AI Team secured 1st Runners-Up in the Open Category at the prestigious MindSpark AI HackFest 2025, organised by the British Computer Society (BCS). Their award-winning solution, focused on predictive analytics and intelligent decision support for hospital operations, underscores the hospital's innovation leadership and strengthens its position at the forefront of healthcare technology.

▶ Future Outlook

Looking ahead, Nawaloka Hospitals will continue to strengthen our position as a technology-driven healthcare leader by scaling our digital infrastructure and expanding access to advanced medical services. Key priorities include the nationwide roll-out of mini-medical centres and diagnostic labs, the integration of robotic surgical tools, and deeper investments in AI-powered clinical systems. These efforts reflect our vision to decentralise excellence, ensure continuity of care, and create a responsive innovation ecosystem centred on patient well-being. With a firm commitment to compassionate, data-driven healthcare, we are poised to set new benchmarks in regional and global healthcare delivery.

An artistic illustration of several hands of different skin tones (yellow, light, and dark) reaching up and interlocking in a supportive grip. The background is a textured, mottled green and yellow. The hands are rendered with simple black outlines and some shading to indicate depth and texture.

*66 Risk Management 70 Corporate Governance 84 Annual Report of the Board of Directors
89 Remuneration Committee Report 90 Audit Committee Report 92 Related Party Transactions Review Committee Report
93 Nominations and Governance Committee Report 95 Directors' Responsibility in Financial Reporting
96 Chief Executive Officer's and Group Chief Financial Officer Statement of Responsibility 97 Senior Independent Director's Statement*

Organisational Stewardship

Risk Management

Risk Management remains a key driver of managing a healthcare institution. At Nawaloka Hospitals, we have embedded a proactive and structured approach to identifying, evaluating, and mitigating risks across all facets of our operations. This approach extends to risks arising from our dynamic operating environment, evolving healthcare practices, and rapid advancements in medical technology. This cohesive approach enables us to ensure continuity of care, safeguard patient trust, and uphold our responsibility to deliver excellence in healthcare.

The Nawaloka Risk Management Framework

Our risk management framework integrates a structured and comprehensive approach to identifying, assessing, mitigating, and controlling risks that may arise from both routine operations and unforeseen developments, beyond our control. As such, we effectively address risks across the organisation in a consistent manner, underpinned by robust oversight and clear accountability.

In addition, the framework is aligned with internationally recognised standards. Further, it integrates the regulatory expectations of the Sri Lanka Medical Council (SLMC), the Private Health Services Regulatory Council (PHSRC), and the Central Environmental Authority (CEA). Through this holistic approach, the Nawaloka Risk Management Framework reinforces our commitment to patient safety, operational resilience, and institutional integrity.

Risk Governance at Nawaloka

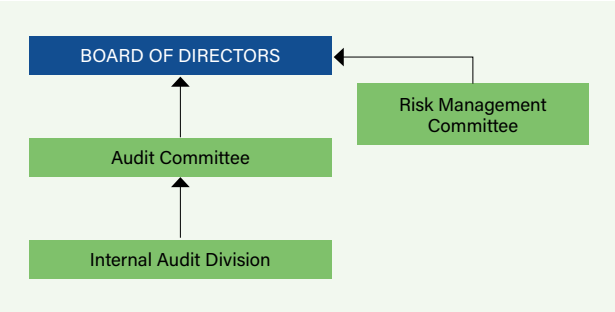
We recognise that robust risk governance is essential to embedding cohesive and adaptive risk management practices across our operations. Accountability for the effectiveness and adequacy of the Group's risk management framework rests with the Board of Directors, underscoring our commitment to

governance at the highest level. The Audit Committee and the Risk Management Committee assist the Board of Directors to provide structured oversight, independent review, and strategic guidance to ensure that risk management remains both rigorous and responsive to the evolving healthcare landscape.

The Audit Committee carries retains oversight and responsibility for matters relating to risk and internal controls, while the Risk Management Committee is entrusted with ensuring the effective execution of risk management processes across the organisation. The Risk Management Committee meets on a monthly basis to present regular reports to the Board, outlining the key risks identified, evaluated, and addressed.

This structured top-down approach to governance has enabled Nawaloka to embed risk considerations into every aspect of our operations. Over the years, it has fostered a culture of heightened risk awareness, accountability, and control across the organisation, reinforcing both operational resilience and institutional integrity.

Risk Governance



Risk Management Committee

Our Risk Management Committee consists of members from the Board of Directors and other working officers to ensure that all risks applicable to a healthcare operator are considered on a timely basis.

Collectively, the Risk Management Committee is responsible for:

- Ensuring the comprehensive risk management framework.
- Putting in place risk measurement, monitoring, and management processes.
- Compliance with regulatory and internal prudential requirements.

Name	Areas of oversight
Vidya Jyothi Professor Lal Chandrasena Chairman (DGM/ED)	Comprehensive Risk Management Framework
Mr A Dharmadasa – ED	
Ms A G Dharmadasa – ED	Risk measurement, monitoring, and management
Mr Theja Vimuktha De Silva – CFO	
Dr Tissa Perera – Medical Superintendent requirements	Compliance with regulatory and Internal prudential
Ms U W Padmini – Chief Nursing Officer	
Mr Kanishka Warusavitarana – Senior Manager Operations	

Risk Management

Risk Assurance

To ensure risk assurance, Nawaloka Hospitals takes a Three Lines of Defence Approach. This approach ensures accountability while distinguishing responsibility between owning and managing risks, overseeing risks, and providing independent assurance.

With this Three Lines of Defence Approach, embedding risk management processes into our day-to-day operations becomes more streamlined and ensures that the Group is better equipped to identify events impacting our risk appetite and improve risk control measures to support strategic imperatives.

1 st Line of Defence	2 nd Line of Defence	3 rd Line of Defence
Business line management	DGM/ED + Risk Management Committee	Internal and external audit
Primary risk ownership and control	Oversight	Independent assurance
Responsible for day-to-day risk management	Regular risk reporting to the Board of Directors	Assurance and oversight by the internal audit function
New and potential risks escalated to Board through Risk Management Committee	Ongoing monitoring and review of emerging and potential risks by Risk Management Committee and Board of Directors	Assurance on the financial statements by external audit

Risk Management

Risk Factor/Description	Potential Impact	Mitigating Actions
● Competition Increased competition from new entrants with reputed brand names and capacity expansions by existing players.	● Decreased market share resulting in pressure on revenue and profitability margins. ● Difficulties in building brand loyalty.	● Investing in customer value propositions to enhance patient healthcare experience including retaining reputed consultants and skilled nurses, investing in technology and specialty services, service delivery, and affordable pricing. ● Marketing and developing brand based on customer value proposition. ● Identifying growth areas relating to both services and location. ● Promotion of customer loyalty programme. ● Rewarding for frequent patronage.
● Financial and liquidity risk Nawaloka Hospitals PLC has increased exposure to high levels of gearing following increased debt from funding of capital expenditure on the Specialty Centre and refurbishment projects. This has been exacerbated by cash flow constraints from impacts of the economic and political crisis.	● Possible constraints in meeting liability obligations.	● Restructure of long-term debt to support cash flows. ● Organisation-wide cost reduction initiatives to improve margins and cash flows. ● Strategy in place to improve business volumes, operational efficiencies, and margins.
● Shortage of skilled healthcare professionals ● Attracting and retaining consultants of high repute. ● Shortage of technically skilled staff such as nurses, laboratory technicians and pharmacists in the country could negatively affect the quality of care provided by the Hospital Group.	● Affects the ability to deliver quality patient care and services, impacting growth prospects, and ultimately, the sustainability of operations.	● Proactively identifying the next generation of consultants and attracting them prior to competitors. ● Ensuring consultant satisfaction through a superior value proposition including provision of facilities, technology, and staff quality. ● Maintaining competitive remuneration packages for skilled staff.
● Clinical and Patient Safety Risk ● Failure to deliver safe, high-quality care to our patients. Associated risks include reputation risk and legal risk.	● Customer dissatisfaction could lead to loss of reputation and loss of market share impacting revenue and profits.	● Commitment to maintaining global standards of quality and safety of healthcare services through international accreditations. ● Regular maintenance and upgrade of equipment. ● Regular training and upskilling of employees.

Risk Management

Risk Factor/Description	Potential Impact	Mitigating Actions
● Technological obsolescence	● Inability to acquire the latest technology and maintain high technological standards as well as technological obsolescence. ● Loss of competitive edge and market share impacting revenue and profits.	● Ongoing investments in the latest technology for specific areas. ● Keeping abreast of current developments in medical technology and evaluating the possibilities of adopting same.
● IT and Cyber Risk ● Following the drive towards electronic health records and digitalisation. ● Possibility of cybersecurity breaches and threat to compromising confidential patient information. ● Possibility of system failures and breakdowns and negative impact on operations.	● Impact of customer privacy in the event of a potential loss event. ● Potential loss of information assets and the hospital loss in reputation.	● Well-defined cybersecurity incident response process. ● Training employees and creating staff awareness on the importance of maintaining information security and handling of sensitive information. ● Comprehensive IT and information systems security policy. Implementation and regular testing and verification of network protection technology.
● Reputation Risk ● In the healthcare industry, trust and reputation are key factors distinguishing players within the same industry. Incidents including adverse events while performing clinical procedures, cyberattacks and breach in security and customer confidentiality could negatively affect Nawaloka Hospitals PLC's reputation and its relationships with its key stakeholders.	● Loss in market position and share. ● Impact on profitability margins.	● Standard operating protocols. ● Quality audits. ● Accreditation and awards provide assurance to stakeholders regarding the quality of our offering. ● Procedures to ensure responsible marketing communications. ● Nurturing and maintaining strong relationships with key stakeholders and ensuring needs are satisfied.

Net Risk Assessment ● High ● Moderate ● Low

Corporate Governance

Our Approach to Corporate Governance

Listed on the Colombo Stock Exchange with a public holding of 34.22%, Nawaloka Hospitals continues to preserve its identity as a family-owned enterprise. Recognising that robust governance is fundamental to long-term sustainability, the Board has instituted a comprehensive governance framework that safeguards the interests of both the Nawaloka Group and its wider stakeholder base. This framework enhances accountability at Board and management levels, while reinforcing our commitment to ethical stewardship and responsible practice.

Navigating the Report

This report has been structured under the following governance principles:

1. Framework and Structure
2. An Effective Board
3. Responsible and Fair Remuneration
4. Board Accountability
5. Relationship with Shareholders

Details of Compliance with respective statutes and codes as described in the Compliance Summary at pages 79 to 83 are tabled at the end of the report.

The Board retains ultimate responsibility for the performance of the Group and remains accountable to the shareholders who entrust its leadership. In fulfilling these obligations, the Board has established seven Subcommittees, each mandated to provide focused oversight in areas requiring greater attention. The defined terms of reference for these Committees set out their respective roles and responsibilities, thereby ensuring clarity, accountability, and effective governance across the Group.

The Management Committee (MC), chaired by the Chairman and comprising the Deputy Chairman, Director/General Manager, Executive Directors and department heads, is entrusted with formulating strategy and ensuring its execution within the policy framework defined by the Board. Meeting on a weekly basis, the MC is further supported by executive committees tasked with the operational management of the Group. Regular reporting on material matters facilitates effective oversight by both the Board and the MC, reinforcing alignment, accountability and continuity in governance.

Governance Steering Instruments

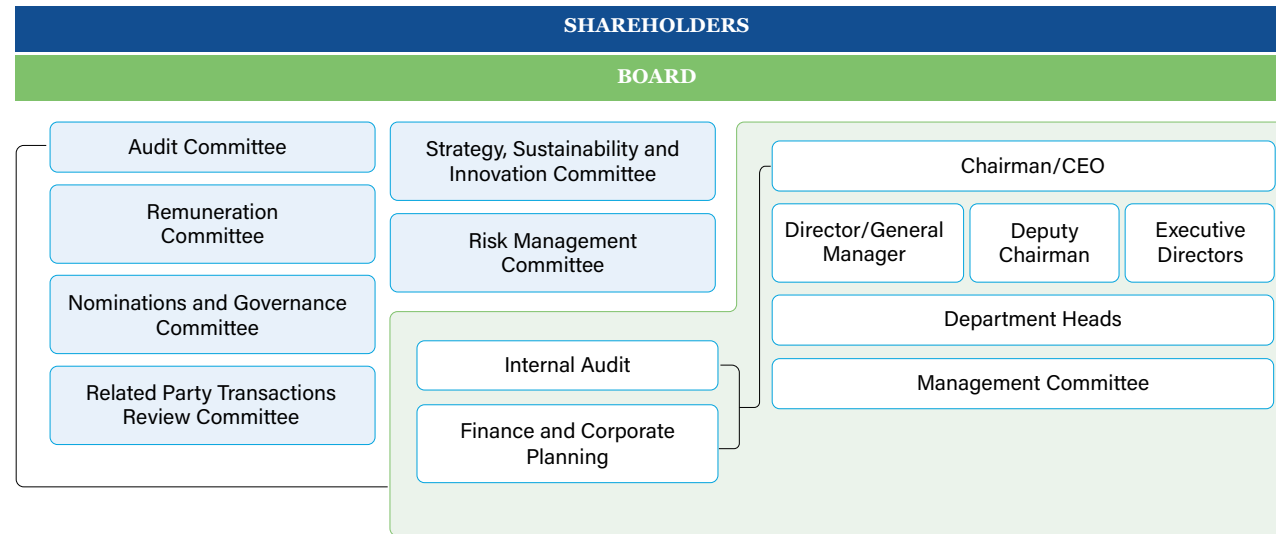
EXTERNAL	INTERNAL
• Companies Act No. 07 of 2007	– Articles of Association
• Private Medical Institutions Act No. 21 of 2006	– Board and Subcommittees Charters
• Section 9 of the Listing Rules of the Colombo Stock Exchange	– Policy framework
• "Corporate Governance" Continued listing requirements of the Colombo Stock Exchange	– Risk Management Framework
• Integrated Reporting Framework issued by the International Integrating Reporting Council (IIRC)	
• GRI Standards for Sustainability reporting issued by the Global Reporting Initiative	

Framework and Structure

The Board is responsible for ensuring that the Company advances its strategic objectives in line with sound principles of corporate governance, thereby safeguarding its reputation, values, and assets while balancing the interests of all stakeholders. The Board exercises oversight through a comprehensive governance framework encompassing organisational structures, reporting lines, internal controls, compliance, and risk management processes. A set of internal and external steering instruments that guide accountability, integrity, and sustainable practice reinforce this framework.

Corporate Governance

Organisation Structure



An Effective Board Board Composition

As at 31 March 2025, the Board comprised 15 members, with detailed profiles presented on pages 17 to 22 onwards. Of these, 11 serve as Non-Executive Directors, including five who are considered independent, bringing with them extensive professional expertise across diverse fields. The appointment of Mr Virann De Zoysa as Senior Independent Director has further reinforced the independence of the Board. This composition ensures a balanced distribution of power, mitigating the risk of undue influence by any single member or group in the decision-making process.

While three Executive Directors; Dr H K Jayantha Dharmadasa (Chairman/CEO), Mr Anisha Dharmadasa (Deputy Chairman) and Ms Givanthi Dharmadasa are related, they remain steadfast in acting in the best interests of the Group with commitment and focus. The Board's diversity in experience, age, and expertise contributes to well-rounded deliberations, fostering independent judgment and enriching governance through varied perspectives.

Directors' Independence

Directors actively exercise independent judgment, fostering constructive Board deliberations and ensuring objective evaluation of the Group's performance.

Definition

The Company determines the Directors' independence based on the criteria outlined in the Listing Rules of the Colombo Stock Exchange.

Assessment

Independent assessment of Directors is conducted annually by the Board, based on annual declarations and other information submitted by all Directors.

Outcome

The Board confirms that no relationships or circumstances arose during the period under review that could affect, or be perceived to affect, the independence of its Independent Directors. The Directors bring strong financial acumen and broad experience from leading large enterprises, while two members of the Board are qualified finance professionals.

Appointment, Re-Election and Resignation

Shareholders appoint Directors at the Annual General Meeting (AGM) through a formal process, based on recommendations made by the Board of Directors pursuant to the advice of the Nominations and Governance Committee. The Board formulates its recommendations after collectively assessing the combined skills, knowledge, experience, and diversity of the Board, as well as identifying any gaps.

In line with the Articles of Association, one-third of the Non-Executive Directors retire at each AGM. Subject to the recommendation of the Nominations and Governance Committee and the endorsement of the Board, these Directors become eligible for re-election by the shareholders. Accordingly, shareholders re-elect Directors at the AGM upon the joint recommendation of the Committee and the Board.

Corporate Governance

Appointments, Resignations, Retirements and Re-Election

- I. Mr D Sunil AbeyRatna resigned on 31 December 2024.
- II. Mr Virann De Zoysa was appointed as a director of the Company on 15 October 2024.
- III. Dr Chamara Bandara was appointed as a director of the Company on 13 November 2024.
- IV. Dr Samantha Ratnayake, Professor Prasad Jayaweera and Mr Chamira Wijetilleke were appointed as directors of the Company on 31 December 2024.
- V. Mr Victor Ramanan will retire by rotation in terms of Article 74 at the forthcoming Annual General Meeting and has offered himself for re-election with the consent of the Board.
- VI. Dr Jayantha Dharmadasa, Vidya Jyothi Professor Lal Chandrasena, Deshabandu Tilak De Zoysa, Mr Tissa K Bandaranayake and Dr Maithri Gunasekara who have exceeded the age of 70 years and being eligible for re-election in terms of Section 211 of the Companies Act No. 07 of 2007, have also offered themselves to be reappointed as Directors of the Company.

A director appointed by the Board to fill a casual vacancy that has arisen since the previous Annual General Meeting, shall offer himself for election at the next Annual General Meeting. Accordingly, Dr Chamara Bandara, Dr Samantha Ratnayake, Professor Manjula Jayaweera and Mr Chamira Wijetilleke have offered themselves for election. Appointments are communicated to the Colombo Stock Exchange and shareholders through announcements made to the CSE website and press releases and include a brief résumé of the Director.

Resignations or removal, if any, of Directors and the reasons therefore are informed promptly to the Colombo Stock Exchange together with a statement confirming whether there are any matters that need to be brought to the attention of shareholders.

Disclosures as required by Rule 9.11.6 (g) of the Listing Rules are given below;

Name of Director and nature of re-appointment	Dates of First appointment and last re-appointment	Board Committees served on
Mr Victor Ramanan Retires by rotation in terms of Art. 74 and 75	First Appointment – 24 March 2016 Last Re-appointment – 30 September 2021	None
Dr Jayantha Dharmadasa Re-appointment in terms of Sec. 211 of the Companies Act.	First Appointment – 07 January 1982 Last Re-appointment – 30 October 2024	None
Vidya Jyothi Professor Lal Chandrasena Re-appointment in terms of Sec. 211 of the Companies Act.	First Appointment – 16 October 2003 Last Re-appointment – 30 October 2024	Related Party Transactions Review Committee
Deshabandu Tilak De Zoysa Re-appointment in terms of Sec. 211 of the Companies Act.	First Appointment – 16 October 2003 Last Re-appointment – 30 October 2024	• Audit Committee • Related Party Transactions Review Committee
Mr Tissa K Bandaranayake Re-appointment in terms of Sec. 211 of the Companies Act.	First Appointment – 27 May 2009 Last Re-appointment – 30 October 2024	• Audit Committee • Related Party Transactions Review Committee
Dr Maithri Gunasekara Re-appointment in terms of Sec. 211 of the Companies Act.	First Appointment – 25 May 2022 Last Re-appointment – 30 October 2024	Nominations and Governance Committee
Dr Chamara Bandara Re-election in terms of Art. 81	First Appointment – 13 November 2024 Last Re-appointment – Nil	Audit Committee
Mr Chamira Wijetilleke Re-election in terms of Art. 81	First Appointment – 31 December 2024 Last Re-appointment – Nil	• Audit Committee • Related Party Transactions Review Committee
Dr Samantha Ratnayake Re-election in terms of Art. 81	First Appointment – 31 December 2024 Last Re-appointment – Nil	• Nominations and Governance Committee • Remuneration Committee
Professor Prasad Jayaweera Re-election in terms of Art. 81	First Appointment – 31 December 2024 Last Re-appointment – Nil	Nominations and Governance Committee

Corporate Governance

Board Responsibilities

The Board provides ethical and effective leadership to the organisation and bears ultimate responsibility for the economic, social and environmental performance of the Group. The Board determines overall strategy and oversees implementation of the same. Key responsibilities are summarised alongside.

The Directors and Key Management Personnel are indemnified by the Company in respect of liabilities incurred as a result of their office, in terms of Section 218 of the Companies Act.

The Board seeks independent professional advice from external parties when necessary, in the discharge of their duties.

2.5 Chairman/Chief Executive Officer and Senior Independent Director (SID):

The functions of the Chairman and the Chief Executive are vested in one person, namely Dr Jayantha Dharmadasa, as the Board is of the opinion that it is the most appropriate arrangement for the Group, considering,

- I. His exposure and immense experience in the operations of the Group which makes him the ideal CEO.
- II. The superior skills he possesses in mediating and communication between the Board and the Shareholders. He also acts as the main pivot of communication between the Board and the Management.

The Board provides ethical and effective leadership to the organisation and assumes ultimate responsibility for the Group's economic, social, and environmental performance. It defines the overall strategy and oversees its implementation, with key responsibilities outlined alongside.

In accordance with Section 218 of the Companies Act, the Company indemnifies Directors and Key Management Personnel against liabilities arising from the discharge of their duties. The Board also seeks independent professional advice from external experts when necessary to support the effective execution of its responsibilities.

Key Roles and Responsibilities

Chairman/Chief Executive Officer	Senior Independent Director
- Leads the Board, observing good corporate governance and ensuring that the Board acts in the best interests of the Group. - Develops Group Strategy and ensures its implementation.	Supports executive leadership whilst monitoring their conduct.
- Builds and maintains stakeholder trust and confidence. - Establishes a Group organisational structure, appropriate for execution of strategy.	Promotes high standards of corporate governance and compliance
- Ascertains views of all Directors on issues under consideration. - Monitors and reports performance of the Group and its compliance with applicable laws.	Be available to shareholders for discussion of matters of their concern.
- Ensures a balance of power is maintained between Executive and Non-Executive Directors (NED). - Ensures proper succession planning of the corporate management team - Ensures the Group operates within the approved risk appetite.	Be available to Directors for advice and material discussion.

Key Board Responsibilities

- | | |
|---|--|
| <ul style="list-style-type: none"> Ensuring formulation and implementation of business strategy; Meeting shareholders, employees and other stakeholders' obligations, balancing their interests in a fair manner; Establishing systems of risk management, internal control and compliance; Ensuring optimal resource allocation for sustainable value creation; Safeguarding assets, ensuring legitimate use; | <ul style="list-style-type: none"> Presenting a balanced and understandable assessment of the Group's position and prospects; Ensuring compliance with all laws, regulations and ethical requirements; and Ensuring succession planning and the continued ability of the Group to operate without any disruption. |
|---|--|

Corporate Governance

Board Committees

The Board has appointed Sub-Committees to assist in the discharge of its duties and in pursuance of the Listing Rules of the Colombo Stock Exchange. Areas of overview and the composition of these committees are given below.

Board Committee	Areas of Overview	Composition	Further Information
Audit Committee	- Financial Reporting - Internal Controls - Internal Audit - External Audit	Dr Chamara Bandara – Chairman (INED) Mr Chamira Wijetilleke – Member (INED) Mr Virann De Zoysa – Member (SID) Deshabandu Tilak De Zoysa – Member (NED) Mr Tissa Bandaranayake – Member (NED)	Report of the Audit Committee at pages 90 to 91
Nominations and Governance Committee	- Appointment of Key Management Personnel/Directors - Succession Planning - Effectiveness of the Board and its Committees	Dr Samantha Ratnayake –Chairman (INED) Professor Prasad Jayaweera – Member (INED) Dr Maithri (Maiya) Gunasekera – Member (NED)	Report of the Nominations Committee at pages 93 to 94
Remuneration Committee	- Remuneration policy for Key Management Personnel - Goals and targets for Key Management Personnel - Performance evaluation	Mr Virann De Zoysa – Chairman (SID) Dr Samantha Ratnayake – Chairman (INED) Dr MTD Lakshan – Member (NED)	Report of the Remuneration Committee at page 89
Related Party Transactions Review Committee	Review of related party transactions	Mr Virann De Zoysa – Chairman (SID) Mr Chamira Wijetilleke – Member (INED) Mr Tissa Bandaranayake – Member (NED) Deshabandu Tilak De Zoysa – Member (NED) Vidya Jyothi Professor Lal Chandrasena – Member (ED)	Report of the Related Party Transactions Review Committee at page 92
Risk Management Committee (Voluntary Committee)	- Development of contingency plans - Training and professional development - Information technology and cyber risks - Risk mitigation, including insurance where this is cost-effective	Vidya Jyothi Professor Lal Chandrasena – Chairman (DGM/ED) Mr Anisha Dharmadasa – Member (ED) Ms Givanthi Dharmadasa – Member (ED)	
Strategy, Sustainability and Innovation Committee (Voluntary Committee)	The Strategy, Sustainability and Innovation Committee assists the Board with its responsibilities for the organisation's mission, Vision and strategic direction. Also, the Committee assists the Board to meet its overall Responsibilities in relation to the Company's sustainability policies and practices.	Dr H K Jayantha Dharmadasa – Chairman/CEO Vidya Jyothi Professor Lal Chandrasena – Member (DGM/ED) Mr Anisha Dharmadasa – Member (ED)	

Corporate Governance

Meetings and Minutes

Agenda and Board papers are sent in advance of the Board meetings, giving members sufficient time to review the same. The Company Secretaries prepare the Board Agenda in consultation with the Chairman. Care is taken to ensure that the Board spends sufficient time considering matters critical to the Group's success, as well as compliance and administrative matters.

Board meetings are held on a monthly basis with flexibility to arrange additional meetings when required. The Board met Ten times during the year. Minutes are circulated to Directors and formally approved at the subsequent Board meeting(s). Directors' concerns regarding matters which are not resolved unanimously, are recorded in the minutes.

Attendance at Meetings

Director	Status	Board	Audit	Related Party Transactions Review	Nomination and Governance	Remuneration
Dr Jayantha Dharmadasa	EXE D	10/10	N/A	N/A	N/A	N/A
Mr Anisha Dharmadasa	EXE D	09/10	N/A	N/A	N/A	N/A
Mr Virann de Zoysa (From 15 October 2024)	SID	02/04	1/2	1/1	N/A	1/1
Vidya Jyothi Professor Lal Chandrasena	EXE D	10/10	N/A	3/4	N/A	N/A
Deshabandu Tilak de Zoysa	NED	10/10	7/8	3/4	N/A	N/A
Mr Tissa Bandaranayake	NED	09/10	8/8	4/4	N/A	N/A
Ms Givanthi Dharmadasa	EXE D	10/10	N/A	N/A	N/A	N/A
Mr Victor Ramanan	NED	07/10	N/A	N/A	N/A	N/A
Dr Maithri Gunasekera	NED	08/10	N/A	N/A	1/1	N/A
Dr Mohan Rajakaruna	NED	09/10	N/A	N/A	N/A	N/A
Dr MTD Lakshan	NED	08/10	N/A	N/A	N/A	1/1
Dr Chamara Bandara (From 13 November 2024)	INED	03/04	01/02	N/A	N/A	N/A
Mr Chamira Wijetilleke (From 31 Decmber 2024)	INED	03/03	02/02	1/1	N/A	N/A
Dr Samantha Ratnayake (From 31 Decmber 2024)	INED	03/03	N/A	N/A	1/1	1/1
Professor Prasad Jayaweera (From 31 Decmber 2024)	INED	02/03	N/A	N/A	1/1	N/A
Mr Sunil AbeyRatna (Until 31 Decmber 2024)	NED	07/07	6/6	3/3	N/A	N/A

EXED – Executive Director

NED – Non-Executive Director

INED – Independent NED

SID – Senior Independent Director

Other Business Commitments/Directors Interests/Conflicts of Interest

All Directors allocate sufficient time from their schedule to enable them to discharge their duties and responsibilities. Directors declare their business interests at the time of their appointment and annually thereafter.

Details are maintained in a Register by the Company Secretaries and are available for inspection in terms of the Companies Act. Directors excuse themselves from meeting(s) when the Board considers any matters in which a conflict may arise, thereby abstaining from participation and voting.

Related Party Transactions

The Related Party Transactions Review Committee considers all transactions that require approval in compliance with regulations. Related party transactions are disclosed in Note 38 to the financial statements at page 162 to 164.

Company Secretaries

Secretarial services to the Board are provided by C G Corporate Consultants (Private) Limited. The Company Secretaries guide the Board on discharging their duties and responsibilities and keep members abreast of relevant changes in legislation and compliance with the continuing Listing Rules of the Colombo Stock Exchange. All Directors have access to the advice and services of the Company Secretaries, as necessary.

Induction and Training for Directors

Upon appointment, Directors are provided with an orientation pack with all relevant external and internal regulatory documents and a tour of the hospital premises.

Corporate Governance

The Board of Directors recognise the need for continuous training and expansion of knowledge and skills required to effectively perform their duties. They also undertake training and professional development in their personal capacity as they consider necessary.

Board Access to Information and Resources

Directors have unrestricted access to management and information of the organisation to clarify matters in the effective discharge of their duties and responsibilities. Regular presentations by the Executive Management on matters including progress in implementation of the strategic goals, financial, social and environmental performance, compliance, risk management, changes and challenges presented by the operating environment, to ensure that the Board is apprised of developments impacting the Group.

Access to independent professional advice is coordinated through the Company Secretaries and is available to Directors at Group's expense.

Executive Committees

These committees meet monthly and are responsible for delivering strategic goals. These cross functional teams are managed through delegation and reporting obligations and are key to enhancing employee engagement and empowerment.

Board Appraisal

The Board's performance is assessed annually against pre-set targets relating to self-evaluation of individual performance and collective performance of the Board as a whole through the Nominations and Governance Committee.

Policies

In accordance with Rule 9.2.1 of the Colombo Stock Exchange, the Company established and maintains the following policies and published on the Company website;

- (1) Policy on matters relating to the Board of Directors
- (2) Policy on Board Committees
- (3) Policy on Corporate Governance, Nominations and Re-election
- (4) Policy on Remuneration
- (5) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities
- (6) Policy on Risk Management and Internal Controls
- (7) Policy on Relations with Shareholders and Investors
- (8) Policy on Environmental, Social and Governance Sustainability
- (9) Policy on Control and Management of Company Assets and Shareholder Investments
- (10) Policy on Corporate Disclosures
- (11) Policy on Whistleblowing
- (12) Policy on Anti-Bribery and Corruption

Responsible and Fair Remuneration Remuneration Policy

The Nawaloka Group Remuneration Policy seeks to motivate and reward performance while meeting regulatory requirements, market expectations and corporate values. The Remuneration Committee (RC) consisting of three Independent Non Executive Directors is responsible for making recommendations to the Board regarding the remuneration of the Executive Directors within agreed terms of reference and in accordance with the remuneration policies of the Company.

The Board as a whole determines the remuneration of the NED's who receive a fee for being a Director of the Board. Services of HR professionals are sought when required by the Board and Remuneration Committee in discharging their responsibilities.

Remuneration of Executive Directors comprises two components, fixed remuneration and variable remuneration comprising an annual performance bonus. No special early termination clauses are included in the contract of employment of Executive Directors that would entitle them to extra compensation. However, such compensation, if any, would be determined by the Board of Directors.

Level and Make Up of Remuneration

The Remuneration packages of Executive Directors are designed to attract eminent professionals as Directors with the requisite skills and experience. Remuneration is structured taking into consideration performance and risk factors entailed in the job and aligned to corporate and individual performance.

Remuneration of Executive Directors comprises two components, fixed remuneration and variable remuneration comprising an annual performance bonus. No special early termination clauses are included in the contract of employment of Executive Directors that would entitle them to extra compensation. However, such compensation, if any, would be determined by the Board of Directors.

Please refer page 162 – Notes to Financial Statements for the total Directors' Remuneration.

Corporate Governance

Board Accountability

Compliance

Directors remain conscious of their duty to comply with laws, regulations, regulatory guidelines, internal controls, and approved policies. The Group complies with all applicable legal and statutory requirements.

Risk Management and Internal control

The Board is responsible for formulating and implementing effective risk management and internal control systems to safeguard shareholder interests and the assets of the Company. These systems cover all controls, including financial, operational and compliance and are monitored and regularly reviewed for effectiveness by the Board. The Internal Audit Department supports the Audit Committee, reviewing the adequacy and effectiveness of the internal control systems and reporting to the Audit Committee on a regular basis.

Role of Risk Committee

The purpose of the Risk Management Committee of Nawaloka Hospital is to assist the Board of Directors in the effective discharge of its primary responsibilities of identifying principal risks and implementing appropriate systems and risk assessments processes to manage such risks.

Accountability and Audit

The Company makes every effort to present the Annual Report, Quarterly Financial Statements, and other price-sensitive public reports with a balanced and transparent assessment of the Group's financial position, performance, and prospects, while ensuring compliance with applicable legal and regulatory requirements as well as voluntary codes and frameworks it has adopted. This Annual Report discusses the Group's position and prospects in detail in the sections that follow.

- Chairman's Message – pages 11 to 12
- Director/General Manager's Review – pages 15 to 16
- Managing Risk – at pages 66 to 69

The following reports provide further information:

- The Directors' Report on pages 84 to 88 (including the declaration that the Company is a going concern)
- The Statement of Directors' Responsibilities on page 95
- Report of the Auditors on page 100 to 103

External Auditor

The Audit Committee (AC) recommends to the Board the appointment, re-appointment, or removal of the External Auditor in line with professional and ethical standards, as well as legislative and regulatory requirements. It monitors and reviews the External Auditor's independence, objectivity, and the effectiveness of the audit process, taking into account all relevant professional, legislative, and regulatory standards.

When assigning non-audit services, the AC ensures that the External Auditor possesses the required skills and experience, and it safeguards the Auditor's independence and objectivity in discharging his duties and responsibilities.

On the recommendation of the Board, the shareholders approved the reappointment of Messrs. KPMG (Chartered Accountants) as the External Auditors for 2024/2025 at the last AGM. In compliance with Section 163(3) of the Companies Act No. 07 of 2007, the External Auditors submit a statement annually confirming their independence in relation to the external audit.

Major or Material Transactions

During the year, there were no major transactions as defined in Section 185 of the Companies Act No. 07 of 2007 which materially affected the net asset base of the Company.

Code of Conduct and Ethics

The Group is committed to conducting its business operations with honesty, integrity and with respect to the rights and interests of all stakeholders. The Group's Code of Conduct and Ethics articulates the standards of conduct expected of employees. Key topics covered are given alongside. The Board is not aware of any material violations of any of the provisions of the Code of Conduct by any Director or employee of the Group.

- Integrity
- Objectivity
- Professional competence and due care
- Confidentiality
- Fair dealing
- Encourage the reporting of any illegal or unethical behaviour
- Conflict of Interest
- Bribery and corruption
- Entertainment and gifts
- Integrity of financial statements
- Corporate opportunities
- Protection and proper use of the Company assets
- Compliance with rules and regulations

Corporate Governance

Clinical Governance

The Group is committed to the continuous improvement in the quality of services and safe-guarding high standards of patient care. As such, the Group invests in technology and training, automation and streamlining processes to comply with the International Patient Safety Goals, as detailed in pages 37 to 43. The Quality Improvement and Patient Safety Committee monitors performance and ensures compliance with the Goals.

Quality Improvement and Patient Safety Committee

Nawaloka pursues an ongoing process of enhancing customer service quality. The Quality Improvement and Patient Safety Committee, which functions as a subcommittee reporting to the Director/General Manager, reviews quality-related data on a regular basis. The numerous accolades received for excellence in quality stand as a strong testament to this unwavering commitment:

- The first Hospital in Sri Lanka to be awarded the ISO 9001: 2008 Sri Lanka Quality Award and the National Business Excellence Award
- ISO 9001: 2015 Certification (Awarded 2016)
- National Productivity Award for 2015
- National Business Excellence Gold Award in Healthcare Sector for 2018
- The Nawaloka laboratory is accredited and certified for PHSR certificate for 2019
- JCI Standards in 2019

Digital Governance

Smart technology has transformed the healthcare industry in recent years. Nawaloka Hospitals has invested in advanced systems to enhance customer experience, improve operational efficiency, and reduce costs. In response, the Board has made IT governance a key strategic priority.

Relations with Shareholders

The Board remains conscious of its responsibilities towards stakeholders and is committed to fair disclosure, with emphasis on integrity, timeliness and relevance of the information provided.

Communication with Shareholders

The Company engages shareholders through multiple communication channels, including the Annual General Meeting (AGM), the Annual Report, interim financial statements, a dedicated investor relations page on the corporate website, and announcements of key events on the CSE website.

Shareholders may also raise questions, provide comments, and make suggestions to the Board through the Company Secretaries and Registrars, whose contact details appear on inner back cover of this report and on the Investor Relations page of the website. The Company refers all significant shareholder issues and concerns to the Board of Directors, together with the views of Management.

Constructive use of Annual General Meeting (AGM)

The Annual General Meeting (AGM) serves as the primary forum for the Board to engage with shareholders, demonstrate accountability, and hear shareholder views. The Company circulates the Notice of Meeting, the Annual Report, Audited

Accounts, and any proposed resolutions with the relevant information at least 21 days in advance, enabling shareholders to review and prepare. Shareholders are encouraged to participate, exercise their voting rights, and voice their perspectives. Each item of business is presented as a separate resolution, and the Company provides voting procedures in advance while maintaining an effective mechanism to record and count all proxy votes.

At the AGM, the Board presents an update on the Group's performance, and shareholders have the opportunity to ask questions and vote on resolutions. The Chairman, members of the Board; including Committee Chairmen when requested, and the External Auditors attend the meeting and remain available to respond to queries. The Company records all shareholder concerns in the minutes and addresses them systematically. The Board reviews these minutes to ensure that shareholder issues are resolved in a timely and transparent manner.

Corporate Governance

The company has taken into account the corporate governance rules applicable to listed entities, which are enumerated in Section 9 of the Listing Rules of the Colombo Stock Exchange (CSE).

Section 9 of the Listing Rules of the Colombo Stock Exchange – "Corporate Governance" sets out the Corporate Governance requirements of listed companies.

The Directors hereby confirm that the Company complied with the said section of the Listing Rules as at 31 March 2025.

Corporate Governance

Company's adherence to the Corporate Governance Rules as required by Section 9 of the Listing Rules of the CSE:

CSE Rule		Status of Compliance	Details/Reference
9.1	Applicability of Corporate Governance Rules		
9.1.3	A statement confirming compliance with Corporate Governance Rules	Compliant	Corporate Governance Report
9.2	Policies		
9.2.1/ 9.2.2/ 9.2.3/ 9.2.4	Requirement pertaining to establishment and disclosure of policies set out in the listing rules.	Compliant	Corporate Governance Report
9.3	Board Committees		
9.3.1	Ensuring that the following Board committees are established and are functioning effectively. (a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee	Compliant	Corporate Governance Report
9.3.2	Comply with the composition, responsibilities and disclosures required in respect of the above Board committees as set out in CSE Rules.	Compliant	–
9.3.3	The Chairperson of the Board of Directors shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above.	Compliant	–
9.4	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders		
9.4.1	Maintain records of all resolutions and specified information pertaining to the resolutions considered at any General Meetings.	Compliant	The Company Secretaries maintain records of all resolutions and requisite information.
9.4.2 a)/b)/ c)/d)	Communication and relations with shareholders and investors	Compliant	The Company has established and maintains a policy on Shareholder Communication and Relations
9.5	Policy on matters relating to the Board of Directors		
9.5.1	Establish and maintain a formal policy governing matters relating to the Board of Directors	Compliant	–
9.5.2	Confirm compliance with the requirements of the policy referred to in Rule 9.5.1 in the Annual Report	Compliant	–
9.6	Chairperson and CEO		
9.6.1	The Chairperson shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity.	Compliant	SID has been appointed.

Corporate Governance

	CSE Rule	Status of Compliance	Details/Reference
9.6.2	Where the Chairperson of a Listed Entity is an Executive Director and/or the positions of the Chairperson and CEO are held by the same individual, such Entity shall make a Market Announcement	Compliant	–
9.6.3 a)/b)/c)/d)	Requirement pertaining to Senior Independent Director (SID)	Compliant	Mr Virann de Zoysa was appointed as SID
9.6.3 e)	A signed explanatory disclosure by SID demonstrating the effectiveness of duties of the SID.	Compliant	A report from SID is included.
9.6.4	Explanation for non-compliance with Rule 9.6.1 in the Annual Report.	N/A	
9.7	Fitness of Directors and CEOs		
9.7.1/ 9.7.2/ 9.7.3/ 9.7.4/ 9.7.5	Requirement to meet the fit and proper criteria stipulated by the CSE Listing Rules and disclosure in Annual Report	Compliant	Annual Report of the Board of Directors pages 84 to 88
9.8	Board Composition		
9.8.1 9.8.2	Requirement pertaining minimum number of Directors and Independent Directors	Compliant	The Board comprises 15 Directors of whom 5 are independent.
9.8.3	Conformity to the criteria set by CSE on determining the independence of the Directors	Compliant	–
9.8.5 a)/b)/c)	Requirement pertaining to self-declarations annual determination of independence and market announcement in the event of the impairment of the independence.	Complaint	–
9.9	Alternate Directors		
9.9 a)/b)/c)/d)/e)	Non executive directors shall be appointed as alternate directors in exceptional circumstances and for a maximum period of one (1) year from the date of appointment	N/A	
9.10	Disclosures relating to Directors		
9.10.1 9.10.2 9.10.3	Requirement pertaining to the disclosure of the Directors	Compliant	–
9.10.4	Disclosure of details pertaining to Directors in the Annual Report	Compliant	Directors' Profile page number 17 to 22
9.11	Nominations and Governance Committee		
9.11.1/ 9.11.2/ 9.11.3	Existence of Nominations and Governance Committee, formal procedure for appointment and re-election of new Directors and written terms of reference of Nomination Committee	Compliant	Nominations and Governance Committee Report on pages 93 to 94
9.11.4	Composition of Nomination and Governance Committee members and appointment of its chairperson	Compliant	
9.11.5	The Committee functions are in accordance with the set criteria as per the CSE Listing Rules	Compliant	
9.11.6	Annual Report contains a report of the Nominations and Governance Committee signed by its Chairperson.	Compliant	Nominations and Governance Committee Report on pages 93 to 94

Corporate Governance

CSE Rule		Status of Compliance	Details/Reference
9.12	Remuneration Committee		
9.12.2	A Remuneration Committee shall be established that conforms to the requirements	Compliant	Remuneration Committee Report on page 89
9.12.3/9.12.4	CSE Listing requirement pertaining to remuneration of the Directors.	Compliant	
9.12.5	Remuneration Committee shall have a written terms of reference.	Compliant	
9.12.6	Composition of the Remuneration Committee	Compliant	
9.12.6 (3)	Remuneration Committee chaired by an Independent Director.	Compliant	
9.12.7	Remuneration Committee – Functions	Compliant	
9.12.8 (a)	Disclosure of Chairperson and members of the Remuneration Committee in the Annual Report.	Compliant	
9.12.8 (b)	A statement regarding the remuneration policy	Compliant	Remuneration Committee Report on page 89
9.12.8 (c)	Disclosure of the aggregate remuneration of the Executive and Non-Executive Directors.	Compliant	Note 38.1 of Notes to the financial statements on page 162
9.13	Audit Committee		
9.13.1	Entities who do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee (AC) shall additionally perform the Risk Functions.	Compliant	–
9.13.2	The Audit Committee shall have written terms of reference.	Compliant	Audit Committee Report on pages 90 to 91
9.13.3	Composition of the Audit Committee		
(1)	Composition of the Independent Directors of the Audit Committee	Compliant	
(2)	Quorum comprising majority of Independent Directors	Compliant	
(3)	Minimum number of meetings and quarterly meetings prior to releasing the quarterly financial statements.	Compliant	
(4)	If both, the Parent Company and the subsidiary are "Listed Entities," the Audit Committee of the Parent Company may function as the Audit Committee of the subsidiary.	N/A	
(5)	An Independent Director being Chairperson of the Audit Committee	Compliant	Audit Committee Report on pages 90 to 91
(6)	Attendance of CEO and CFO at the Audit Committee meetings by invitation	Compliant – Deputy Chairman and CFO attend	Audit Committee Report on pages 90 to 91
(7)	The Chairperson of the Audit Committee shall be a Member of a recognised professional accounting body.	Compliant	Audit Committee Report on pages 90 to 91

Corporate Governance

	CSE Rule	Status of Compliance	Details/Reference
9.13.4	Functions of the Audit Committee		
(1)	Functions of the Audit Committee as set out in CSE Listing Rules	Effective from 01/10/2024	Audit Committee Report pages 90 to 91
9.13.5	Disclosures (AC) in the Annual Report		
	Disclosure of stipulated information in the Audit Committee report included in the Annual Report	Compliant	Audit Committee Report pages 90 to 91
9.14	Related Party Transactions Review Committee (RPTRC)		
9.14.1	Listed Entities shall have a Related Party Transactions Review Committee.	Compliant	
9.14.2	Composition of RPTRC		
(1)	Composition of the independent directors and chairperson being an Independent Director.	Compliant	RPTRC report on page 92
(2)	If both parent and subsidiary are Listed Entities, the RPTRC of the parent company may function as the RPTRC of the subsidiary.	N/A	
9.14.3	Functions of RPTRC		
	Functions of the RPTRC as set out in CSE Listing Rules	Compliant	
9.14.4	General Requirements of RPTRC		
(1)	General requirements stipulated in CSE Listing Rules (1) to (4)	Compliant	
9.14.5	Review of RPTs by the RPTRC		
	Requirement pertaining to review of Related Party Transactions by RPTRC set out by CSE Listing Rules	Compliant	
9.14.6	Shareholder Approval		
	Requirement pertaining to shareholder approval set out by CSE Listing Rules.	Compliant	
9.14.7	Immediate Disclosures		
	Immediate Market Announcement to the Exchange as set out by CSE Listing Rules	Compliant	

Corporate Governance

	CSE Rule	Status of Compliance	Details/Reference
9.14.8	Disclosures in the Annual Report		
(1)/(2)	Disclosure of RPTs details in the Annual Report.	Compliant	Notes to the Financial Statements Note 38.2
(3)	Related Party Transactions Review Committee Report in the Annual Report	Compliant	RPTRC Report on page 92
(4)	A declaration by the Board of Directors in the Annual Report confirming that RPT Rules are complied with.	Compliant	Corporate Governance Report
9.14.9	Shareholder approval and competent independent advice on acquisition and disposal of assets from/to related parties	N/A	
9.16	Additional Disclosures		
	Additional Disclosures by the Board of Directors in the Annual Report	Compliant	Statement of Directors' Responsibility page 95

Annual Report of the Board of Directors

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

The Directors of Nawaloka Hospitals PLC (“the Company”) have pleasure in presenting to the members, their Report together with the Audited Financial Statements for the year ended 31 March 2025.

The details set out herein provide the pertinent information required under the Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange and recommendations, in adherence with best accounting practices.

1. Legal Form

Nawaloka Hospitals PLC is a Public Company with limited liability incorporated in Sri Lanka on 1 July 1982 under the Companies Ordinance No. 51 of 1938 and re-registered on 07 September 2007 under the provisions of the Companies Act No. 07 of 2007, and assigned the Company Re-Registration No. PQ 78. Since 2004, its Shares are quoted on the Colombo Stock Exchange. This information is disclosed as required by Section 168 of the Companies Act No. 07 of 2007, which also requires the following information to be disclosed:

2. Principal Business Activities

Nature of the business of the Company and the Group are described below as required by Section 168 (1) (a) of the Companies Act No. 07 of 2007. There have been no material changes to the activities of the Company or any of its subsidiaries during the period under review, subject to what is stated below.

2.1 Company

The principal activities of the Company is providing healthcare and hospital services.

2.2 Subsidiaries

New Nawaloka Hospitals (Private) Limited (PV 3426)

This is a private company with limited liability incorporated in Sri Lanka under the provisions of the Companies Act No. 17 of 1982 and re-registered under the New Companies Act No. 07 of 2007. It is also domiciled in Sri Lanka and is a wholly owned subsidiary of Nawaloka Hospitals PLC.

New Nawaloka Medical Centre (Private) Limited (PV 14363)

This too is a private company with limited liability incorporated in Sri Lanka under the provisions of the Companies Act No. 17 of 1982 and re-registered under the New Companies Act No. 07 of 2007. It is also domiciled in Sri Lanka and is a wholly owned subsidiary of Nawaloka Hospitals PLC.

Nawaloka Laboratories (Private) Limited (PV 121462)

A private company with limited liability incorporated in Sri Lanka in the year 2017 under the provisions of the New Companies Act No. 07 of 2007. It is domiciled in Sri Lanka and is also a wholly owned subsidiary of Nawaloka Hospitals PLC.

3. Review of Business/Future Development

A review of the business of the Company and the Group and its performance during the year are contained in the Chairman’s Review/Chief Executive Officer’s Performance Review and of the Director/General Manager’s Operational and Management review at pages 11 and 16 respectively of this report. These reviews form an integral part of this report and together with the Financial Statements describe in detail the state of affairs of the Company and the Group.

4. Financial Statements

The Financial Statements which include the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statements and

Notes to the Financial Statements are given at pages 100 to 163 and have been prepared in conformity with the Sri Lanka Accounting Standards, the requirements of Section 168 (1) (b) of the Companies Act No. 07 of 2007 and the Listing Rules of the Colombo Stock Exchange.

5. Auditor’s Report

The Financial Statements for the period under review were audited by Messrs KPMG (Chartered Accountants) for the year ended 31 March 2025 and the Independent Auditor’s Report issued thereon appears at page 100 of this Annual Report as required by Section 168 (1) (c) of the Companies Act No. 07 of 2007.

6. Financial Results

(All figures in Sri Lanka Rupees)	Group		Company	
	2024/25	2023/24	2024/25	2023/24
Profit before taxation	336,642,651	(247,007,212)	784,776,398	576,210,524
Less: Taxation	(280,261,552)	(57,740,051)	(182,955,983)	3,441,273
Net profit after taxation	56,381,099	(304,747,263)	601,820,415	579,651,797
Profit attributable to equity holders of the Company	56,381,099	(304,747,263)	601,820,415	579,651,797
Earnings Per Share	0.04	(0.22)	0.43	0.41

7. Accounting Policies and Changes During the Year

The accounting policies adopted in the preparation of Financial Statements of the Company and the Group are given at pages 109 to 113 of this Annual Report as required by Section 168 (1) (d) of the Companies Act. There have been no changes in the accounting policies adopted by the Company during the period under review other than the depreciation rates.

Annual Report of the Board of Directors

8. Entries in the Interests Register

The Interests Register is maintained by the Company, as required by Section 168 (1) (e) of the Companies Act No. 07 of 2007.

9. Directors' Remuneration and other Benefits

Directors' remuneration and other benefits of Directors are given at Note 38.1 to the Financial Statements at page 162 as required by Section 168 (1) (f) of the Companies Act No. 07 of 2007.

10. Donations

Total donations made by the Group during the year amounted to Rs. 3.7 Mn. and is being disclosed as required by Section 168 (1) (g) of the Companies Act No. 07 of 2007 and this expenditure was incurred upon the mandate conferred upon the Board by the Shareholders at the last Annual General Meeting.

11. Shareholders' Funds

The total Group Shareholders' funds as at 31 March 2025, stood at Rs. 4,913 Mn. The total Shareholders' Funds of the Company as at 31 March 2025 stood at Rs. 1,896 Mn. The movements are shown in the Statement of Changes in Equity.

12. Interim Dividend

No interim dividend was declared or paid during the financial year. Further no dividend was declared in the 2024/2025 financial year.

13. Directorate

The Directors, who served on the Board during the financial year are the following and this information is provided as required by Section 168 (1) (h) of the Companies Act No. 07 of 2007:

Name of Director	Executive/Non Executive status	Status of Independence
Dr H K Jayantha Dharmadasa Chairman and Chief Executive Officer	Executive	
Mr Anisha Dharmadasa Deputy Chairman	Executive	
Ms A G Dharmadasa	Executive	
Deshabandu Tilak de Zoysa	Non-Executive	Senior Independent Director (Until 31.12.2024)
Vidya Jyothi Professor Lal Chandrasena	Executive	
Mr Tissa K Bandaranayake	Non-Executive	Independent Director (Until 31.12.2024)
Mr Sunil AbeyRatna (Resigned w.e.f 1 31.12.2024)	Non-Executive	
Mr V R Ramanan	Non-Executive	
Dr Maiya Gunasekera	Non-Executive	
Dr Mohan Rajakaruna	Non-Executive	
Dr Munaweera Thanthreege Dilum Lakshan	Non-Executive	
Mr Virann De Zoysa (Appointed w.e.f 15.10.2024)	Non-Executive	Senior Independent Director (From 31.12.2024)
Dr Samantha Ratnayake (Appointed w.e.f 31.12.2024)	Non-Executive	Independent
Professor Manjula Jayaweera (Appointed w.e.f 31.12.2024)	Non-Executive	Independent
Mr Chamira Wijetilleke (Appointed w.e.f 31.12.2024)	Non-Executive	Independent
Dr Chamara Bandara (Appointed w.e.f 13.11.2024)	Non-Executive	Independent

The Directors hereby confirm that the Directors and CEO of the Company satisfy the Fit and Proper Assessment Criteria stipulated in section 9.7 of the Listing Rules of the Colombo Stock Exchange for the year.

The qualifications and experience of each of the Directors, are given in the individual profiles of the Board of Directors at pages 17 to 22 of the Annual Report.

14. Appointments and Resignations

New appointments to the Board are based on the collective decision of the Board. In making new appointments, the Board considers the composition of the Board in order to assess whether they have the right mix of skills, experience and competence in the management of the Company.

The information of new appointments and resignations to the Board of Directors of the Company are shown as an integral part of the Annual Report of the Board of Directors, in compliance with Section 168 (1) (h) of the Companies Act No. 07 of 2007.

Annual Report of the Board of Directors

- Mr Sunil AbeyRatna resigned from the Board w.e.f 31 December 2024
- Mr Virann De Zoysa was appointed w.e.f 15 October 2024
- Dr Chamara Bandara was appointed w.e.f 13 November 2024
- Mr Chamira Wijetilleke, Dr Samantha Ratnayake and Professor Manjula Jayaweera were appointed w.e.f 31 December 2024

15. Recommendations for Re-election/ Re-appointment

In terms of Article 74 of the Articles of Association of the Company, Mr Victor Ramanan retires from the Board by rotation at the forthcoming Annual General Meeting and being eligible for re-election, has offered himself for re-election.

Further, Dr Hewa Komanage Jayantha Dharmadasa, Vidya Jyothi Professor Lal Chandrasena, Deshabandu Tilak de Zoysa, Mr Tissa K Bandaranayake and Dr Maiya Gunasekare who have exceeded the age of 70 years and being eligible for re-election in terms of Section 211 of the Companies Act No. 07 of 2007, have offered themselves to be re-appointed as Directors of the Company. In terms of Article 81 of the Articles of Association of the Company, Dr Chamara Bandara, Mr Chamira Wijetilleke, Dr Samantha Ratnayake and Professor Prasad Jayaweera who were appointed by the Board to fill a casual vacancy during the financial year under review, retire from the Board and being eligible for re-election, offer themselves for re-election. The Nomination and Governance Committee has assessed the re-election/re-appointment of Directors as stated above and has recommended the re-appointment/re-election of Directors at the forthcoming Annual General Meeting.

16. Appointment of Senior Independent Director

Mr Virann De Zoysa, Dr Chamara Bandara, Mr Chamira Wijetilleke, Dr Samantha Ratnayake and Professor Manjula Jayaweera are the Independent Directors of the Company.

Mr Virann De Zoysa was appointed as Senior Independent Director of the Company w.e.f 31 December 2024 in terms of Rule 9.6.3 (a) i of the Listing Rules of the Colombo Stock Exchange.

17. Board Sub-committees

Several Board Sub-Committees established by the Board continue to oversee matters relating to policy and governance. As required by the Listing Rules of the Colombo Stock Exchange, the composition of the Sub-Committees (mandatory) during the Financial year under review were as follows:

17.1 Audit Committee Members

Dr Chamara Bandara – Chairman (INED)
Mr Chamira Wijetilleke – Member (INED)
Mr Virann De Zoysa – Member (INED)
Deshabandu Tilak De Zoysa – Member (NED)
Mr Tissa Bandaranayake – Member (NED)

17.2 Remuneration Committee Members

Mr Virann De Zoysa – Chairman (INED)
Dr Samantha Ratnayake – Chairman (INED)
Dr MTD Lakshan – Member (NED)

17.3 Nominations and Governance Committee Members

Dr Samantha Ratnayake – Chairman (INED)
Professor Manjula Jayaweera – Member (INED)
Dr Maithri (Maiya) Gunasekera – Member (NED)

17.4 Related Party Transactions Review Committee

Mr Virann De Zoysa – Chairman (INED)
Mr Chamira Wijetilleke – Member (INED)
Mr Tissa Bandaranayake – Member (NED)
Deshabandu Tilak De Zoysa – Member (NED)
Vidya Jyothi Professor Lal Chandrasena – Member (ED)

18. Directors' Meetings

Details of meetings which comprise Board meetings, the Board's Sub-Committee meetings, namely the Audit Committee, Remuneration Committee, Nominations and Governance Committee, Related Party Transactions Review Committee and Risk Management Committee are dealt with at page 75 of this Annual Report.

Annual Report of the Board of Directors

19. Directors' Shareholding

The aggregate shareholding of the Directors for the year ended 31 March 2025 and the previous year, are as follows:

	2024/25	2023/24
Dr H K J Dharmadasa	462,736,182	462,736,182
Deshabandu Tilak de Zoysa	218,000	218,000
Vidya Jyothi Professor Lal Chandrasena	601,198	601,198
Mr Anisha Dharmadasa	3,004,026	3,004,026
Ms A G Dharmadasa	5,066,686	5,066,686
Mr Tissa K Bandaranayake	Nil	Nil
Mr V R Ramanan	3,110,088	3,110,088
Dr Maiya Gunasekara	32,000	32,000
Dr Mohan Rajakaruna	Nil	Nil
Dr M T D Lakshan	Nil	Nil
Mr Virann De Zoysa	Nil	N/A
Dr Chamara Bandara	Nil	N/A
Mr Chamira Wijetilleke	Nil	N/A
Professor Manjula Jayaweera	Nil	N/A
Dr Samantha Ratnayake	Nil	N/A
	Ordinary	Ordinary

20. Related Party Transactions

The Directors have also disclosed the transactions, if any, that could be classified as 'Related Party transactions' in terms of LKAS 24 – "Related Party Disclosures" and thus complied with the CSE Listing Rules. Related Party Transactions are given in Note 38.2 to the Financial Statements.

The Related Party Transactions Review Committee appointed by the Board was tasked with reviewing Related Party Transactions, calling for supporting documents and/or justification of the terms and conditions of such transactions and identifying and reporting on recurrent and non-recurrent transactions with related parties in line with the applicable CSE Rules. The Directors have declared their interests to the Related Party Transactions Review Committee appointed by the Board. The Directors have no direct or indirect interest in any other contract or proposed contract of the Company.

23. Stated Capital

The Stated Capital of the Company is 1,409,505,596 ordinary shares. There were no changes in the Stated Capital during the year.

	Group		Company	
	2024/25	2023/24	2024/25	2023/24
Issued and Fully Paid	-	-	-	-
At the beginning of the year	1,409,505,596	1,409,505,596	1,409,505,596	1,409,505,596
At the end of the year	1,409,505,596	1,409,505,596	1,409,505,596	1,409,505,596

The Directors hereby confirm that the Company is in compliance with Section 9 of the Listing Rules of the Colombo Stock Exchange in respect of related party transactions entered into by the Company during the year.

21. Directors' Interests

The Interests Register is maintained by the Company as per the Companies Act No. 07 of 2007.

22. Capital Expenditure

Details of Property, Plant and Equipment and their movements in the Company and the Group during the year, are listed in Note 16 to the accounts at pages 121 to 126.

Annual Report of the Board of Directors

24. Share Information

The composition of shareholders and the information relating to share trading, net assets and market value per share are given at pages 169 to 170 of this Annual Report.

25. Major Shareholders

The 20 largest shareholders of the Company as at 31 March 2025 are given at page 169 of this Annual Report.

26. Employment Policy

The Company's Employment Policy is totally non-discriminatory and equal opportunities are given to all employees irrespective of ethnicity, race, origin, religion, political opinion, gender or marital status.

The Company applies an "equal opportunity policy" in selection, training, development and promotion opportunities, ensuring that all decisions are based on merit and qualification.

The employees are always encouraged to discuss issues relating to operations and to make suggestions to improve performance.

The number of persons employed by the Group as at 31 March 2025 was 2020.

27. Group Revenue

The Revenue of the Group was Rs. 11,013 Mn. The analysis thereof is given in Note 9 to the Financial Statements.

28. Stock Exchange Listing

The Company was listed on the Main Board of the Colombo Stock Exchange in the year 2004, and continues to be so listed.

29. Going Concern

The Board firmly believes that the Company and its subsidiaries have sufficient resources to continue in operational existence for a very long foreseeable future. Therefore, Financial Statements of the Group have been prepared on the principle of a "Going Concern".

30. Events Occurring After the Reporting Date

There are no significant events that have occurred after the reporting date which would have any material effect on the Company or on the Group that require adjustments to or disclosure in the Financial Statements.

31. Auditors

Messrs. KPMG (Chartered Accountants) who are willing to continue in office are recommended for re-appointment, at a remuneration to be decided by the Board of Directors. The fees paid to the Auditors are disclosed in Note 11 to the Financial Statements.

As far as the Directors are aware, the Auditors do not have any relationship (other than that of Auditors) with the Company or any of its subsidiaries other than those disclosed above. The Auditors also do not have any interest in the Company, or its subsidiaries as required by Section 168 (1) (j) of the Companies Act No. 07 of 2007.

For and on behalf of the Board,



Dr Jayantha Dharmadasa
Chairman/
Chief Executive Officer



Vidya Jyothi Professor Lal Chandrasena
Director/General Manager

By Order of the Board,



C G Corporate Consultants (Private) Limited
Company Secretaries of Nawaloka Hospitals PLC
04 September 2025

Remuneration Committee Report

Formation, Composition, and Structure

The Remuneration Committee is a subcommittee, appointed by and responsible to the Board of Directors and consists of two Independent Non-Executive Directors and a Non-Executive Director.

Name of member	Executive	Non-Executive	Independent
Mr Virann De Zoysa (Chairman)	–	✓	✓
Dr Samantha Ratnayake	–	✓	✓
Dr M T D Lakshan	–	✓	–

Duties and Responsibilities

The Remuneration Committee reviews and recommends the policy on remuneration of the Executive Staff and the specific remuneration package for the Executive Directors while considering the following:

1. Determining the compensation of the Chairman and the Board of Directors, while ensuring that no Director or any of their Associates are involved in determining their own remuneration or any other benefit(s).

2. Establishing transparent procedures to determine remuneration for Executives and Directors. In this context, the Remuneration Committee took into account:
 - (a) Competition;
 - (b) Qualifications and experience;
 - (c) Market information;
 - (d) Business performance, and
 - (e) Industry standards, in declaring the overall remuneration policy of the Group.
3. Approving remuneration levels for each designation of Senior Management.
4. Maintaining competitive and attractive remuneration packages for senior managers and ensuring that it is on a par with the industry levels.
5. Deciding performance based on remuneration, increments, incentive, and bonus with the regular evaluation of performance against targets.
6. Giving directions regarding statutory payments made by the Company on behalf of its employees.

The aggregate remuneration of the Executive and Non-Executive Directors for the year ended 31 March 2025 is shown in Note no. 38.1 of the Annual Report.

Challenges

In a highly competitive environment attracting and retaining high calibre executives is a key challenge faced by the Group.

Evaluation of the Effectiveness of the Committee

The Board reviews and updates the Committee charter annually. The minutes of meetings and other reports from the Remuneration Committee are submitted to the Board of Directors, and in addition, plans are initiated for the non-committee members to evaluate the Committee on an annual basis by way of a checklist.

The Remuneration Committee wishes to highlight that in this regard that the Company is in compliance with the provisions of the Listing Rules.



Mr Virann De Zoysa
Senior Independent Director,
04 September 2025

Audit Committee Report

In keeping with Section 9 of the Listing Rules on Corporate Governance, Nawaloka Hospitals PLC has established an Audit Committee whose functions, authority and duties have been clearly identified in the Audit Committee Charter. This Charter integrates all the requirements of the Listing Rules, Companies Act No. 07 of 2007, Securities and Exchange Commission Rules and other relevant financial reporting related regulations and requirements.

The role of the Audit Committee is to oversee the financial reporting system of the Company with a view to safeguarding the interests of all the stakeholders and ensuring that it has been extended to its subsidiaries. This includes selecting and applying appropriate accounting policies for the purpose of financial reporting, ensuring sound internal control principles and its effective implementation, thus ensuring the integrity of Financial Statements.

Composition of the Committee

The Audit Committee of the Company comprises the following members;

Name of member	Non-Executive	Independent
Dr Chamara Bandara (Chairman)	✓	✓
Mr Chamira Wijetilleke	✓	✓
Mr Tissa Bandaranayake	✓	✓
Until 31 December 2024		
Deshabandu Tilak De Zoysa	✓	–
Mr Virann de Zoysa	✓	✓

Changes to the composition of the Audit Committee during the financial year 2024/25;

- Mr Tissa Bandaranayake resigned as Chairman of the Committee w.e.f 31 December 2024
- Mr D Sunil AbeyRatna resigned as Director of the Company and accordingly as member of the Committee w.e.f 31 December 2024.
- Dr Chamara Bandara was appointed as Chairman of the Audit Committee w.e.f 31 December 2024.
- Mr Chamira Wijetilleke and Mr Virann de Zoysa were appointed as members w.e.f 31 December 2024.

The profiles of the members which detail their background and professional experience are on pages 17 to 22 of this Report.

The Company Secretary acts as the Secretary to the Committee.

Broad Purpose of the Audit Committee

The Audit Committee assisted the Board in the following manner:

- Ensuring that the preparation, presentation, and adequacy of disclosures in the Financial Statements are in accordance with LKAS/SLFRS and with the requirements in the Companies Act No. 07 of 2007 and other relevant financial reporting related regulatory requirements.
- Reviewing the appropriateness of the procedure in place for the identification, evaluation and management of business risks whilst seeing that the systems of internal control with regard to all functions are adequate and functioning properly.
- Assessing the Company's ability to continue as a going concern in the foreseeable future and also in addition, ensuring compliance with all relevant statutory and regulatory requirements.
- Overseeing of the independence and performance of the Company's External Auditors.

Duties and Responsibilities

In brief, the duties and responsibilities performed by the Audit Committee are as follows:

External Audit

- Examining any non-audit work performed by the Auditors together with the fees thereon and other relevant criteria to ensure that their objectivity and independence is not impaired.
- Reviewing the scope and performance of the audit and its effectiveness.
- Discussing with the Auditors at appropriate stages of the audit, with or without the presence of management the audit plan, key audit issues and their resolution together with management responses.
- Based on the above evaluation, recommending the re-appointment or otherwise of the current Auditors for the financial year ending 31 March 2026.

Internal controls and internal audit

- Reviewing the internal audit function which has been outsourced and following up on their recommendations.
- Ensuring that there are satisfactory arrangements for monitoring internal controls in keeping with delegated authorities.

Risk management

- Monitoring the policies and practices related to risk management.
- Obtaining statements of business risks, evaluating the severity, the process in place for the management of these risks and persons responsible for the management of risks within specified time frames.

Audit Committee Report

Financial Statements

- Reviewing Company's quarterly unaudited and annually audited Financial Statements and if approved, making recommendations to the Board for their adoption and release.
- Assists the Board of Directors in fulfilling its oversight responsibilities of the financial reporting process, the system of internal control over financial reporting, the audit process, risk management and the Company's processes for monitoring compliance with financial reporting requirements, information requirements under the Corporate Governance Rules of the Colombo Stock Exchange, the Companies Act, No. 07 of 2007 and the Securities and Exchange Commission of Sri Lanka (SEC) Act No. 19 of 2021, and other relevant financial reporting related regulations.

Meetings

The Audit Committee held eight (8) meetings during the year under review. The proceedings of the Audit Committee are regularly reported to the Board of Directors. The attendance of members at these meetings is given below:

Name of member	Number of meetings attended (out of 8)
Mr Tissa K Bandaranayake (Chairman until 31 December 2024)	8/8
Deshabandu Tilak De Zoysa	7/8
Mr D Sunil AbeyRatna (Resigned on 31 December 2024)	6/8
Dr Chamara Bandara (Appointed Chairman w.e.f 31 December 2024)	1/8
Mr Chamira Wijetilleke (Appointed w.e.f 31 December 2024)	2/8
Mr Virann de Zoysa (Appointed w.e.f 31 December 2024)	1/8

The meetings were attended by the Deputy Chairman, Director/ General Manager, Group Chief Financial Officer and Chief Financial Officer.

Functions and Disclosures

The Committee has provided the Chairman of the Audit Committee with all powers to convene meetings, regularly with the Chief Financial Officer, Head of IT, Internal Auditor, Sectional Heads and Company's External Auditors, separately and periodically.

As required under Rule 913.5 (2) (c) and (d) of the Listing Rules of the CSE, the Audit Committee has received confirmations from the Chief Financial Officer that the Financial Statements have been prepared in accordance with the Listing Rules of the Colombo Stock Exchange, Sri Lanka Accounting Standards, information required by the Companies Act No. 07 of 2007 and the Securities and Exchange Commission of Sri Lanka therein and presented a true and fair view of the Company's state of affairs as at that date and the Company's activities during the year under review.

The Committee, having given due consideration to the nature of the services provided by the External Auditors to Nawaloka Hospitals PLC and the fees charged by them, is that the External Auditors have not performed non-audit services to Nawaloka Hospitals PLC and no conflict of interest arose during the year ended 31 March 2025 and hence the independence of the External Auditors, has not been impaired.

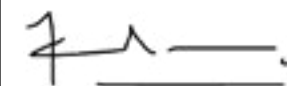
Messrs KPMG have been the External Auditors of the Company since 2007 and the engagement of the present Audit Partner commenced on 2019/20.

The fees paid to the Auditors are shown under Note 11 to the accounts.

As far as the Directors are aware, the Auditors do not have any relationship (other than that of an Auditor) with the Company or any of its subsidiaries. The Auditors also do not have any interest in the Company, or its subsidiaries as required by Section 168 (1) (j) of the Companies Act No. 07 of 2007.

The Committee also noted the arrangements made by the Auditors to maintain their independence.

The Audit Committee recommended to the Board of Directors that Messrs KPMG, Chartered Accountants be reappointed as Auditors of the Company for the financial year ending 31 March 2026, subject to the approval of the shareholders at the Annual General Meeting. The recommendation was made upon the confirmation obtained from the Auditors on their compliance with the independence guidance given in the Code of Ethics of The Institute of Chartered Accountants of Sri Lanka



Dr Chamara Bandara
Chairman

04 September 2025

Related Party Transactions Review Committee Report

The Objective

The Related Party Transactions Review Committee (RPTRC) takes into account the interests of shareholders as a whole when the Company enters into Related Party Transactions. Further, the Committee takes certain measures to prevent Directors, Chief Executive Officer or substantial shareholders taking advantage of their positions.

Composition of the Committee

The RPTRC of the Company comprises the following members:

Name of member	Executive	Non-Executive	Independent
Mr Virann De Zoysa (Chairman)		✓	✓
Mr Chamira Wijetilleke		✓	✓
Mr Tissa Bandaranayake		✓	✓ Until 31 December 2024
Deshabandu Tilak De Zoysa		✓	
Vidya Jyothi Professor Lal Chandrasena	✓		

Changes to the composition of the Audit Committee during the financial year 2024/25;

- Mr Tissa Bandaranayake resigned as Chairman of the Committee w.e.f 31 December 2024
- Mr D Sunil AbeyRatna resigned as Director of the Company and accordingly as member of the Committee w.e.f 31 December 2024
- Mr Virann De Zoysa was appointed as Chairman of the Committee w.e.f 31 December 2024
- Mr Chamira Wijetilleke was appointed as member w.e.f 31 December 2024

The Company Secretary functions as the Secretary of the Committee.

Procedure of the Committee

The RPTRC was formed to assist the Board in reviewing all related party transactions (RPT) carried out by the Group. It has adopted the requirements of the Listing Rules on related party transactions, as issued by the CSE.

The mandate of the Committee includes *inter alia* the following:

- Ensuring that the Company identifies and maintains a list of its related parties kept duly updated at all times, consistent with the definition of related parties as detailed in the CSE Regulations. To facilitate this process, in accordance with the Related Party Transaction Policy, declarations are obtained from all Key Management Personnel of the Company for the purpose of identifying related parties.
- Review in advance all proposed related party transactions of the Company except those explicitly exempted by the Code.
- Updating the Board of Directors on the RPT with each of the related parties of the Group which exceed the threshold values requiring urgent and specific actions by the Company.
- Making immediate market disclosures on applicable RPT, as required by Section 9 of the Continuing Listing requirements of the CSE.
- Making appropriate disclosures on RPT in the Annual Report, as required by Section 9 of the Continuing Listing Requirements of the CSE as well as the Sri Lanka Accounting Standards.

The Committee in discharging its functions primarily relied on processes that were validated from time to time and periodic reporting by the relevant entities and Key Management Personnel (KMP) with a view to ensuring that:

- there is compliance with "The Code" and the Listing Rules of the CSE;
- shareholder interests are protected, and;
- fairness and transparency are maintained.

Meetings

The RPTRC held Four (4) meetings during the year under review. The attendance of members at these meetings is given below:

Name of member	Number of meetings attended out of 4
Mr Virann De Zoysa (Chairman) – Appointed w.e.f 31 December 2024	1/4
Mr Chamira Wijetilleke – Appointed w.e.f 31 December 2024	1/4
Mr Tissa Bandaranayake	4/4
Deshabandu Tilak De Zoysa	3/4
Vidya Jyothi Professor Lal Chandrasena	3/4
Mr D Sunil AbeyRatna (Resigned on 31 December 2024)	3/4

Disclosures in Terms of the Listing Rules

As required by Rule 9.14.8 (3) of the Listing Rules of the Colombo Stock Exchange, all related party transactions which took place during the financial year 2024/25 were reviewed by the members of the Committee at the Committee meetings held and the Committee is of the opinion that the transactions are on normal commercial terms, and are not prejudicial to the interests of the entity and its minority shareholders. The Committee examines the fairness and transparency in all related party transactions entered into by the Company with related parties. The proceedings of the RPTRC are regularly reported to the Board of Directors.

The recurrent and non-recurrent related party transactions for the year ended 31 March 2025 are disclosed in Note 38.2. to the Financial Statements as required by Rule 9.14.8 (1) and (2).



Mr Virann De Zoysa
Chairman
04 September 2025

Nominations and Governance Committee Report

In compliance with Rule 9.3 of the Colombo Stock Exchange, the Nominations and Governance Committee was formed by Nawaloka Hospitals PLC with effect from 01 October 2024.

Composition of the Committee

The Nominations and Governance Committee of the Company comprises of the following members;

Name of Member	Executive	Non-Executive	Independent
Dr Samantha Ratnayake (Chairman)	–	✓	✓
Professor Manjula Jayaweera	–	✓	✓
Dr Maithri (Maiya) Gunasekera	–	✓	–

Changes to the composition of the Audit Committee during the financial year 2024/25;

1. Mr Tilak De Zoysa resigned as Chairman of the Committee w.e.f 31 December 2024
2. Mr Tissa Bandaranayake resigned as Member of the Committee w.e.f 31 December 2024
3. Mr D Sunil AbeyRatna resigned as Director of the Company and accordingly as member of the Committee w.e.f 31 December 2024
4. Dr Samantha Ratnayake was appointed as Chairman of the Committee w.e.f 31 December 2024
5. Professor Manjula Jayaweera and Dr Maithri (Maiya) Gunasekera were appointed as members w.e.f 31 December 2024

The Nominations and Governance Committee operates under a documented policy and established procedures for nominating Directors to the Board.

The Company Secretary serves as the Secretary to the Committee.

Responsibilities of the Committee

- Collaborated with the Board in reviewing the skills and competencies required for effective Board functioning.
- Prioritised Board balance and diversity by considering a broad range of factors—including experience, skills, age, gender, and other attributes—to foster a well-rounded mix of perspectives that enhance decision-making and Board performance. These considerations were integrated into the Director appointment process.
- Reviewed the Charter for the appointment, re-appointment, re-election, and election of Directors to the Board of the Company, as well as their succession planning and suggesting amendments where necessary.
- Evaluation of the performance of the Board, its committees and individual Directors to ensure that their responsibilities are satisfactorily discharged.

Key Functions of the Committee

The Committee reviews and makes recommendations that are fair, free from any bias and not influenced by personal or business relationships, thereby enabling the Company to make sound and measured judgments in order to attract the best talent to the Group. During the Financial Year 2024/25 the Committee performed the following functions:

- Ensured the diversity and effectiveness of the Board as well as the Key Management Personnel (KMPs),
- Reviewed and recommended necessary appointments to the Board of the Company whenever necessary,
- Evaluated the eligibility of the Directors who have offered themselves for reappointment and re- election to the Board considering the performance and contribution made by the Director concerned towards the overall discharge of the Board's responsibilities and made necessary recommendations to the Board,
- Evaluated the combination of varied skills, knowledge and experience of the Directors of the Company,
- Ascertained that the competencies of Directors are adequate to meet the required strategic demands of the Company.
- Ensured that newly appointed Directors were provided with an induction to the Company and the Group together with an induction pack containing key governance documents.
- Ensured that all Directors, including Independent Non-Executive Directors, remained informed of regulatory updates, governance developments and significant matters relevant to the Company and the Group, through periodic briefings at Board and Board Committee meetings from the Chairperson, Managing Director and senior management and through Board papers.
- Reviewed general disclosure of interests, statutory and fit and proper declarations submitted by Directors and confirmed their eligibility in accordance with the Listing Rules and applicable governance requirements and the independence declarations submitted by Independent Non-Executive Directors and confirmed their compliance with the criteria outlined in Rule 9.8.3 of the Listing Rules.
- Reviewed key Company policies ensuring compliance with Rule 9.2 of the Listing Rules.

Nominations and Governance Committee Report

Committee Meetings

Discussions and decisions/evaluations of the Committee are conducted via meetings and circular resolutions of the Committee.

During the year under review, the Committee met once with all Members in attendance.

Re-Appointment, Re-Election and Election of Directors

In terms of Articles 74 and 75 of the Articles of Association of the Company, Mr Victor Ramanan retires by rotation at the forthcoming AGM but being eligible, has offered himself for re-election.

Dr Jayantha Dharmadasa, Vidya Jyothi Professor Lal Chandrasena, Deshabandu Tilak De Zoysa, Mr Tissa K Bandaranayake and Dr Maithri Gunasekara who have exceeded the age of 70 years and being eligible for re-appointment in terms of Section 211 of the Companies Act No. 07 of 2007, have also offered themselves to be reappointed as Directors of the Company.

Dr Chamara Bandara, Mr Chamira Wijetilleke, Dr Samantha Ratnayake and Professor Prasad Jayaweera who were appointed by the Board to fill a casual vacancy during the financial year retire from the Board in terms of Article 81 of the Articles of Association of the Company but being eligible offer themselves for re-election at the AGM.

The Details of Directors being re-elected and/or re-appointed as required by Rule 9.11.6 (g) are given in the Corporate Governance report.

Having given due consideration to each Director's performance, the Committee believes that the said Directors are eligible for re-appointment and re-election as the case may be, to continue as Directors of the Company and have recommended their re-election and re-appointment as Directors at the forthcoming AGM.

The members of the Nominations and Governance Committee did not participate in the decisions relating to their own reappointments.

In accordance with Rule 9.11.6 (m) of the Listing Rules of the CSE, the Nominations and Governance Committee confirms that the Company is in compliance with the Corporate Governance requirements stipulated under the said Listing Rules.



Dr Samantha Ratnayake

Chairman

Nominations and Governance Committee

04 September 2025

Directors' Responsibility in Financial Reporting

The responsibility of the Directors in relation to the Financial Statements is set out in the following statement.

The Board of Directors of Nawaloka Hospitals PLC is responsible under Section 148 of the Companies Act No. 07 of 2007 for keeping proper accounting records which disclose with reasonable accuracy at all times, the performance and the financial position of the Company and of the Group and to enable them to ensure that the resulting Financial Statements comply with, *inter alia* the Companies Act No. 07 of 2007.

In preparing these Financial Statements, the Directors of the Company have to comply with the requirements specified in Sections 150 (1), 151, 152 (1), 153 (1) and 153 (2) of the Companies Act No. 07 of 2007. In accordance therewith the Directors of the Company and the Group maintain proper Books of Accounts of all the transactions and prepare Financial Statements that give a true and fair view of the state of affairs of the Company at the date of the Statement of Financial Position and the Profit or Loss for the year ending on that date.

Accordingly, the Directors confirm that:

1. Appropriate accounting policies have been selected and applied in a consistent manner and material departures if any, have been disclosed and explained;
2. All applicable and relevant accounting standards have been followed; and
3. They have exercised due and proper judgement and estimates which are reasonable and prudent.

The Financial Statements of the Company and the Group have been certified by the Company's Chief Financial Officer, the person responsible for its preparation, as required by the Act. Financial Statements of the Company and the Group have been

signed by two Directors on 04 September 2025 as required by Sections 150 (1) (c) and 152 (1) (c) of the Companies Act. Accordingly, the Board of Directors wishes to confirm that they have complied with all the requirements of the Companies Act No. 07 of 2007 and have also met all the requirements under Section 7 of the Listing Rules of the Colombo Stock Exchange.

The Directors also have taken reasonable steps to safeguard the assets of the Company and to prevent and detect frauds and other irregularities. In this regard, the Directors have installed adequate internal controls and an efficient system of monitoring its effectiveness, internal audit being one of them. The Board has been provided additional assurance on the reliability of the Financial Statements through a process of independent and objective reviews conducted by the Audit Committee. The Report of the Audit Committee is at pages 90 and 91 of this Annual Report.

The Directors are also of the opinion that the Company has adequate resources to continue in business for the foreseeable future and have applied the "Going Concern" basis in preparing these Financial Statements.

The Directors confidently state that they have discharged their responsibility as set out in the Statement.

Compliance Report

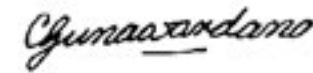
The Directors also confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and other known statutory dues as were due and payable by the Company as at the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

The Directors confirm that:

- (a) The Company is in compliance with the requirements of the Act as aforementioned.
- (b) These Financial Statements have been prepared in accordance with the requirements of the Companies Act No. 07 of 2007 and applicable Sri Lanka Accounting Standards, which have been consistently applied and supported by reasonable and prudent judgements and estimates.
- (c) The Company is in compliance with Section 9 of the Listing Rules of the Colombo Stock Exchange in respect of the related party transactions entered into by the Company during the year.

By Order Of The Board,

C G CORPORATE CONSULTANTS (PRIVATE) LIMITED



Charuni Gunawardana

Director

Company Secretaries for Nawaloka Hospitals PLC

04 September 2025

Chief Executive Officer's and Group Chief Financial Officer Statement of Responsibility

The Consolidated Financial Statements of Nawaloka Hospitals PLC (the Company), as at 31 March 2025 are prepared and presented in compliance with the following requirements:

- Sri Lanka Accounting Standards issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)
- Companies Act No. 07 of 2007
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995;
- Listing Rules of the Colombo Stock Exchange (CSE); and
- Code of Best Practice on Corporate Governance issued by CA Sri Lanka.

The disclosure and preparation format of the Financial Statements are in compliance with the rules of the Sri Lanka Accounting Standards issued by CA Sri Lanka and those financial outcomes are circulated amongst the shareholders on a quarterly basis.

Significant accounting policies are applied consistently by the Group and the significant estimates that involve high degree of judgement were discussed amongst the Internal and External Auditors.

We confirm that the Group has adequate resources to continue its operations and have applied "going concern" in preparing these Financial Statements.

We are responsible for establishing, implementing, and maintaining internal controls and procedures within the Company and all of its subsidiaries.

We ensure that effective internal controls and procedures are in place. Safeguard its assets, prevent and detect frauds as well as other irregularities. We have reviewed, evaluated, and updated the internal controls and procedures on an ongoing basis together with the Internal Audit department of which we are satisfied and that there were no significant deficiencies and weaknesses in the design or operation to the best of our knowledge.

The Financial Statements of the Group were audited by Messrs KPMG, Chartered Accountants and their Report is given on pages 100 to 103. The Board Audit Committee (BAC) pre-approves the audit and any non-audit services provided by Messrs KPMG, in order to ensure that the provision of such services do not impair KPMG's independence and objectivity.

The BAC reviewed the Internal Audit Programmes and External Audit Plan, the efficiency of Internal Control Systems and procedures and also reviewed the adoption of significant accounting policies and their adherence to statutory and regulatory requirements, the details of which are given in the "Audit Committee Report" appearing on pages 90 to 91. To ensure independence, the External Auditors and the Internal Auditors have full and free access to the members of the BAC to discuss any matter of substance. However, there are inherent limitations that should be recognised in weighing the assurances provided in any system of internal control and accounting.

It is also declared and confirmed that the Group and the Company have complied the guidelines for listed companies where mandatory compliance is required.

We confirm that to the best of our knowledge the Company and the Group have complied with all applicable laws, regulations, and guidelines and there is no pending litigation of a material nature against the Company/Group.



Dr Jayantha Dharmadasa
Chairman/Chief Executive Officer



M T V De Silva
Group Chief Financial Officer

04 September 2025

Senior Independent Director's Statement

This Report is presented in compliance with the requirement set out in Section 9.6.3 (e) of the Listing Rules on Corporate Governance of the Colombo Stock Exchange.

The requirement of appointing a "Senior Independent Director" (SID) to Nawaloka Hospitals PLC is in accordance with Section 9.6.3 (a) i of the Listing Rules on Corporate Governance of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance issued by The Institute of Chartered Accountants of Sri Lanka.

The Board continues to maintain its position that the role of the Executive Chairperson is more appropriate for the Company and Group in meeting stakeholder objectives at large.

Considering the above, the presence of the Senior Independent Director is important in ensuring that no one person has unfettered decision-making powers, and that matters discussed at the Board level are done so in an environment which facilitates independent thought by individual Directors. The Senior Independent Director also acts as the independent party to whom concerns could be voiced on a confidential basis.

The Senior Independent Director chaired meetings of the Non-Executive Directors and Independent Directors excluding the participation of the Executive Directors held in June 2025.

The Independent/Non-Executive Directors are confident that the risk and compliance as well as broader assurance and Corporate Governance frameworks of the Group have kept well abreast of the said dynamics leading to continued synonymy of the Group with best practice in corporate governance.

The Independent/Non-Executive Directors thank the Chairperson-CEO, Deputy Chairperson, Director – General Manager and members of the management team for their transparent and cooperative engagement with the Independent/Non-Executive Directors, at all times.



Mr Virann De Zoysa
Senior Independent Director

04 September 2025



*99 Financial Calendar 100 Independent Auditors' Report 104 Statement of Profit or Loss and Other Comprehensive Income
105 Statement of Financial Position 106 Statement of Changes in Equity 107 Statement of Cash Flows 109 Notes to the Financial Statements*

Financial Information

Financial Calendar

▶ *Annual Report Publication Calendar*

For the year 2024

In October 2024

For the year 2025

In September 2025

▶ *Annual General Meeting*

For the year 2024

In October 2024

For the year 2025

In September 2025

	2025 Submitted on	2026 to be Submitted on
For the three months ended/ending	15 August 2024	15 August 2025
For the six months ended/ending	14 November 2024	15 November 2025
For the nine months ended/ending	14 February 2025	15 February 2026
For the year ended/ending	29 May 2025	30 May 2026

Independent Auditors' 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
Internet : www.kpmg.com/lk

THE SHAREHOLDERS OF NAWALOKA HOSPITALS PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Nawaloka Hospitals PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2025, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year ended, and notes to the financial statements, including material accounting policies and other explanatory information set out in pages 104 to 167.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as of 31st March 2025, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics for professional Accountants issued by CA Sri Lanka (Code of

Ethics), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company and the Group financial statements of the current year. These matters were addressed in the context of our audit of the Company and the Group financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue Recognition

(Refer to Note material accounting policies and explanatory Note 9 to the financial statements)

Risk Description

The Company and the Group has recognised a revenue of Rs. 5,783 Mn. and Rs. 11,013 Mn. respectively for the year ended 31 March 2025. Revenue is a key performance indicator used to evaluate the performance of the Company and the Group.

Given the significance of the total value, the number of transactions, judgement involved in the timing of recognition, the recognition of revenue was considered as a key area of focus.

KPMG, a Sri Lankan Partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

C.P. Jayatilake FCA
Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

T.J.S. Rajakarier FCA
W.K.D.C. Abeyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R. G. H. Raddella ACA,

W.W.J.C. Perera FCA
G.A.U. Karunaratne FCA
R.H. Rajan FCA
A.M.R.P. Alahakoon ACA

Principals: S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R Ziyad FCMA (UK), FCIT, K. Somasundaram ACMA(UK), Ms. D Corea Dharmaratne

Independent Auditors' Report



Our response

Our audit procedures included;

- Obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls in respect of the Group's revenue recognition basis;
- On a sample basis, testing revenue and related discounts to ensure those have been recognized in the correct accounting period;
- Assessing the appropriateness of the recognition of revenue and related discounts including carrying out substantive testing procedures.
- Assessing the adequacy of financial statements disclosures.

2. Management's assessment of the Group's ability to continue as a Going Concern

(Refer accounting policies and explanatory Notes 2.5 and 44 to the financial statements)

Risk Description

The Group has generated a profit of Rs. 56 Mn. during the year ended 31 March 2025 and, as of that date, the Group's current liabilities exceeded its current assets by Rs. 6,402 Mn. Additionally, the Group reported accumulated losses of Rs. 1,116 Mn. as at 31 March 2025.

Note 44 to the financial statements explains how the Directors have formed the judgement that use of the going concern basis is appropriate in preparing the financial statements. The Directors have considered the Group's existing cash resources and available unutilized borrowing facilities as at the date of the audit report and have concluded their judgement as such indications do not give rise to a material uncertainty casting significant doubt on the Group's ability to continue as a going concern. In particular, the Directors have concluded that the Group's unutilized borrowing facilities totaling approximately to Rs. 5,547 Mn. will remain available throughout next twelve months from 31 March 2025 and the Group will be able to utilize these facilities to avoid any financial distress.

We consider this as a Key audit matter, as this assessment involves consideration of future events, many of which are outside the control of the Group and there is a risk that the Directors' judgement is inappropriate and that there is a material uncertainty which requires additional disclosures in the financial statements.

Our response

Our audit procedures included

- Obtaining the representation from the Board of Directors of the Group about management's assessment of the Group's ability to continue as a going concern and enhanced strategies as disclosed in Note 44 to the financial statements.
- Obtaining the cash flow projections covering period of not less than twelve months from the reporting period end date and challenging the reasonableness of the key assumptions.
- Inspecting the terms of the Group's available unutilized credit facilities to ensure that the Group can pay its debts as and when they fall due and payable for a minimum period of 12 months period from the reporting date.
- Reviewing the financial performance and position of the Group for the subsequent period and analyzing trends and variances in key financial metrics based on the management accounts.
- Obtaining a direct confirmation from the bank for the available unutilized facilities available as at the reporting date.
- Assessing the adequacy of disclosures in the financial statements in relation to the use of going concern assumption for the preparation of financial statements of the Group.

3. Accounting for Investment in Associate

(Refer accounting policies and explanatory Notes 19 to the financial statements)

Risk Description

The carrying amount of the Group's and the Company's equity accounted investee amounts to Rs. 582 Mn. as at 31st March 2025. The Group and the Company have recognized a share of profit of

Independent Auditors' Report



Rs. 223 Mn related to this equity accounted investee for the year ended 31 March 2025. As disclosed in Note 19 to these financial statements, a former director and present shareholder of the Company through a case filed in Commercial High Court Colombo has claimed the ownership of the shares of this equity accounted investee for which a judgement was delivered in favor of the former director. The Company has appealed against the said judgment in the Supreme Court of Sri Lanka.

Given the significance of the share of profit recognized for the year and the carrying amount of the equity accounted investee, as well as the complexity and the importance of the application of management judgement around the uncertainty over the ongoing litigation, we identified the accounting for investment in associate as a key audit matter.

Our response

Our audit procedures included;

- Inspecting the legal documents associated with the court proceedings including determinations issued up to the date and understanding the nature and background of the litigation.
- Making inquiries from management including Company's in-house legal team and obtaining written representations regarding their assessment of the litigation and their view over potential outcomes.
- Obtaining the legal opinion from the Group's external legal counsel on appeal process and continuation of director rights.
- Evaluating the grounds of appeal based on the discussion with our in-house legal experts.
- Assessing the appropriateness of the judgement applied by the management to its accounting treatment, including the application of the equity method of accounting.
- Evaluating the adequacy of disclosures in the financial statements in line with Sri Lanka Accounting Standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditors' Report



As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3029.

Chartered Accountants

Colombo

04 September 2025

Statement of Profit or Loss and Other Comprehensive Income

		GROUP		COMPANY	
For the year ended 31 March	Notes	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Revenue	9	11,012,689,270	10,379,164,804	5,782,777,543	5,481,588,550
Cost of services		(5,134,195,166)	(4,762,524,128)	(2,821,038,301)	(2,542,988,522)
Gross profit		5,878,494,104	5,616,640,676	2,961,739,242	2,938,600,028
Other income	10	177,315,238	181,341,329	92,349,154	81,668,159
Staff costs	11.1	(1,971,235,134)	(1,905,865,718)	(608,108,593)	(628,814,927)
Administrative expenses		(2,938,456,770)	(2,712,234,017)	(1,226,782,978)	(1,002,953,495)
Other operating expenses		(28,892,496)	(143,869,931)	(50,004,149)	(79,859,875)
Impairment of financial assets	22.1, 22.2 & 23.1	(108,981,199)	(11,396,495)	(106,266,372)	11,708,015
Profit from operations	11	1,008,243,743	1,024,615,844	1,062,926,304	1,320,347,905
Finance income	12	33,734,055	71,293,024	24,562,661	61,810,379
Finance costs	12	(928,371,514)	(1,491,444,643)	(525,748,934)	(954,476,323)
Net finance costs		(894,637,459)	(1,420,151,619)	(501,186,273)	(892,665,944)
Share of profits of equity accounted investee, net of tax	19.1	223,036,367	148,528,563	223,036,367	148,528,563
Profit/(Loss) before tax		336,642,651	(247,007,212)	784,776,398	576,210,524
Income tax (expense)/ reversal	13.1	(280,261,552)	(57,740,051)	(182,955,983)	3,441,273
Profit/(Loss) for the year		56,381,099	(304,747,263)	601,820,415	579,651,797
Profit attributable to equity holders of the parent		56,381,099	(304,747,263)	601,820,415	579,651,797

		GROUP		COMPANY	
For the year ended 31 March	Notes	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
OTHER COMPREHENSIVE INCOME/(EXPENSE)					
Items that will not be reclassified to profit or loss					
Actuarial loss on retirement benefit obligation	27.2.c	(15,205,702)	(49,037,333)	(2,072,711)	(34,085,751)
Related tax on remeasurement of retirement benefit liabilities	13.2	4,561,711	14,711,200	621,813	10,225,725
Share of other comprehensive income of equity accounted investees, net of tax	19.1	(650,756)	970,937	(650,756)	970,937
Gain on revaluation of buildings	16	403,398,027	–	548,694	–
Related tax on revaluation gains	13.2	(121,019,408)	–	(164,608)	–
Other comprehensive income/(loss) for the year, net of tax		271,083,872	(33,355,196)	(1,717,568)	(22,889,089)
Total comprehensive income/(expenses) for the year		327,464,971	(338,102,459)	600,102,847	556,762,708
EARNINGS/(LOSS) PER SHARE					
Basic earnings/(loss) per share (Rs.)	14	0.04	(0.22)	0.43	0.41
Diluted earnings/(loss) per share (Rs.)	14	0.04	(0.22)	0.43	0.41

Figures in brackets indicate deductions.

The Notes to the Financial Statements on pages 109 to 167 are integral part of these Consolidated Financial Statements.

Statement of Financial Position

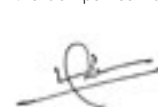
		GROUP		COMPANY	
As at 31 March	Notes	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
ASSETS					
NON CURRENT ASSETS					
Property, plant and equipment	16	15,937,600,270	15,996,285,669	1,813,038,823	1,858,180,616
Right of use assets	17.1	434,458,731	208,237,661	262,462,455	41,860,653
Investment in subsidiaries	18	–	–	945,933,066	945,933,066
Investment in equity accounted investee	19	582,265,499	359,879,888	582,265,499	359,879,888
Total non current assets		16,954,324,500	16,564,403,218	3,603,699,843	3,205,854,223
CURRENT ASSETS					
Inventories	21	476,275,981	350,556,231	248,966,632	176,817,454
Trade and other receivables	22	873,100,273	670,592,818	741,731,474	604,807,830
Amounts due from related parties	23	1,100,663,709	638,506,708	4,640,561,597	4,071,163,411
Other investments	20	269,337,333	239,841,334	223,751,924	193,272,101
Cash and cash equivalents	24	349,810,089	231,146,238	266,835,093	188,689,377
Total current assets		3,069,187,385	2,130,643,329	6,121,846,720	5,234,750,173
Total assets		20,023,511,885	18,695,046,547	9,725,546,563	8,440,604,396
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	25	1,207,388,876	1,207,388,876	1,207,388,876	1,207,388,876
Revaluation reserve	26	4,821,698,814	4,539,320,195	419,846,144	419,462,058
(Accumulated losses)/ retained earnings		(1,116,224,291)	(1,161,310,643)	269,164,365	(330,554,396)
Total equity		4,912,863,399	4,585,398,428	1,896,399,385	1,296,296,538
NON CURRENT LIABILITIES					
Retirement benefit obligation	27.2	372,337,378	330,451,934	230,534,064	221,806,402
Deferred tax liabilities	28	3,576,897,530	3,349,348,290	243,774,008	223,687,159
Borrowings	29	1,523,866,208	1,989,413,032	1,523,866,208	1,989,413,032
Lease liabilities	30	166,012,801	70,494,038	121,368,557	–
Total non-current liabilities		5,639,113,917	5,739,707,294	2,119,542,837	2,434,906,593

		GROUP		COMPANY	
As at 31 March	Notes	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
CURRENT LIABILITIES					
Trade creditors and other payables	31	3,001,965,348	2,802,597,248	2,057,649,285	1,874,657,855
Unclaimed dividends		4,592,917	4,592,917	4,592,883	4,592,883
Current tax liabilities	32	223,631,019	108,461,011	162,411,929	-
Amounts due to related companies	33	146,804,759	8,728,162	507,898,478	244,834,173
Borrowings	29	5,155,748,423	4,691,189,547	2,407,875,199	2,194,503,910
Lease liabilities	30	48,844,597	13,914,933	34,229,061	355,437
Bank overdrafts	24	889,947,506	740,457,007	534,947,506	390,457,007
Total current liabilities		9,471,534,569	8,369,940,825	5,709,604,341	4,709,401,265
Total liabilities		15,110,648,486	14,109,648,119	7,829,147,178	7,144,307,858
Total equity and liabilities		20,023,511,885	18,695,046,547	9,725,546,563	8,440,604,396
Net assets per share		3.49	3.25	1.35	0.92

Figures in brackets indicate deductions.

The Notes to the Financial Statements on pages 109 to 167 are integral part of these consolidated Financial Statements.

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

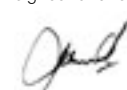


Theja Vimuktha De Silva
Group Chief Financial Officer



Sampath Thennakoon
Company Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Approved and signed for and on behalf of the Board of Directors;



Dr H K Jayantha Dharmadasa
Chairman/Chief Executive Officer
Colombo,
04 September 2025



Mr Anisha Dharmadasa
Deputy Chairman

Statement of Changes in Equity

Group

For the year ended 31 March	Notes	Stated capital Rs.	Revaluation reserve Rs.	Accumulated losses Rs.	Total equity Rs.
Balance as at 01 April 2023		1,207,388,876	4,539,320,195	(823,208,184)	4,923,500,887
COMPREHENSIVE EXPENSE FOR THE YEAR					
Loss for the year		–	–	(304,747,263)	(304,747,263)
Other comprehensive expense, net of tax	27.2.c, 13.2 & 19.1	–	–	(33,355,196)	(33,355,196)
Balance as at 31 March 2024		1,207,388,876	4,539,320,195	(1,161,310,643)	4,585,398,428
Balance as at 01 April 2024		1,207,388,876	4,539,320,195	(1,161,310,643)	4,585,398,428
COMPREHENSIVE EXPENSE FOR THE YEAR					
Profit for the year		–	–	56,381,099	56,381,099
Other comprehensive income/(expense), net of tax	27.2.c, 13.2 & 19.1	–	282,378,619	(11,294,747)	271,083,872
Balance as at 31 March 2025		1,207,388,876	4,821,698,814	(1,116,224,291)	4,912,863,399

Company

For the year ended 31 March	Notes	Stated capital Rs.	Revaluation reserve Rs.	Accumulated losses Rs.	Total equity Rs.
Balance as at 01 April 2023		1,207,388,876	419,462,058	(887,317,104)	739,533,830
COMPREHENSIVE EXPENSE FOR THE YEAR					
Other comprehensive expense					
Profit for the year		–	–	579,651,797	579,651,797
Other comprehensive expense (net of tax)	27.2.c, 13.2 & 19.1	–	–	(22,889,089)	(22,889,089)
Balance as at 31 March 2024		1,207,388,876	419,462,058	(330,554,396)	1,296,296,538
Balance as at 01 April 2024		1,207,388,876	419,462,058	(330,554,396)	1,296,296,538
COMPREHENSIVE EXPENSE FOR THE YEAR					
Profit for the year		–	–	601,820,415	601,820,415
Other comprehensive income/(expense), net of tax	27.2.c, 13.2 & 19.1	–	384,086	(2,101,654)	(1,717,568)
Balance as at 31 March 2025		1,207,388,876	419,846,144	269,164,365	1,896,399,385

Figures in brackets indicate deductions.

The Notes to the Financial Statements on pages 109 to 167 are integral part of these consolidated financial statements.

Statement of Cash Flows

GROUP			COMPANY		
For the year ended 31 March	Notes	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before Tax		336,642,651	(247,007,212)	784,776,398	576,210,524
ADJUSTMENTS FOR:					
Depreciation of property plant and equipment	16	802,409,354	825,972,769	216,499,959	268,964,148
Unrealised foreign exchange loss on borrowings	29.1	(5,522,102)	(33,410,031)	(5,522,102)	(33,410,031)
Finance costs	12	927,892,296	1,491,444,643	525,748,934	954,476,323
Interest income	12	(28,950,033)	(37,562,377)	(22,287,966)	(26,568,980)
Amortization of right of use assets	17.1	23,595,681	34,853,998	7,235,061	9,599,768
Profit/(Loss) on disposal of Property, Plant and Equipment (Net)		(815,793)	5,129,300	(1,140,000)	-
Fair value gain in Unit Trust	10	(411,622)	-	(411,622)	-
Provision for retirement benefit obligations	27.2.b	75,493,884	76,127,895	40,182,590	44,326,227
Provision/(Reversal) for impairment of trade receivables	22.1	40,290,677	(78,344,146)	38,158,775	(78,344,146)
Provision for Impairment of other debtors	22.2	13,053,579	47,421,451	12,393,579	24,316,941
Provision for impairment of prepayments	22.3	12,464,546	1,744,916	12,464,546	1,744,916
Provision for impairment of related party receivables	23.1	55,636,943	42,319,190	55,714,018	42,319,190
Provision for slow moving inventories	21.1	1,889,824	139,640	197,349	83,784
Gain on de-recognition of right- of-use-asset and lease liability		(3,299,982)	(3,822,139)	-	(1,457,787)
Share Profit of Equity – accounted investee, net of tax	19.1	(223,036,367)	(148,528,563)	(223,036,367)	(148,528,563)
Operating profit before working capital changes		2,027,333,536	1,976,479,334	1,440,973,152	1,633,732,314

		GROUP		COMPANY	
For the year ended 31 March	Notes	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
CHANGES IN WORKING CAPITAL					
Increase in inventories		(127,609,574)	(1,621,533)	(72,346,527)	(20,760,980)
Increase in debtors, deposits and advances		(268,316,257)	(88,904,668)	(199,940,544)	(98,655,735)
(Increase)/decrease in related party balances		(379,717,347)	(55,608,587)	(362,047,899)	399,876,271
Increase in creditors and other payables		199,368,097	563,499,129	182,991,429	251,666,777
Cash generated from/ (used in) operating activities		1,451,058,459	2,393,843,675	990,769,611	2,165,858,647
Interest paid		(214,806,558)	(217,405,560)	(63,850,800)	(92,072,732)
Gratuity paid	27.2.a	(48,814,142)	(47,260,270)	(33,527,639)	(29,384,584)
Current tax paid	32	(53,999,997)	(5,050,396)	-	-
Net cash generated from operating activities		1,133,437,758	2,124,127,449	892,251,172	2,044,401,331
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES					
Purchase of Property, Plant and Equipment	16	(340,650,135)	(76,825,978)	(170,809,472)	(70,779,475)
Investment in right of use assets		(67,368,720)	-	(67,368,720)	-
Proceeds from sale of property, Plant and Equipment		1,140,000	-	1,140,000	-
Interest received		29,642,653	41,097,924	21,492,001	28,717,462
Net investment in short-term deposits		(29,777,012)	(73,672,197)	(29,272,232)	(67,473,490)
Net cash used in investing activities		(407,013,214)	(109,400,251)	(244,818,423)	(109,535,503)

Statement of Cash Flows

		GROUP		COMPANY	
For the year ended 31 March	Notes	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES					
Proceeds from long-term borrowings		2,019,000,000	3,594,834,000	2,019,000,000	3,594,834,000
Repayment of commercial papers	29.2	(42,011,539)	(245,040,124)	(42,011,539)	(245,040,124)
Repayments of long-term borrowings	29.1	(2,685,540,031)	(5,160,577,442)	(2,685,540,031)	(5,098,102,554)
Repayments of lease rentals	30.2	(48,699,622)	(12,015,763)	(5,225,962)	(10,745,198)
Repayment of debenture		-	(11,043,082)	-	(11,043,082)
Net cash flows used in financing activities		(757,251,192)	(1,833,842,411)	(713,777,532)	(1,770,096,958)
Net increase in cash and cash equivalents during the year		(30,826,648)	180,884,787	(66,344,783)	164,768,870
Cash and cash equivalents at the beginning of the year		(509,310,769)	(690,195,556)	(201,767,630)	(366,536,500)
Cash and cash equivalents at the end of the year		(540,137,417)	(509,310,769)	(268,112,413)	(201,767,630)
ANALYSIS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR					
Cash at bank and in hand	24	349,810,089	231,146,238	266,835,093	188,689,377
Bank overdraft	24	(889,947,506)	(740,457,007)	(534,947,506)	(390,457,007)
		(540,137,417)	(509,310,769)	(268,112,413)	(201,767,630)

Figures in brackets indicate deduction.

The Notes to the Financial Statements on pages 109 to 167 are integral part of these consolidated financial statements.

Notes to the Financial Statements

1. Reporting Entity

1.1 Corporate Information

Nawaloka Hospitals PLC ("Company") is a quoted public company with limited liability incorporated in Sri Lanka under the provisions of the Companies Act No. 07 of 2007 and the ordinary shares of the Company are listed on the Colombo Stock Exchange.

The registered office and the principal place of business of the Company is located at No. 23, Deshamanya, H K Dharmadasa Mawatha, Colombo 02.

The consolidated Financial Statements as at and for the year ended 31 March 2025, comprise the Company (Parent Company) and its Subsidiaries (together referred to as the "Group" and individually as "Group entities").

The Company does not have an identifiable parent of its own. The Company is the Ultimate Parent of the Group.

1.2 Principal Business Activities, Nature of Operations of the Group and Ownership by the Company in Its Subsidiaries and Associate

The principal business activities of the Company is to provide health and laboratory services.

Entity	Relationship	Principal business activity	Ownership as at	Ownership as at
			31 March 2025	31 March 2024
New Nawaloka Hospitals (Pvt) Ltd.	Subsidiary	Provide health care services	100%	100%
New Nawaloka Medical Centre (Pvt) Ltd.	Subsidiary		100%	100%
Nawaloka Laboratories (Pvt) Ltd.*	Subsidiary	Providing clinical laboratory services	100%	100%
Nawaloka College of Higher Studies (Pvt) Ltd.	Associate	Providing education services	49.95%	49.95%

*Previously Nawaloka Green Cross Laboratories (Pvt) Ltd.

1.3 Number of Employees

Company	350	(2024 – 386)
Group	1,996	(2024 – 1,926)

2. Basis of Preparation

2.1 Statement of Compliance

The Consolidated Financial Statements of the Group and separate financial statements of the company comprise of Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows together with the Material Accounting Policies and notes to the Financial Statements.

The Consolidated Financial Statements of the Group and the separate Financial Statements of the Company, have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRSs and LKASs), laid down by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

These Financial Statements, except for information on cash flows have been prepared following the accrual basis of accounting.

2.2 Statement of Presentation

Further, these Financial Statements have complied with the requirements of the Companies Act No. 07 of 2007 and appropriate disclosures as required by the listing rule of Colombo Stock Exchange (CSE).

2.3 Responsibility for Financial Statements

The Board of Directors of the Company is responsible for the preparation and presentation of the Financial Statements of the Group and the Company as per the provisions of the Companies Act No. 07 of 2007 and Sri Lanka Accounting Standards.

The Board of Directors acknowledges their responsibility for Financial Statements as set out in the "Annual Report of the Board of Directors," "Statement of Directors Responsibility" and the certification on the Statement of Financial Position on page 105.

Notes to the Financial Statements

2.4 Approval of Financial Statements by the Board of Directors

The Financial Statements of the Group and the Company for the year ended 31 March 2025 (including comparatives for 2024), were approved and authorised for issue by the Board of Directors in accordance with Resolution of the Directors on 04 September 2025.

2.5 Going Concern

The Group's Financial Statements have been prepared under the assumption of a going concern, as the Board of Directors is confident that the Group possesses sufficient resources to continue its operations into the foreseeable future. This confidence is based on directors' comprehensive assessment, which takes into account the possible effects on the Group's business operations, profitability, liquidity and capital. Refer to the Note 44 – Going Concern.

2.6 Materiality and Aggregation

Each material class of similar item is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately, unless they are immaterial as permitted by the LKAS 1 on "Presentation of Financial Statements".

2.7 Comparative Information

The Financial Statements for the comparative periods comprise results for the 12 month period from 01 April 2023 to 31 March 2024. In this circumstance, the comparative information for the Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement and related notes are comparable with the current period.

3. Functional and Presentation Currency

Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entities operate ("the functional currency"). The consolidated Financial Statements are presented in Sri Lankan Rupees, which is the Company's functional and presentation currency. All financial information presented in Rupees has been rounded to the nearest Rupee.

4. Use of Judgements and Estimates

In preparing these consolidated Financial Statements, Management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

4.1 Judgement

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated Financial Statements is included in the following Notes:

Note 17 – Leases: whether an arrangement contains a lease and lease classification; and
Note 6.1 – Consolidation: whether the Group has *de facto* control over an investee.

4.2 Assumptions and Estimation Uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the year ended 31 March 2025 is included in the following Notes:

Note 27 – Measurement of defined benefit obligations: key actuarial assumptions;
Note 28 – Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
Note 16 – Measurement of the useful lifetime of property, plant and equipment
Note 16 – Valuation of building constructed on leasehold land
Note 39/40 – Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
Note 44 – Uncertainties involved in the use of going concern assumption

Measurement of Fair Values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values.

Notes to the Financial Statements

The Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of SLFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

5. Basis of Measurement

The consolidated Financial Statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement basis
Valuation of buildings constructed on leasehold land	Fair value
Net defined benefit (asset) liability	Present value of the defined benefit obligation as explained in Note 27
Investment in unquoted shares	Fair value

6. Material Accounting Policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated Financial Statements.

Set out below is an index of the material accounting policies, the details of which are available on the pages that follow.

Note reference	Note	Page reference
6.1	Basis of Consolidation	112
6.2	Foreign Currency Translation	112
16	Property, Plant and Equipment	121
17	Leases	126
21	Inventories	132
34	Financial instruments	147
6.3	Impairment of Assets	112
25	Stated Capital	136
40	Provisions	165
27	Employee Benefits	136
9	Revenue Recognition	115
11	Expenditure Recognition	116
13	Income Tax Expenses	118
38	Related Party Transactions	162
41	Events after the Reporting Date	166
14	Earnings/(Loss) Per Share	120
8	Segmental Information	114
24	Cash and Cash Equivalents	134
35	Fair Value Measurement	151
18	Investment in Subsidiaries	128
19	Investment in Equity Accounted Investee	128

Notes to the Financial Statements

6.1 Basis of Consolidation

Business Combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meet the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a "concentration test" that permits a simplified assessment of whether as acquired set of activities and assets not a business. The optional concentration test is met if substantially all of the fair value of gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

Loss of Control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

6.2 Foreign Currency Translation

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

6.3 Impairment of Assets

6.3.1 Financial instruments and contract assets

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost.

Loss allowances for trade receivables is always measured at an amount equal to lifetime Expected Credit Loss (ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

Credit-impaired Financial Assets

At each reporting date, the Group/Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Notes to the Financial Statements

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of Allowance for ECL in the Statement of Financial Position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

6.3.2 Non-Financial Assets

The carrying amounts of the Company's and the Group's non-financial assets, other than inventories are reviewed at each reporting date to determine such indication exists, and then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the 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 asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

7. New Accounting Standard Amendments Issued but not Effective as at the Reporting Date

A number of new accounting standards are effective for annual periods beginning on or after 01 April 2025. However the Group has not early adopted the following new or amended accounting standards in preparing these consolidated statements.

7.1 Lack of Exchangeability (Amendments to LKAS 21)

The amendments will require companies to provide new disclosures to help users to the impact of using on the Financial Statements. These disclosures might include;

- The nature and financial impact to the currency not being exchanges.
- The spot exchange rate used
- Risk to the company because the currency is not exchangeable

The amendment to LKAS 21 is not expected to have a significant impact on the Group Consolidated Financial Statements.

7.2 SLFRS S1 General Requirements for Disclosure of Sustainability related Financial Information and SLFRS S2 Climate-related Disclosures

SLFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information requires an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

SLFRS S2 Climate-related Disclosure is to require an entity to disclose information about its climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

These standards will become effective for the Group from 01 April 2025. No financial impact is expected on the Group.

Notes to the Financial Statements

8. Operating Segments

Accounting Policy

An operating segment is a component of the Group/Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group/Company's other components. All operating segments' operating results are reviewed regularly by the Group/Company's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

8.1 Basis for Segmentation

The Group has the following strategic divisions, which are its reportable segments. These divisions offer different products and services, and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations of each reportable segment.

Reportable segments	Operations
Hospital services	Provision of hospital services to inpatient and outpatient
Pharmaceutical	Sale of pharmaceuticals
Laboratories	Provision of laboratory services
Radiology services	Provision of radiographic services

The Group's chief executive officer reviews the internal management reports of each division at least quarterly.

Segment performance is evaluated based on operating profits or losses which in certain respect, are measured differently from operating profits or losses in the consolidated Financial Statements. Income taxes are managed on a Group basis and are not allocated to operating segments.

8.2 Segment Information

The following table presents the income, profit, asset and liability information on the Group's strategic business divisions for the year ended 31 March 2025 and comparative figures for the year ended 31 March 2024.

	Hospital services		Pharmaceutical		Laboratories		Radiology services		Unallocated/eliminations		Total	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
EXTERNAL OPERATING INCOME												
Revenue	4,805,228,144	4,655,466,237	2,953,777,256	2,704,459,793	2,102,888,303	2,030,888,467	1,150,884,658	988,610,437	(89,091)	(260,130)	11,012,689,270	10,379,164,804
Other income	-	-	-	-	-	-	-	-	-	-	177,315,238	181,341,329
Total operating income	4,805,228,144	4,655,466,237	2,953,777,256	2,704,459,793	2,102,888,303	2,030,888,467	1,150,884,658	988,610,437	(89,091)	(260,130)	11,190,004,508	10,560,506,133
Share of profit of equity accounted investee	-	-	-	-	-	-	-	-	-	-	223,036,367	148,528,563
Depreciation and amortisation	-	-	-	-	-	-	-	-	-	-	(826,005,035)	(860,826,767)
Profit/(loss) before tax	-	-	-	-	-	-	-	-	-	-	336,642,651	(247,007,212)
Income tax expense for the year	-	-	-	-	-	-	-	-	-	-	(280,261,552)	(57,740,051)
Profit/(Loss) attributable to equity holders of the parent	-	-	-	-	-	-	-	-	-	-	56,381,099	(304,747,263)

Notes to the Financial Statements

9. Revenue

Accounting Policy

SLFRS 15 – Revenue from contracts with customers, establishes a comprehensive framework for determining whether, how much and when revenue is recognised. The Group recognises revenue when a customer obtains control of the goods or services. Judgement is used to determine the timing of transfer of control – at a point in time or over time.

9.1 Revenue Streams

The Group generates revenue primarily from health and laboratory services.

For the year ended 31 March	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Revenue from contracts with customers	11,012,689,270	10,379,164,804	5,782,777,543	5,481,588,550
	11,012,689,270	10,379,164,804	5,782,777,543	5,481,588,550

9.2 Disaggregation of Revenue from Contracts with Customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (Refer Note 8).

For the year ended 31 March	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
MAJOR PRODUCT/ SERVICE LINES				
Hospital revenue	4,805,228,144	4,655,466,237	2,536,365,745	2,610,216,042
Pharmacy revenue	2,953,777,256	2,704,459,793	2,055,771,845	1,831,833,206
Laboratory revenue	2,102,888,303	2,030,888,467	204,848,050	203,121,433
Radiology services	1,150,884,658	988,610,437	985,880,994	836,677,999
Deferred revenue	(89,091)	(260,130)	(89,091)	(260,130)
	11,012,689,270	10,379,164,804	5,782,777,543	5,481,588,550

For the year ended 31 March	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
TIMING OF REVENUE RECOGNITION				
Products transferred at a point in time	2,953,777,256	2,704,459,793	2,055,771,845	1,831,833,206
Products and services transferred over time	8,058,912,014	7,674,705,011	3,727,005,698	3,649,755,344
Revenue from contracts with customers	11,012,689,270	10,379,164,804	5,782,777,543	5,481,588,550

9.3 Contract Balances

These refer to the Group's rights to consideration for work completed but not billed at the reporting date. Contract balances as at 31 March 2025 of the Group is Rs. 64,896,296/- (2024: Rs. 40,894,392/-) and for the Company is Rs. 27,640,259/- (2024: Rs. 14,675,915/-).

9.4 Performance Obligations and Revenue Recognition Policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

Notes to the Financial Statements

The following table provides information about the nature and timing of the satisfaction of performance obligation in contracts with customers, including significant payment terms and related revenue recognition policies.

Type of product/service	Nature of timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition
Healthcare service	Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, theatre, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used.	Revenue is recognised over time as the services are provided. The stage of completion for determining the amount of revenue to recognise is assessed based on provision of services. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative stand-alone selling prices. The stand-alone selling price is determined based on the price list at which the Group sells the services in separate transactions.
	The service revenues are presented net of related doctor fees and diagnostic charges in cases where the Group is not the primary obligor and does not have the pricing latitude.	
Sale of Goods	Pharmacy Sales are recognised when the risk and reward of ownership are passed to the customer.	Revenue is recognised point in time and measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is reduced for rebates and loyalty points granted upon purchase and are stated net of returns and discounts wherever applicable.

10. Other Income

Accounting Policies

Other income is recognised on an accrual basis.

Net gains and losses of a revenue nature on the disposal of property, plant and equipment and other non current assets including investments have been accounted for in profit or loss.

	GROUP		COMPANY	
For the year ended 31 March	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
– Rental services	8,031,875	42,181,860	36,948,750	38,607,460
– Car park income	54,079,740	40,995,981	–	–
– Change in fair value of Unit Trust	411,622	–	411,622	–
– Other sundry income	102,764,160	82,709,667	46,260,923	27,606,878
– Gain from the de-recognition of right-of-use asset	3,299,982	–	–	–
– Gain from disposals of property, plant and equipment	1,140,000	–	1,140,000	–
– Recovery of bad debts	7,587,859	15,453,821	7,587,859	15,453,821
	177,315,238	181,341,329	92,349,154	81,668,159

11. Profit/(Loss) from Operations

Accounting Policy

Operating profit is the result generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, and income taxes.

Notes to the Financial Statements

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 Statement of Profit or Loss in the year in which the expenditure is incurred.

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.

The profit from operations has been arrived after charging all the expenses including the following:

For the year ended 31 March	Notes	GROUP		COMPANY	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Staff costs	11.1	1,971,235,134	1,905,865,718	608,108,593	628,814,927
Emoluments paid to directors		13,740,000	10,870,000	13,740,000	10,870,000
Auditor's remuneration – audit and audit related services		9,600,000	8,750,000	3,850,000	3,500,000
Depreciation of property plant and equipment		802,409,354	825,972,769	216,499,959	268,964,148
Provision/(Reversal) for trade and other receivables		65,808,802	(29,177,779)	63,016,900	(52,282,289)
Provision for slow-moving and obsolete inventories		1,889,824	139,640	197,349	83,784
Loss from disposal of property, plant and equipment		324,207	5,129,300	–	–
Amortisation of right-of-use assets		23,595,681	34,853,998	7,235,061	9,599,768

11.1 Staff Costs

For the year ended 31 March	Notes	GROUP		COMPANY	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Salaries and wages		1,717,500,662	1,657,960,015	514,373,227	530,194,117
Contribution to Employees' Provident Fund	27.1	142,592,471	137,422,246	42,842,221	43,435,666
Contribution to Employees' Trust Fund	27.1	35,648,117	34,355,562	10,710,555	10,858,917
Provision for retirement benefit liability	27.2.b	75,493,884	76,127,895	40,182,590	44,326,227
		1,971,235,134	1,905,865,718	608,108,593	628,814,927

12. Net Finance Costs

Accounting Policy

The Group's finance income and finance costs include:

- interest income
- interest expenses
- the foreign currency gains or losses on financial assets and financial liabilities

Interest income or expenses are recognised using the effective interest method.

The "effective interest rate" is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments to:

- the gross carrying amount of the financial assets; or
- the amortised cost of the financial liability.

In calculating interest income and expenses, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial assets. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Notes to the Financial Statements

		GROUP		COMPANY	
For the year ended 31 March	Notes	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
FINANCE INCOME					
Interest on fixed deposits		27,741,689	32,241,724	21,214,172	25,858,817
Foreign exchange gain		4,784,022	33,730,647	2,274,695	35,241,399
Other interest		1,208,344	5,320,653	1,073,794	710,163
		33,734,055	71,293,024	24,562,661	61,810,379
FINANCE COSTS					
Overdraft interest		185,915,135	216,538,203	63,225,733	91,205,374
Foreign exchange loss		479,218	-	-	-
Debenture interest		-	867,358	-	867,358
Interest on borrowings	29.1	712,346,276	1,199,917,300	461,158,689	821,424,871
Interest on commercial papers	29.2	739,448	39,710,829	739,448	39,710,829
Interest on leases	30	28,891,617	34,410,953	625,064	1,267,891
		928,371,514	1,491,444,643	525,748,934	954,476,323
Net Finance Costs		894,637,459	1,420,151,619	501,186,273	892,665,944

13. Income Tax Expenses

Accounting Policy

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the Statement of Profit or Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other Comprehensive Income.

The Group has determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under LKAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Refer Note 28 for detailed accounting policy.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. 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; such reductions are reversed when the probability of future taxable profits.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Notes to the Financial Statements

Tax Exposures

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

13.1 Amount Recognised in Profit or Loss

		GROUP		COMPANY	
For the year ended 31 March	Notes	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
CURRENT TAX EXPENSE					
Tax on current year profit	13.4	169,170,009	15,447,526	162,411,929	-
Under provision during prior year		-	11,595,548	-	-
		169,170,009	27,043,074	162,411,929	-
DEFERRED TAX EXPENSE					
Charge to/(reversal from) deferred taxation	28.1	111,091,543	30,696,977	20,544,054	(3,441,273)
		111,091,543	30,696,977	20,544,054	(3,441,273)
Tax expenses/(reversals) on continuing operations		280,261,552	57,740,051	182,955,983	(3,441,273)

As per the Inland Revenue Amendment Act No. 45 of 2022, the Group is liable to pay income tax on its taxable profits at following rates,

Company	Tax rate
Nawaloka Hospitals PLC	30% on the taxable profits (2024: 30% on the taxable profits)
New Nawaloka Hospitals (Pvt) Ltd	30% on the taxable profits (2024: 30% on the taxable profits)
New Nawaloka Medical Centre (Pvt) Ltd	30% on the taxable profits (2024: 30% on the taxable profits)
Nawaloka Laboratories (Pvt) Ltd	30% on the taxable profits (2024: 30% on the taxable profits)

13.2 Amount Recognised in Other Comprehensive Income

		GROUP		COMPANY	
For the year ended 31 March	Notes	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS					
Deferred tax impact on retirement benefit obligation	28.1	(4,561,711)	(14,711,200)	(621,813)	(10,225,725)
Deferred tax impact on change in revaluation reserve	28.1	121,019,408	-	164,608	-
		116,457,697	(14,711,200)	(457,205)	(10,225,725)

13.3 Amounts Recognised Directly in Equity

There were no items recognised directly in equity during the year ended 31 March 2025.

Notes to the Financial Statements

13.4 Reconciliation Between the Accounting Profit and Tax Expense

For the year ended 31 March	Notes	GROUP		COMPANY	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Accounting profit/(loss) before tax		336,642,651	(247,007,212)	784,776,398	576,210,524
Share of profit from equity accounted investee		(223,036,367)	(148,528,563)	(223,036,367)	(148,528,563)
Other consolidation adjustments		33,600,000	26,803,231	-	-
Profit/(Loss) before tax		147,206,284	(368,732,544)	561,740,031	427,681,961
Aggregate disallowable expenses		996,560,508	1,002,587,063	356,739,727	326,833,496
Aggregate allowable expenses		(1,231,924,063)	(1,129,333,732)	(334,629,355)	(288,373,819)
Other sources of income		(69,944,087)	(156,188,533)	(61,923,033)	(143,154,984)
Tax loss from business	13.5	(956,475,309)	(1,056,787,664)	-	-
Taxable profit from business		731,173,951	405,119,918	521,927,370	322,986,655
Other sources of income liable for tax		67,481,570	35,581,901	59,236,716	26,568,980
Tax loss claimed during the year	13.5	(234,755,493)	(389,210,067)	(39,790,990)	(349,555,635)
Taxable income		563,900,028	51,491,752	541,373,096	-
Income tax at 30%		169,170,009	15,447,526	162,411,929	-
Total income tax		169,170,009	15,447,526	162,411,929	-
Effective tax rate		50%	Nil	26%	Nil

13.5 Tax Losses Carried Forward

For the year ended 31 March	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
RECONCILIATION OF TAX LOSSES CARRIED FORWARD				
Tax losses brought forward	3,983,300,822	3,160,084,894	118,377,148	261,065,439
Adjustment due to finalisation of taxes of previous years	(74,943,582)	155,638,331	(78,586,158)	206,867,344
Tax loss claimed during the year	(234,755,493)	(389,210,067)	(39,790,990)	(349,555,635)
Tax loss for the year	956,475,309	1,056,787,664	-	-
Tax loss carried forward	4,630,077,056	3,983,300,822	-	118,377,148

14. Earnings/(Loss) Per Share

Accounting Policy

The Group presents basic and diluted 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.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

14.1 Basic Earnings/(Loss) Per Share

The earnings/(loss) per share is computed on the profit/(loss) attributable to ordinary shareholders after tax and non-controlling interest divided by the weighted average number of ordinary shares during the year.

Notes to the Financial Statements

For the year ended 31 March	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Profit/(Loss) for the year	56,381,099	(304,747,263)	601,820,415	579,651,797
Weighted average number of ordinary shares in issue during the year	1,409,505,596	1,409,505,596	1,409,505,596	1,409,505,596
Earnings/(Loss) per Share	0.04	(0.22)	0.43	0.41

14.2 Diluted Earnings/(Loss) Per Share

There was no dilution of ordinary shares outstanding at any time during the year. Therefore, diluted earnings/(loss) per share is same as basic earnings per share as shown in Note 14.1.

15. Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)

Management has presented the performance measure adjusted EBITDA because it monitors this performance measure at a consolidated level and it believes that this measure is relevant to an understanding of the Group's financial performance. Adjusted EBITDA is calculated by adjusting profit from continuing operations to exclude the impact of taxation, net finance costs, depreciation and amortization.

Adjusted EBITDA is not a defined performance measure in Sri Lanka Accounting Standards. The Group's definition of adjusted EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities.

Reconciliation of adjusted EBITDA to profit from continuing operations – Group

For the year ended 31 March	2025 Rs.	2024 Rs.
Profit/(Loss) for the year	56,381,099	(304,747,263)
Income tax expense	280,261,552	57,740,051
Profit/(Loss) before tax	336,642,651	(247,007,212)
ADJUSTMENTS FOR:		
Net finance costs	894,637,459	1,420,151,619
Depreciation	802,409,354	825,972,769
Amortization	23,595,681	34,753,998
Share of profit of equity-accounted investee, net of tax	(223,036,367)	(148,528,563)
Adjusted EBITDA	1,834,248,778	1,885,342,611

16. Property, Plant and Equipment

Accounting Policy

Recognition and Measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses.

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Notes to the Financial Statements

Revaluation

The Group applies the Revaluation Model for the entire class of buildings on leasehold property for measurement after initial recognition. Such properties are carried at revalued amounts, being their fair value at the date of revaluation, less any subsequent accumulated depreciation on buildings and any accumulated impairment losses charged subsequent to the date of valuation. Buildings on leasehold land of the Group are revalued by independent professional valuers every three-five years or more frequently if the fair values as are substantially different from carrying amounts to ensure that the carrying amounts do not differ from the fair values as at the reporting date.

On revaluation of an asset, any increase in the carrying amount is recognised in Revaluation Reserve in Equity through OCI or used to reverse a previous loss on revaluation of the same asset, which was charged to the statement of profit or loss and other comprehensive income. In this circumstance, the increase is recognised as income only to the extent of the previous write down in value. Any decrease in the carrying amount is recognised as an expense in the statement of profit or loss and other comprehensive income or charged to Revaluation Reserve in equity through OCI, only to the extent of any credit balance existing in the Revaluation Reserve in respect of that asset. Any balance remaining in the Revaluation Reserve in respect of an asset, is transferred directly to retained earnings on retirement or disposal of the asset.

Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings on leasehold land	lower of land lease term or 60 years
Freehold Buildings	60 years
Fixtures and Fittings	10 years
Plant and Machinery	5 years
Hospital Equipment	10 years
Medical Equipment	10 years
Motor Vehicles	5 years
Furniture and Fittings	10 years
Computer Equipment	4 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Capital work-in-progress

These are expenses of a capital nature directly incurred in the construction of buildings, awaiting capitalisation. These are stated in the Statement of Financial Position at cost less any accumulated impairment losses. Capital work-in-progress is transferred to the relevant asset when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Management (i.e. available for use).

De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year asset is de-recognised.

Impairment/Reversal of Impairment

The carrying value of property plant and equipment is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceed the estimated recoverable amount the assets are written down to their recoverable amount. Impairment losses are recognised in the statement of comprehensive income unless it reverses a previous revaluation surplus for the same asset.

Notes to the Financial Statements

16.1 Reconciliation of Carrying Amount

Group

	Freehold land Rs.	Buildings constructed on leasehold land Rs.	Fixture and fittings Rs.	Plant and machinery Rs.	Motor vehicles Rs.	Hospital equipment Rs.	Medical equipment Rs.	Computer equipment Rs.	Furniture fittings Rs.	Work in progress (WIP) Rs.	Total 2025 Rs.	Total 2024 Rs.
COST/RE-VALUATION												
Balance as at 01 April	42,188,000	14,829,302,295	647,105,230	54,001,945	553,987,453	693,434,003	5,488,477,505	379,184,310	267,682,889	23,348,973	22,978,712,603	22,907,612,275
Revaluation gain during the year	-	403,398,027	-	-	-	-	-	-	-	-	403,398,027	-
Additions during the year	-	-	451,750	-	-	29,120,354	164,121,482	67,212,766	3,432,960	76,310,823	340,650,135	76,825,978
Transfers from WIP	-	23,348,975	-	-	-	-	-	-	-	(23,348,975)	-	-
Adjustment due to revaluation	-	(822,096,622)	-	-	-	-	-	-	-	-	(822,096,622)	-
Disposals during the year	-	-	-	-	(427,940)	-	(68,929,600)	(43,000)	-	-	(69,400,540)	(5,725,650)
Balance as at 31 March	42,188,000	14,433,952,675	647,556,980	54,001,945	553,559,513	722,554,357	5,583,669,387	446,354,076	271,115,849	76,310,821	22,831,263,603	22,978,712,603
ACCUMULATED DEPRECIATION												
Balance as at 01 April	-	410,501,046	502,873,984	54,001,945	542,879,219	535,815,415	4,412,316,483	339,208,832	184,830,010	-	6,982,426,934	6,157,050,515
Charge for the year	-	411,595,576	36,859,040	-	10,308,827	38,724,567	254,009,883	30,963,707	19,947,754	-	802,409,354	825,972,769
Adjustment due to revaluation	-	(822,096,622)	-	-	-	-	-	-	-	-	(822,096,622)	-
Disposals during the year	-	-	-	-	(427,940)	-	(68,635,493)	(12,900)	-	-	(69,076,333)	(596,350)
Balance as at 31 March	-	-	539,733,024	54,001,945	552,760,106	574,539,982	4,597,690,873	370,159,639	204,777,764	-	6,893,663,333	6,982,426,934
NET CARRYING VALUE												
As at 31 March 2025	42,188,000	14,433,952,675	107,823,956	-	799,407	148,014,375	985,978,514	76,194,437	66,338,085	76,310,821	15,937,600,270	
As at 31 March 2024	42,188,000	14,418,801,249	144,231,246	-	11,108,234	157,618,588	1,076,161,022	39,975,478	82,852,879	23,348,973		15,996,285,669

Notes to the Financial Statements

Company

	Freehold land	Buildings constructed on leasehold land	Fixture and fittings	Plant and machinery	Motor vehicles	Hospital equipment	Medical equipment	Computer equipment	Furniture fittings	Work in progress (WIP)	Total 2025	Total 2024
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
COST/RE-VALUATION												
Balance as at 01 April	42,188,000	1,219,770,300	234,487,982	11,332,408	476,857,846	409,190,282	3,084,551,159	210,158,822	134,210,750	20,042,412	5,842,789,961	5,772,010,486
Revaluation gain during the year	-	548,694	-	-	-	-	-	-	-	-	548,694	-
Additions during the year	-	-	442,750	-	-	16,560,911	55,909,846	20,399,865	1,185,277	76,310,823	170,809,472	70,779,475
Transfers from WIP	-	20,042,412	-	-	-	-	-	-	-	(20,042,412)	-	-
Adjustment due to revaluation	-	(109,932,729)	-	-	-	-	-	-	-	-	(109,932,729)	-
Disposals during the year	-	-	-	-	(427,940)	-	(68,599,600)	-	-	-	(69,027,540)	-
Balance as at 31 March	42,188,000	1,130,428,677	234,930,732	11,332,408	476,429,906	425,751,193	3,071,861,405	230,558,687	135,396,027	76,310,823	5,835,187,858	5,842,789,961
ACCUMULATED DEPRECIATION												
Balance as at 01 April	-	54,500,693	205,893,020	11,332,408	467,828,735	337,917,464	2,620,275,206	184,324,792	102,537,027	-	3,984,609,345	3,715,645,197
Charge for the year	-	55,432,036	8,988,423	-	9,029,111	17,725,063	100,865,495	16,942,216	7,517,615	-	216,499,959	268,964,148
Adjustment due to revaluation	-	(109,932,729)	-	-	-	-	-	-	-	-	(109,932,729)	-
Disposals during the year	-	-	-	-	(427,940)	-	(68,599,600)	-	-	-	(69,027,540)	-
Balance as at 31 March	-	-	214,881,443	11,332,408	476,429,906	355,642,527	2,652,541,101	201,267,008	110,054,642	-	4,022,149,035	3,984,609,345
NET CARRYING VALUE												
As at 31 March 2025	42,188,000	1,130,428,677	20,049,289	-	-	70,108,666	419,320,304	29,291,679	25,341,385	76,310,823	1,813,038,823	
As at 31 March 2024	42,188,000	1,165,269,607	28,594,962	-	9,029,111	71,272,818	464,275,953	25,834,030	31,673,723	20,042,412		1,858,180,616

Notes to the Financial Statements

16.2 Details of Buildings Under Property, Plant and Equipment Stated at Revaluation

The buildings constructed on leasehold lands of the Group were revalued by Mr G W G Abeygunawardene FRICS, Chartered valuer as at 31 March 2025.

Location	Extent Building (Sq. ft.)	No of Buildings	Revalued amount – Buildings Rs.	Carrying Value after revaluation Rs.	Carrying Value if carried at cost Rs.
Nawaloka Hospitals PLC	90,984	1	1,130,428,677	1,130,428,677	536,545,895
New Nawaloka Hospitals (Pvt) Ltd.	112,826	1	1,226,603,200	1,226,603,200	1,124,145,738
New Nawaloka Medical Centre (Pvt) Ltd.	587,353	4	12,076,982,550	12,076,982,550	7,995,349,644

The leasehold properties with a land extent of 511.80 perches are located in No. 23, Deshamanya H K Dharmadasa Mawatha, Colombo 02.

16.3 Details of Freehold Lands Stated at Cost – Group/Company

Property	Extent (Perches)	Number of Buildings	Square feet (Building)	Carrying value Rs.
Land situated at No. 15, Nelson lane, Kollupitiya, Colombo 03	19.2	–	–	42,188,000

16.4 Title Restriction on Property, Plant and Equipment

There are no restrictions that existed on the title of the property, plant and equipment of the Group as at the reporting date.

16.5 Acquisition of Property, Plant and Equipment During the Year

During the financial year, the Group acquired property, plant and equipment to the aggregate value of Rs. 340 Mn. (2024: Rs. 76 Mn.) Cash payments amounting to Rs. 340 Mn. (2024: Rs. 76 Mn.) were made during the year for purchase of property, plant and equipment.

16.6 Impairment of Property, Plant and Equipment

The Board of Directors has assessed the potential impairment loss of property, plant and equipment as at 31 March 2024. Based on the assessment, no impairment provision is required to be made in the Financial Statements as at the reporting date in respect of property, plant and equipment.

16.7 Property, plant and equipment pledged as security

Refer Note 24.1 and 29.2

16.8 Temporarily idle Property, Plant and Equipment

There are no temporarily idle property, plant and equipment as at the reporting date.

16.9 Fully Depreciated Assets

Fully depreciated assets in property, plant and equipment still in use are detailed as follows;

As at 31 March	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Fixture and fittings	303,980,078	259,009,680	170,310,042	126,799,121
Plant and machinery	18,231,945	54,001,945	11,332,408	11,332,408
Motor vehicles	550,154,810	482,472,151	476,857,845	411,468,106
Hospital equipment	362,926,263	276,810,557	284,802,481	200,781,747
Medical equipment	3,280,983,453	2,915,217,019	2,318,099,302	1,993,479,512
Computer equipment	302,051,209	257,717,187	160,634,972	148,453,485
Furniture and fittings	76,182,768	60,901,302	67,712,873	53,158,625
	4,894,510,526	4,306,129,841	3,489,749,923	2,945,473,004

16.10 Work in Progress

The cost of incompleted projects of the group relation to radiology enhancement project, physiotherapy unit and maternity ward of Rs. 76 Mn. has been recorded under capital work-in-progress as at 31 March 2025 (2024: Rs. 23.3 Mn.).

Notes to the Financial Statements

16.11 Compensation from Third Parties for Items of Property, Plant and Equipment

No impairment has been recognised for items of Property Plant and Equipments during the year and no compensation are receivable from third parties during the year (2024: Nil).

16.12 Measurement of Fair Values

Fair value hierarchy

The fair value of buildings constructed on leasehold lands was determined by external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

Valuation techniques and significant unobservable inputs

The Group uses the revaluation model for measurement of buildings constructed on leasehold land. The buildings constructed on leasehold lands of the Group were revalued by Mr G W G Abeygunawardene FRICS, Chartered valuer as at 31 March 2025.

The Depreciated Replacement Cost ("DRC method") has been used as the fair value of buildings constructed on lease hold land. The cost approach is based on the assumption that an informed buyer will pay no more for a property than the cost of building a brand – new property with similar utility. In determining the DRC, the current condition of the buildings and future usability have been considered. This approach involves the analysis of transactions relating to direct comparable where available. Where evidence of direct comparison is not available, consideration is given to properties in locations further afield making appropriate allowances for configuration, permitted use, size, etc.

The table below sets out the significant unobservable inputs used in measuring buildings constructed on leasehold lands categorised as Level 3 in the fair value hierarchy as at 31 March 2025.

Location and address of the property	Method of valuation	Significant unobservable inputs	Range of estimates for unobservable inputs	Estimated fair value would increase (decrease) if.	Sensitivity of fair value to significant unobservable input
No. 23, Deshamanya H K Dharmadasa Mawatha, Colombo 2	DRC Method of Valuation	Building – Price per square feet	Rs. 1,700/ – Rs. 27,350/-	Price per square feet for Building increase/(Decrease)	Positively Correlated

16.13 Borrowing Costs

No Borrowing costs were capitalised during the year under Property, Plant and Equipment (2024: Nil)

17. Leases

Accounting policy

Leased Assets

At inception of a contract, the Group/Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group/Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group/Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group/Company has the right to direct the use of the asset. The Group/Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group/Company has the right to direct the use of the asset if either:
- the Group/Company has the right to operate the asset; or
- the Group/Company designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 01 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Group/Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Notes to the Financial Statements

(i) As a lessee

The Group/Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently amortised using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group/Company's incremental borrowing rate. Generally, the Group/Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group/Company is reasonably certain to exercise, lease payments in an optional renewal period if the Group/Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group/Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group/Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Group/Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

17.1 Right of Use Assets

As at 31 March	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
COST				
Balance as at 01 April	804,384,781	801,071,704	130,386,037	149,250,072
New leases obtained during the year	262,498,309	6,139,834	227,836,863	–
Remeasurement of leases	–	38,993,679	–	–
Derecognition of right-of-use assets	(517,203,820)	(41,820,436)	–	(18,864,035)
Balance as at 31 March	549,679,270	804,384,781	358,222,900	130,386,037
ACCUMULATED AMORTISATION				
Balance as at 01 April	596,147,120	588,248,750	88,525,384	92,906,262
Amortisation for the year	23,595,681	34,853,998	7,235,061	9,599,768
Derecognition of right-of-use assets	(504,522,262)	(26,955,628)	–	(13,980,646)
Balance as at 31 March	115,220,539	596,147,120	95,760,445	88,525,384
Net carrying value	434,458,731	208,237,661	262,462,455	41,860,653

During the year, the Group derecognized two lease contracts: one with a right-of-use asset carrying value of Rs. 9,082,448 located at Lot A, S W R D Bandaranayake Mawatha, Kandy, on 10 July 2024, and another with a carrying value of Rs. 3,599,110 located at "Sasthiriyaar Vayal", Assessment No. 39, Puliyanthivu, Batticaloa, on 03 April 2024. These leases had corresponding liabilities of Rs. 11,602,084 and Rs. 4,379,456 respectively, resulting in a total gain on derecognition of Rs. 3,299,982.

Further, the Group derecognised right-of-use assets with a cost of Rs. 495,439,813 and the related accumulated amortisation, pertaining to leasehold assets for which the agreement period ended during the year.

Notes to the Financial Statements

Assets obtained on lease and balance term of leases as at 31 March 2025 are as follows,

(a) Nawaloka Hospitals PLC

Type of asset	Balance lease term (years)
Land	21 – 65 years
Buildings	1 – 3 years

(b) New Nawaloka Hospitals (Private) Limited

Type of asset	Balance lease term (years)
Land	69 years
Buildings	1 – 4 years

(c) New Nawaloka Medical Centre (Private) Limited

Type of asset	Balance lease term (years)
Land	79 years
Buildings	4 – 9 years

18. Investment in Subsidiaries

Accounting policy

Recognition and measurement

Subsidiaries are entities controlled by the Group. The Group “controls” an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date on which control commenced until the date on which control ceases.

Investments in subsidiaries are recognised at cost of acquisition and thereafter it is carried at cost less any impairment losses in the separate financial statements of the Company. The net assets of each subsidiary are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of the investment is estimated and the impairment loss is recognised to the extent of its net assets loss.

COMPANY				
As at 31 March	Holding %	No. of Shares	2025 Rs.	2024 Rs.
New Nawaloka Hospitals (Pvt) Ltd	100	6,500,000	245,933,056	245,933,056
New Nawaloka Medical Centre (Pvt) Ltd	100	70,000,004	700,000,000	700,000,000
Nawaloka Laboratories (Pvt) Ltd	100	1	10	10
			945,933,066	945,933,066

Assessment of Impairment

The Board of Directors has assessed the potential impairment of investment in subsidiaries as 31 March 2025. Based on the internal assessment carried out by the Board, no impairment provision has been made in the Financial Statements as at the reporting date in respect of investment in subsidiaries.

19. Investment in Equity Accounted Investee

Accounting policy

An associate is an entity in which the Group has significant influence, but no control or joint control over the financial and operating policies significant influence is presumed to exist when the Group holds between 20 percent and 50 percent of the voting power of another entity.

The Group determines significant influence taking into account similar considerations necessary to determine control over subsidiaries. Interests in associates are accounted for using equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to the initial recognition, the Consolidated Financial Statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investee.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

Notes to the Financial Statements

The financial statements of the associate are prepared in line with the financial year of the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group discontinues the use of the equity method from the date that it ceases to have significant influence over an associate over the and accounts for the investment in accordance with the Group's accounting policy for financial instruments. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

The Company elected to apply equity method in accounting for its interest in associate in the separate Financial Statements.

Company	Principal activities	Class of shares held	Number of shares	Proportion of interest held by the Group/Company
Nawaloka College of Higher Studies (Pvt) Limited	Education services	Ordinary	5,049,500	49.995%

19.1 Share of the Equity Accounted Investee's Statement of Financial Position

	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Opening balance as at 01 April 2024	359,879,888	210,380,388	359,879,888	210,380,388
Share of profits of equity accounted investee, net of tax	223,036,367	148,528,563	223,036,367	148,528,563
Share of other comprehensive income of equity accounted investees, net of tax	(650,756)	970,937	(650,756)	970,937
Closing balance as at 31 March 2025	582,265,499	359,879,888	582,265,499	359,879,888

19.2 Summary of Equity Accounted Investee's Statement of Financial Position

EQUITY ACCOUNTED INVESTEE'S STATEMENT OF FINANCIAL POSITION

	2025 Rs.	2024 Rs.
Group interest	49.995%	49.995%
Current assets	1,711,235,848	1,449,811,963
Non-current assets	254,549,016	214,732,859
Current liabilities	(725,035,828)	(917,366,074)
Non-current liabilities	(76,102,726)	(27,347,699)
Total net assets (100%)	1,164,646,310	719,831,049
Total net assets attributable to equity Holders	1,164,646,310	719,831,049
Group share of net assets	582,265,498	359,879,680
Share of net asset attributable to equity accounted investee	582,265,498	359,879,680

EQUITY ACCOUNTED INVESTEE'S STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue	1,124,604,820	1,209,339,150
Profit before income tax	446,116,903	377,370,193
Income tax	-	(66,655,866)
Profit after tax	446,116,903	310,714,327
Profit attributable to equity holders	446,116,903	310,714,327
Share of profit of equity accounted investee, net of tax	223,036,367	148,528,563
Other comprehensive income for the year, net of tax	(1,301,641)	-
OCI Attributable to Equity holders	(1,301,641)	-
Share of other comprehensive income of equity accounted investee, net of tax	(650,756)	970,937
Share of total comprehensive income for the year, net of tax	222,385,610	149,499,500
Dividend received	-	-

Notes to the Financial Statements

19.3 Litigation update on this associate

A former director (the "Petitioner") of Nawaloka Hospitals PLC has filed two cases (C.H.C/59/2023/CO and C.H.C/65/2024/CO) at the Commercial High Court of Colombo seeking to make an order to,

- Cancel 5,049,500 shares (wrongly and by an error) of Nawaloka College of Higher Studies (Private) Limited issued in favour of Nawaloka Hospitals PLC and register the same in the name of the Petitioner.
- Direct Nawaloka College of Higher Studies (Private) Limited to pay Rs. 78 Mn. and the interest due to the Company.

The Case C.H.C/59/2023/CO was called, and the following final determination was issued on 17 December 2024 by the Commercial High Court of Colombo .

- The Petitioner is entitled to 5,049,500 shares and directed the share register of Nawaloka College of Higher Studies (Private) Limited to be amended accordingly.
- Directed Nawaloka College of Higher Studies (Private) Limited to pay Rs. 78 Mn. and the interest due to the Company.

The Company filed an appeal dated 31st December 2024 and petition of appeal dated 31st January 2025 in the Supreme Court of Sri Lanka on this case. These appeals are yet to be listed.

The Case C.H.C/65/2024/CO was called, and on 23 July 2025, the Commercial High Court of Colombo delivered an interim order in favour of the Petitioner restraining Nawaloka College of Higher Studies (Private) Limited passing any special resolution unless the Petitioner is permitted to exercise the voting rights of 5,049,500 shares. The matter was fixed for main objections on 28 October 2025.

However, the Company subsequently filed appeal applications bearing no SC/HC/LA/81/2025 and SC/HC/LA/82/2025 dated 07 August 2025 in the Supreme Court of Sri Lanka on this case and these appeals are yet to be listed.

Having considered the opinion of legal experts, the Board of Directors of Nawaloka Hospitals PLC determined that they are confident that above matter/(s) would be resolved in favour of the Company and as a result no adjustments were made to the Financial Statements as at 31 March 2025. Accordingly, the Company/Group continued to recognise the investment in associate under equity method as at 31 March 2025.

In an unforeseen situation, if the final determination is delivered unfavourable to Nawaloka Hospitals PLC, the Company/Group will be required to derecognise the investment in associate amounting to Rs. 582 Mn. as at 31 March 2025 and recognise a loan receivable of Rs. 78 Mn. plus interest (to be determined) in the financial statements as at 31 March 2025.

20. Other Investments

See accounting policies in Note 34.

The Group's other investments are summerised as follows:

		GROUP		COMPANY	
	Notes	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Fair Value Through Other Comprehensive Income – FVOCI	20.1	-	-	-	-
Fair Value Through Profit or Loss – FVTPL	20.2	25,411,623	-	25,411,623	-
Amortized cost	20.3	243,925,710	239,841,334	198,340,301	193,272,101
		269,337,333	239,841,334	223,751,924	193,272,101

Information about the Group's exposure to credit and market risk, and fair value measurement, is included in Note 35 and 36.

Notes to the Financial Statements

20.1 Fair Value through Other Comprehensive Income – FVOCI

The Group's financial instruments are summarised follows

		GROUP		COMPANY	
	Holding %	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
INVESTMENT IN UNQUOTED SHARES					
Digital Health (Private) Limited – cost	15	14,805,000	14,805,000	14,805,000	14,805,000
Change in fair value		(14,805,000)	(14,805,000)	(14,805,000)	(14,805,000)
		-	-	-	-

Digital Health (Private) Limited launched in 2016, has connected more than 1,500 doctors in over 80 hospitals through its digital health platform which is accessible via doc.lk, by dialling 990, or via the Doc990 app.

Digital Health (Private) Limited is a subsidiary of Dialog Axiata PLC and the balance infusion of equity by Asiri Hospital Holdings PLC, Nawaloka Hospitals PLC and Ceylon Hospitals PLC.

The Group invested in 15% of the shares of Digital Health (Private) Limited on 25 April 2018. The Group designated this investment as FVOCI because this investment represent, investment, that the Group intends to hold for the long term strategic purposes.

The Company has carried out a valuation of the investment in Digital Health (Private) Limited using the net assets basis This fair valuation has been classified as Level 3 as per the fair value measurement principles.

The significant unobservable input applied in the valuation technique is the net asset value per share of the entity.

No strategic investments were disposed of during 2025, and there were no transfers of cumulative gains or losses within equity relating to these investments.

20.2 Fair Value through Profit or Loss – FVTPL

Investment in Unit Trust

	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance as at 01 April	-	-	-	-
Investment during the year	25,000,000	-	25,000,000	-
Change in fair value	411,623	-	411,623	-
Carrying value as at 31 March	25,411,623	-	25,411,623	-

Investments in unit trusts are valued under level 2 by referring to prices published by the Unit Trust managers of NDB Wealth Money Fund.

20.3 Amortised Cost

Investment in Fixed Deposits

	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
FIXED DEPOSITS				
Hatton National Bank PLC	14,025,758	46,569,233	-	-
Commercial Bank of Ceylon PLC	79,140,280	73,329,028	79,140,280	73,329,028
Nations Trust Bank PLC	64,828,902	69,832,114	64,828,902	69,832,114
Bank of Ceylon PLC	85,930,770	50,110,959	54,371,119	50,110,959
	243,925,710	239,841,334	198,340,301	193,272,101

Notes to the Financial Statements

21. Inventories

Accounting policy

Inventories have been valued at lower of cost and net realisable value after making due allowance for slow-moving inventories. The First-In First-Out (FIFO) basis is adopted to arrive at the cost of inventories.

Net realisable value is the price at which inventories can be sold in the normal course of business after allowing for cost of realisation and/or cost of conversion from their existing state to saleable condition.

		GROUP		COMPANY	
	Notes	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Pharmaceutical items		432,470,401	309,197,726	259,482,241	185,518,636
General stocks		12,172,717	14,867,847	7,303,631	8,920,709
Reagent stocks		61,331,595	54,299,566	–	–
		505,974,713	378,365,139	266,785,872	194,439,345
Provision for slow-moving inventories	21.1	(29,698,732)	(27,808,908)	(17,819,240)	(17,621,891)
		476,275,981	350,556,231	248,966,632	176,817,454

21.1 Provision for Slow Moving Inventories

		GROUP		COMPANY	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance as at 01 April		27,808,908	27,669,268	17,621,891	17,538,107
Provision made during the year		1,889,824	139,640	197,349	83,784
Balance as at 31 March		29,698,732	27,808,908	17,819,240	17,621,891

22. Trade and Other Receivables

See accounting policies in Note 34.

		GROUP		COMPANY	
	Notes	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
FINANCIAL ASSETS					
Trade Receivables					
– Key Management Personnel		18,411,332	19,160,063	18,411,332	19,160,063
– Other related companies		320,456,469	296,485,485	320,456,469	286,300,998
– Others		603,655,704	546,842,834	593,555,058	546,842,834
		942,523,505	862,488,382	932,422,859	852,303,895
Less: Provision for impairment	22.1	(475,653,861)	(435,363,184)	(473,521,959)	(435,363,184)
		466,869,644	427,125,198	458,900,900	416,940,711
Other debtors		878,809,763	756,397,167	402,433,818	313,685,729
Staff loans		8,625,372	9,425,021	8,625,372	9,425,022
Less: Provision for impairment of other debtors	22.2	(680,636,794)	(667,583,215)	(279,988,365)	(267,594,786)
		673,667,985	525,364,171	589,971,725	472,456,676
NON-FINANCIAL ASSETS					
Pre-payments		110,419,106	78,687,971	110,419,106	78,687,971
Other deposit and advances		74,176,823	66,805,271	26,504,284	53,927,778
Advance for import items		37,469,041	9,903,541	37,469,041	9,903,541
Less: Provision for impairment of pre-payments	22.3	(22,632,682)	(10,168,136)	(22,632,682)	(10,168,136)
		199,432,288	145,228,647	151,759,749	132,351,154
		873,100,273	670,592,818	741,731,474	604,807,830

Notes to the Financial Statements

22.1 Provision for Impairment of Trade Receivables

	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance as at 01 April	435,363,184	513,707,330	435,363,184	513,707,330
Provision/(Reversal) for the year	40,290,677	(78,344,146)	38,158,775	(78,344,146)
Balance as at 31 March	475,653,861	435,363,184	473,521,959	435,363,184

22.2 Provision for Impairment of Other Debtors

	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance as at 01 April	667,583,215	620,161,764	267,594,786	243,277,845
Provision for the year	13,053,579	47,421,451	12,393,579	24,316,941
Balance as at 31 March	680,636,794	667,583,215	279,988,365	267,594,786

22.3 Provision for Impairment of Prepayments

	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance as at 01 April	10,168,136	8,423,220	10,168,136	8,423,220
Provision for the year	12,464,546	1,744,916	12,464,546	1,744,916
Balance as at 31 March	22,632,682	10,168,136	22,632,682	10,168,136

23. Amounts Due from Related Parties

See accounting policies in Note 34.

		GROUP		COMPANY	
As at 31 March	Notes	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Alcobronz (Pvt) Ltd.		11,000,000	11,000,000	11,000,000	11,000,000
Battharamulla Medical Centre*		35,489,063	35,489,063	35,489,063	35,489,063
CAFÉ 77 (Pvt) Ltd.		–	77,075	–	–
Kandana Medical Centre *		9,768,324	9,768,324	9,768,324	9,768,324
Kiribathgoda Medical Centre *		74,995,837	74,995,837	74,995,837	74,995,837
Karapitiya Medical Centre *		9,850,554	9,850,554	9,850,554	9,850,554
One Galle Face Medical Centre*		35,931,825	19,434,674	35,931,825	19,434,674
Panadura Medical Centre *		67,640,344	67,693,444	67,640,344	67,693,444
Redline (Pvt) Ltd.		15,685,025	4,685,025	11,000,000	–
Kottawa Medical Centre *		27,822,557	27,822,557	27,822,557	27,822,557
Nawata (Pvt) Ltd.		73,694,883	38,490,656	63,158,570	29,031,127
Nawaloka Aviation (Pvt) Ltd.		4,479,419	4,479,419	4,479,419	4,479,419
Nawaloka ACG Aluminium Compant Pvt Ltd.		96,300	96,300	96,300	96,300
Nawaloka Institute of Health care (Pvt) Ltd.		3,244,370	12,627,359	3,244,370	12,627,359
Nawaloka College of Higher Studies (Pvt) Ltd.		33,013,397	33,013,397	33,013,397	33,013,397
Nawaloka Construction Company (Pvt) Ltd.		101,651,389	87,542,543	101,651,389	87,542,543
Nawaloka Steel Industries (Pvt) Ltd.		241,393,650	312,488,539	238,843,410	309,938,299
Nawaloka Guardian International (Pvt) Ltd.		332,995	2,933,712	–	2,600,717
Nawaloka Engineering (Pvt) Ltd.		5,271,824	5,271,824	4,405,314	4,405,314
New Ashford International (Pvt) Ltd.		3,050,000	3,050,000	3,050,000	3,050,000

Notes to the Financial Statements

As at 31 March	Notes	GROUP		COMPANY	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Sarjah Polysacks (Pvt) Ltd.		22,429,200	22,429,200	22,429,200	22,429,200
Sasiri Polysacks (Pvt) Ltd		145,629,266	114,137,182	145,629,266	114,137,182
New Nawaloka Hospitals (Pvt) Ltd		-	-	202,345,821	165,221,655
New Nawaloka Medical Centre (Pvt) Ltd.		-	-	3,353,923,303	3,282,729,500
M Branch (Pvt) Ltd		16,215,698	16,215,698	16,215,698	16,215,698
Nawaloka Research and Educational Centre Foundation		8,800,000	8,800,000	8,800,000	8,800,000
Nawaloka College of Professional Studies (Pvt) Ltd (NCPS)		-	173,545	-	173,545
Mart 77 (Pvt) Ltd		750	-	750	-
Healthways (Pvt) Ltd		9,411,836	-	9,411,836	-
Nawaloka Forwarding Agents (Pvt) Ltd		445,110,378	-	445,110,378	-
Yiwu Trading (Pvt) Ltd		34,483,574	-	34,483,574	-
JD design studio (Pvt) Ltd		75,000	-	75,000	-
Nawaloka Petroleum (Pvt) Ltd		12,873,395	1,873,395	12,873,395	1,873,395
Mr Anisha Dharmadasa		-	7,207,587	-	7,207,587
		1,449,440,853	931,646,909	4,986,738,894	4,361,626,690
Provision for impairment	23.1	(348,777,144)	(293,140,201)	(346,177,297)	(290,463,279)
		1,100,663,709	638,506,708	4,640,561,597	4,071,163,411

*These medical centers are operated under the legal entity Nawaloka Medical Centers (Pvt) Ltd.

23.1 Provision for Impairment

	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance as at 01 April	293,140,201	250,821,011	290,463,279	248,144,089
Provision for the year	55,636,943	42,319,190	55,714,018	42,319,190
Balance as at 31 March	348,777,144	293,140,201	346,177,297	290,463,279

24. Cash and Cash Equivalents

Accounting policy

The accounting policy for cash and cash equivalents has been given in Note 34.

Cash and cash equivalents in the statement of financial position comprise cash at banks, cash in hand and fixed deposits with a maturity of three months or less.

Statement of Cash Flows

The Statement of Cash Flows has been prepared using the Indirect Method of preparing Cash Flows in accordance with the Sri Lanka Accounting Standard (LKAS) 7, Statement of Cash Flows.

For cash flow purposes, cash and cash equivalents are presented net of bank overdrafts.

As at 31 March	Notes	GROUP		COMPANY	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Cash at Bank		174,755,351	172,035,123	132,857,263	131,358,560
Cash in hand		175,054,738	59,111,115	133,977,830	57,330,817
Cash and cash equivalents in the statement of financial position		349,810,089	231,146,238	266,835,093	188,689,377
Bank overdrafts used for cash management purposes	24.1	(889,947,506)	(740,457,007)	(534,947,506)	(390,457,007)
Cash and cash equivalents for the purpose of statement of cash flows		(540,137,417)	(509,310,769)	(268,112,413)	(201,767,630)

Notes to the Financial Statements

24.1 Bank Overdrafts Used for Cash Management Purposes

Company	Interest rate	Limit	31 March 2025	31 March 2024	Security
		Rs.	Rs.	Rs.	
NAWALOKA HOSPITALS PLC					
Hatton National Bank PLC	AWPLR+1.5%	25,000,000	25,000,000	25,004,159	Secondary concurrent mortgage bond for Rs. 757 Mn. over Nawaloka Hospital premises (lease hold) at No 15, Sir James Peiris Mawatha, Colombo 02 and everything standing thereon with all fixtures, fittings, services and such other rights attached or appertaining thereto.
DFCC Bank PLC	AWPLR+3.25%	210,000,000	202,900,225	205,547,199	Joint & several Guarantees of Directors – Dr H K J Dharmadasa, Mr Ugitha Harshith Dharmadasa and Mr Anisha Givantha Dharmadasa.
Seylan Bank PLC	AWPLR+2.5% with a floor of 12% p.a	10,000,000	2,378,966	9,905,649	(i) Assignment over credit and debit card receivables of minimum of Rs. 40 Mn. per Month (ii) assignment of insurance receipt totalling Rs. 20 Mn. per month (iii) corporate guarantee from New Nawaloka Hospital Pvt Ltd. for Rs. 2.1 Bn. (iv) A letter of undertaking from Bank of Ceylon for assignment of 100% daily collections of Credit/Debit card receivables amounting to Rs. 70,000,000 (Minimum per month)
Commercial Bank of Ceylon PLC	Up to Rs. 54 Mn. at 4.5% p.a. from Rs. 54 Mn. to Rs. 122 Mn. from Rs. 122 Mn. to Rs. 200 Mn. AWPLR +1.5% p.a	200,000,000	199,297,117	150,000,000	Lien over Fixed Deposit 3002749649 and Fixed Deposit 7000049299

Company	Interest rate	Limit	31 March 2025	31 March 2024	Security
		Rs.	Rs.	Rs.	
Nations Trust Bank PLC	Weekly AWPLR	55,000,000	55,388,459	–	Lien over cash security of Rs. 61,238,348 in the name of the Company.
Bank of Ceylon	Up to 90% – AEIR+3.50% p.a.	50,000,000	49,982,739	–	Lien over Fixed Deposit of Rs. 54,298,425
			534,947,506	390,457,007	
NEW NAWALOKA HOSPITAL (PVT) LTD					
	AWPLR+2.5%	50,000,000	50,000,000	50,000,000	Secondary Floating Mortgage Bond for Rs. 290 Mn. over Nawaloka Hospitals leasehold premises (Lot A) and everything standing thereon (including buildings and/or the buildings which are to be constructed in the future together with any further developments, modifications or alterations thereto) with all fixtures, fittings, services and such other rights attached or appertaining thereto (the "Mortgaged Property")
Hatton National Bank PLC	AWPLR+1.75%	100,000,000	100,000,000	100,000,000	Secondary Floating Mortgage Bond for Rs. 390 Mn. over Nawaloka Hospitals leasehold premises (Lot A) and everything standing thereon (including buildings and/or the buildings which are to be constructed in the future together with any further developments, modifications or alterations thereto) with all fixtures, fittings, services and such other rights attached or appertaining thereto (the "Mortgaged Property")

Notes to the Financial Statements

Company	Interest rate	Limit	31 March 2025	31 March 2024	Security
		Rs.	Rs.	Rs.	
NEW NAWALOKA MEDICAL CENTRE (PVT) LTD					
Hatton National Bank PLC	AWPLR+1.5%	200,000,000	200,000,000	200,000,000	Registered primary floating mortgage bond for Rs. 775 Mn. over leasehold property at Sir James peries Mawatha, Colombo and everything standing thereon (including the existing buildings and or the buildings which are to be constructed in the future together with any further developments modification or alterations thereto) with all fixtures fittings services and such other rights attached or appertaining thereto.
Facility (e) (Note 29.3)					
NEW NAWALOKA LABORATORIES (PVT) LTD					
Commercial Bank of Ceylon PLC	AWPLR+3%	5,000,000	5,000,000	–	Corporate guarantee of Nawaloka Hospitals PLC.
			889,947,506	740,457,007	

25. Stated Capital

Accounting policy

Ordinary Shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with LKAS 12.

	GROUP		COMPANY	
As at 31 March	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
1,409,505,596 Ordinary shares	1,207,388,876	1,207,388,876	1,207,388,876	1,207,388,876

The holders of ordinary shares are entitled to receive dividends declared from time to time and are entitled to vote per share at General Meetings of the Company.

26. Revaluation Reserve

Nature and Purpose of Reserves

The revaluation reserve relates to revaluation of buildings on leasehold lands and represents the fair value changes of the buildings on lease hold lands as at the date of revaluation.

	GROUP		COMPANY	
As at 31 March	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance as at 1 April	4,539,320,195	4,539,320,195	419,462,058	419,462,058
Revaluation gain for the year, net of tax	282,378,619	–	384,086	–
Balance as at 31 March	4,821,698,814	4,539,320,195	419,846,144	419,462,058

27. Employee Benefits

Accounting policy

Short-term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided.

Defined Benefit Plan

Employees' Provident Fund and Employees' Trust Fund is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts.

All the employees who are eligible for Employees' Provident Fund and Employees' Trust Fund are covered by relevant contribution funds in line with the respective statutes. Employer's contribution to the defined contribution plans are recognised as an expense in the Statement of Comprehensive Income when incurred.

Notes to the Financial Statements

Defined Benefit Plan – Employee Benefits

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The valuation is performed annually by a qualified actuary using the projected unit credit method. When the valuation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses arising from defined benefit plans directly in the other comprehensive income and all expenses related to defined benefit plan in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Actuarial gains and losses

The re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in Other Comprehensive Income.

27.1 Contribution to Defined Contribution Plan

	GROUP		COMPANY	
As at 31 March	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
EMPLOYEES' PROVIDENT FUND				
Employers' contribution	142,592,471	137,422,246	42,842,221	43,435,666
Employees' contribution	95,061,647	91,614,831	28,561,481	28,957,111
Employees' Trust Fund	35,648,117	34,355,562	10,710,555	10,858,917

27.2 Present Value of Defined Benefit Obligations

	GROUP		COMPANY	
As at 31 March	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Present value of defined benefit obligations	372,337,378	330,451,934	230,534,064	221,806,402

27.2.a Movement in the Present Value of Defined Benefit Obligations (PV DBO)

	GROUP		COMPANY	
As at 31 March	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Liability for defined benefit obligation as at 01 April	330,451,934	252,546,976	221,806,402	172,779,008
Current service cost	35,013,524	27,056,958	13,011,306	10,634,321
Interest cost	40,480,360	49,070,937	27,171,284	33,691,906
Actuarial loss on PV DBO	15,205,702	49,037,333	2,072,711	34,085,751
Payments made during the year	(48,814,142)	(47,260,270)	(33,527,639)	(29,384,584)
Liability for defined benefit obligation as at 31 March	372,337,378	330,451,934	230,534,064	221,806,402

27.2.b Amounts Recognised in the Income Statement

	GROUP		COMPANY	
As at 31 March	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Current service cost	35,013,524	27,056,958	13,011,306	10,634,321
Interest cost	40,480,360	49,070,937	27,171,284	33,691,906
	75,493,884	76,127,895	40,182,590	44,326,227

27.2.c Amounts Recognised in Other Comprehensive Income

	GROUP		COMPANY	
As at 31 March	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Actuarial loss recognised during the year	15,205,702	49,037,333	2,072,711	34,085,751

Notes to the Financial Statements

Present value of defined benefit obligation as at 31 March 2025 is calculated based on an actuarial valuation carried out by Mr Piyal Gunathilaka, a qualified actuary.

As recommended by the Sri Lanka Accounting Standard (LKAS-19) "Employee Benefits" the projected Unit Credit (PUC) method has been used in this valuation.

The above liability is not externally funded.

27.2.d Actuarial Assumptions

	2025	2024
Retirement age	60 Years	60 Years
Discount rate	11.00%	12.25%
Salary increment rate	10%	10%
Staff turnover rate	12.44%	14%
Weighted average duration	5.8 Years	5.5 Years

Actuarial Assumptions

A long-term treasury bond rate of 11% p.a (2024 – 12.25% p.a) was used to discount future liabilities taking into consideration the remaining working life of employees.

In addition to the above, demographic assumptions such as mortality, withdrawal and disability and retirement age were considered for the actuarial valuation. GA 1983 Mortality Table issued by the Actuaries Committee was used to estimate the gratuity liability of the Company.

27.2.e Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
1% Increase in discount rate	(18,600,174)	(17,422,486)	(11,317,456)	(10,139,768)
1% Decrease in discount rate	20,419,817	19,080,401	12,505,713	11,166,297
1% Increase in salary increment rate	20,348,152	19,189,415	12,079,701	10,920,964
1% Decrease in salary increment rate	(18,851,966)	(17,806,572)	(11,144,046)	(10,098,652)

27.3 Maturity Profile

The following payments are expected on account of employees benefit liability in future years.

	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Within next 12 months	60,909,206	58,913,235	46,772,420	46,613,758
Between 1 to 2 years	50,981,190	34,286,440	35,768,820	20,853,888
Between 3 to 5 years	186,241,530	176,540,752	76,000,697	90,180,409
Between 6 to 10 years	323,107,057	352,709,231	182,762,338	219,660,041
	621,238,983	622,449,658	341,304,275	377,308,096

28. Deferred Tax Liability

Accounting policy

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 is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. 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; such reductions are reversed when the probability of future taxable profits improves.

Notes to the Financial Statements

Deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date and reflects uncertainty related to income taxes if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Deferred tax assets	(344,722,353)	(278,029,162)	(280,839,578)	(217,163,339)
Deferred tax liabilities	3,921,619,883	3,627,377,452	524,613,586	440,850,498
Net deferred tax liabilities	3,576,897,530	3,349,348,290	243,774,008	223,687,159

28.1 Movement in Deferred Tax

	GROUP						COMPANY					
For the year end 31 March 2025	Net balances as at 01 April Rs.	Recognised in profit or loss Rs.	Recognised in OCI Rs.	Total Rs.	Deferred tax assets Rs.	Deferred tax liabilities Rs.	Net Balances as at 01 April Rs.	Recognised in profit or loss Rs.	Recognised in OCI Rs.	Total Rs.	Deferred tax assets Rs.	Deferred tax liabilities Rs.
DEFERRED TAX LIABILITIES												
Property, plant and equipment (Including revaluation reserve)	3,531,998,561	72,564,339	121,019,408	3,725,582,308	-	3,725,582,308	394,299,070	(14,288,785)	164,608	380,174,893	-	380,174,893
Investment in associate	46,407,733	33,455,455	-	79,863,188	-	79,863,188	46,407,733	33,455,455	-	79,863,188	-	79,863,188
Right-of-use assets	48,971,158	67,203,229	-	116,174,387	-	116,174,387	143,695	64,431,810	-	64,575,505	-	64,575,505
DEFERRED TAX ASSETS												
Defined benefit obligation	(99,135,581)	(8,003,922)	(4,561,711)	(111,701,214)	(111,701,214)	-	(66,541,921)	(1,996,485)	(621,813)	(69,160,219)	(69,160,219)	-
Provision for impairment of trade and other receivable	(145,228,219)	(14,426,083)	-	(159,654,302)	(159,654,302)	-	(145,228,220)	(14,426,082)	-	(159,654,302)	(159,654,302)	-
Provision for slow moving inventories	(8,342,672)	(566,947)	-	(8,909,619)	(8,909,619)	-	(5,286,567)	(59,205)	-	(5,345,772)	(5,345,772)	-
Lease liability	(25,322,690)	(39,134,528)	-	(64,457,218)	(64,457,218)	-	(106,631)	(46,572,654)	-	(46,679,285)	(46,679,285)	-
Net tax liabilities/(Assets)	3,349,348,290	111,091,543	116,457,697	3,576,897,530	(344,722,353)	3,921,619,883	223,687,159	20,544,054	(457,205)	243,774,008	(280,839,578)	524,613,586

Notes to the Financial Statements

For the Year end 31 March 2024	GROUP						COMPANY					
	Net Balances as at 01 April Rs.	Recognised in profit or loss Rs.	Recognised in OCI Rs.	Total Rs.	Deferred tax assets Rs.	Deferred Tax liabilities Rs.	Net Balances as at 01 April Rs.	Recognised in profit or loss Rs.	Recognised in OCI Rs.	Total Rs.	Deferred tax assets Rs.	Deferred tax liabilities Rs.
DEFERRED TAX LIABILITIES												
Property, plant and equipment (including revaluation reserve)	3,518,552,177	13,446,384	-	3,531,998,561	-	3,531,998,561	420,696,389	(26,397,319)	-	394,299,070	-	394,299,070
Investment in associates	23,982,808	22,424,925	-	46,407,733	-	46,407,733	23,982,808	22,424,925	-	46,407,733	-	46,407,733
Right-of-use assets	75,367,275	(26,396,117)	-	48,971,158	-	48,971,158	16,903,143	(16,759,448)	-	143,695	-	143,695
DEFERRED TAX ASSETS												
Defined benefit obligation	(75,764,094)	(8,660,287)	(14,711,200)	(99,135,581)	(99,135,581)	-	(51,833,703)	(4,482,493)	(10,225,725)	(66,541,921)	(66,541,921)	-
Provision for impairment of trade receivables	(162,280,872)	17,052,653	-	(145,228,219)	(145,228,219)	-	(162,280,872)	17,052,652	-	(145,228,220)	(145,228,220)	-
Provision for slow-moving inventories	(8,300,780)	(41,892)	-	(8,342,672)	(8,342,672)	-	(5,261,432)	(25,135)	-	(5,286,567)	(5,286,567)	-
Lease liability	(38,194,001)	12,871,311	-	(25,322,690)	(25,322,690)	-	(4,852,176)	4,745,545	-	(106,631)	(106,631)	-
Net tax liabilities/(assets)	3,333,362,513	30,696,977	(14,711,200)	3,349,348,290	(278,029,162)	3,627,377,452	237,354,157	(3,441,273)	(10,225,725)	223,687,159	(217,163,339)	440,850,498

28.2 Analysis of Recognised Deferred Tax (Assets)/Liabilities

	GROUP				COMPANY			
	2025		2024		2025		2024	
	Taxable/(Deductible) Temporary Difference Rs.	Tax effect Rs.	Taxable/(Deductible) Temporary Difference Rs.	Tax effect Rs.	Taxable/(Deductible) Temporary Difference Rs.	Tax effect Rs.	Taxable/(Deductible) Temporary Difference Rs.	Tax effect Rs.
Property, plant and equipment (including revaluation reserve)	12,418,607,695	3,725,582,308	11,773,270,669	3,531,998,561	1,267,249,647	380,174,893	1,314,330,230	394,299,070
Investment in associate	532,421,255	79,863,188	309,384,888	46,407,733	532,421,255	79,863,188	309,384,888	46,407,733
Defined benefit obligation	(372,337,378)	(111,701,214)	(330,451,934)	(99,135,580)	(230,534,064)	(69,160,219)	(221,806,402)	(66,541,921)
Provision for impairment of trade and other receivables	(532,181,007)	(159,654,302)	(484,094,066)	(145,228,220)	(532,181,007)	(159,654,302)	(484,094,064)	(145,228,220)
Provision for slow-moving inventories	(29,698,732)	(8,909,619)	(27,808,908)	(8,342,672)	(17,819,240)	(5,345,772)	(17,621,891)	(5,286,567)
Right-of-use asset	387,247,960	116,174,387	163,237,195	48,971,158	215,251,683	64,575,505	478,984	143,695
Lease liability	(214,857,398)	(64,457,218)	(84,408,966)	(25,322,690)	(155,597,618)	(46,679,285)	(355,437)	(106,631)
	12,189,202,405	3,576,897,530	11,319,128,678	3,349,348,290	1,078,790,656	243,774,008	900,316,308	223,687,159

Notes to the Financial Statements

28.3 Unrecognised Deferred Tax Asset

GROUP				
	2025		2024	
	Deductible temporary difference Rs.	Tax effect Rs.	Deductible temporary difference Rs.	Tax effect Rs.
Accumulated tax losses	4,638,095,475	1,391,428,643	3,983,300,822	1,194,990,247
	4,638,095,475	1,391,428,643	3,983,300,822	1,194,990,247

COMPANY				
	2025		2024	
	Deductible temporary difference Rs.	Tax effect Rs.	Deductible temporary difference Rs.	Tax effect Rs.
Accumulated tax losses	-	-	118,377,148	35,513,144
	-	-	118,377,148	35,513,144

The deferred tax asset has not been recognised in respect of the above because it is not probable that future taxable profit will be available against which the Group/Company can utilise the benefits therefrom.

As at the reporting date, the Group has unutilised tax losses amounting to Rs. 1,062,301,997, Rs. 937,141,440, Rs. 496,596,864, Rs. 65,855,836, Rs. 1,111,704,174 and Rs. 956,475,309, which are scheduled to expire in the years of assessment 2024/25, 2025/26, 2026/27, 2027/28, 2028/29 and 2030/31 respectively.

The Group and Company has used the effective tax rate of 30% to calculate Deferred tax asset/liability on temporary difference as at 31 March 2025 (2024: 30%).

The Group assumes that investment in associate will primarily realise through dividends. As a results, deferred tax on related temporary difference is calculated at the effective tax rate of 15% (2024: 15%).

29. Borrowings

The accounting policies for borrowings has been given in Notes 12 and 34.

29.1 Borrowings from Financial Institutions

	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
As at 01 April	6,639,330,488	7,038,566,661	4,142,644,851	4,857,898,565
Exchange losses	(5,522,102)	(33,410,031)	(5,522,102)	(33,410,031)
Loans obtained during the year	2,019,000,000	3,594,834,000	2,019,000,000	3,594,834,000
Interest charge for the year	712,346,276	1,199,917,300	461,158,689	821,424,871
Loans paid during the year	(2,685,540,031)	(5,160,577,442)	(2,685,540,031)	(5,098,102,554)
Closing balance as at 31 March	6,679,614,631	6,639,330,488	3,931,741,407	4,142,644,851
Borrowings falling due within one year	5,155,748,423	4,649,917,456	2,407,875,199	2,153,231,819
Borrowings falling due after one year	1,523,866,208	1,989,413,032	1,523,866,208	1,989,413,032
	6,679,614,631	6,639,330,488	3,931,741,407	4,142,644,851

BORROWING BASED ON THE FINANCIAL INSTITUTIONS IS AS FOLLOWS:				
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Amana Bank PLC	365,500,000	215,160,765	365,500,000	215,160,765
Bank of Ceylon	997,429,069	990,000,000	997,429,069	990,000,000
Commercial Bank of Ceylon PLC	440,332,884	690,030,027	440,332,884	690,030,027
Seylan Bank PLC	1,580,000,012	1,753,333,342	1,580,000,012	1,753,333,342
Hatton National Bank PLC	3,296,352,666	2,990,806,354	548,479,442	494,120,717
	6,679,614,631	6,639,330,488	3,931,741,407	4,142,644,851

Notes to the Financial Statements

29.2 Commercial Paper Borrowings

	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance as at 01 April	41,272,091	246,601,386	41,272,091	246,601,386
Paid during the year	(42,011,539)	(245,040,124)	(42,011,539)	(245,040,124)
Interest accrued	739,448	39,710,829	739,448	39,710,829
Balance as at 31 March	-	41,272,091	-	41,272,091
Commercial papers falling due within one year	-	41,272,091	-	41,272,091
Commercial papers falling due after one year	-	-	-	-
Total borrowings falling due within one year	5,155,748,423	4,691,189,547	2,407,875,199	2,194,503,910
Total borrowings falling due after one year	1,523,866,208	1,989,413,032	1,523,866,208	1,989,413,032
	6,679,614,631	6,680,602,579	3,931,741,407	4,183,916,942

Details of Loans obtained by the Group are set out below:

Financial Institution	Repayment Terms	Security	Principal	Annual Interest	Annual Repayment Rs.	Balance as at 31 March 2025 Rs.	Balance as at 31 March 2024 Rs.
Long-term Loan							
NAWALOKA HOSPITALS PLC							
Bank of Ceylon	Short-term revolving facilities	Joint & several guarantees of Directors – Dr H K J Dharmadasa, Mr Ugitha Harshith Dharmadasa and Mr Anisha Givantha Dharmadasa.	1,000,000,000	Money market loan rate	On demand	997,429,069	990,000,000
Commercial Bank of Ceylon PLC	Rs. 400 Mn. Series of import loans, to be repaid in a Maximum 60 Monthly Installments	Primary mortgage Bond over debit and credit card sales for Rs. 1,200,000,000/- to be executed over the card sales of the total hospital operations, Corporate Guarantee from New Nawaloka Hospitals (Pvt) Ltd. for Rs. 500,000,000/- to be signed by the Directors of the Company, Corporate Guarantee from New Nawaloka Medical Centre (Pvt) Ltd. for Rs. 500,000,000/- to be signed by the Directors of the Company.	400,000,000	AWPLR+1.5% & AWPLR+2%	104,536,292	222,654,262	327,190,554
	21 Monthly Equal installment Rs. 2,042,000 and Final Installment Rs. 2,070,000		1,000,000,000	AWPLR+0.5%	24,504,000	38,826,000	63,330,000
	4 Monthly Installments of USD 2,000/-, 4 Monthly Installments of USD 10,000/-, 12 Monthly Installments of USD 15,000/-, 12 Monthly Installments of USD 20,000/-, 11 Monthly Installments of USD 25,000/- and Final Installment of USD 28,524.40/-		USD 3,200,000	SOFR + 5%	115,134,667	178,852,622	299,509,473

Notes to the Financial Statements

Financial Institution	Repayment Terms	Security	Principal	Annual Interest	Annual Repayment Rs.	Balance as at 31 March 2025 Rs.	Balance as at 31 March 2024 Rs.
Hatton National Bank PLC	First 12 months Rs. 2.5 Mn. Next 29 months Rs. 4.9 Mn. and Final month Rs. 2.9 Mn.	Secondary concurrent mortgage bond for Rs. 757 Mn. over Nawaloka Hospital PLC premises (lease hold) at No. 15, Sir James Peiris Mawatha, Colombo 02 and everything standing thereon with all fixtures, fittings, services and such other rights attached or appertaining thereto.	175,000,000	AWPLR+2.5%	–	97,353,663	86,200,000
Hatton National Bank PLC	First 12 months Rs. 1.9 Mn. Next 24 months Rs. 9.5 Mn. Next 12 months Rs. 12.5 Mn. Next 5 months Rs. 25 Mn. & Final month Rs. 5.88 Mn.	Secondary concurrent mortgage bond for Rs. 757 Mn. over Nawaloka Hospital PLC premises (lease hold) at No 15, Sir James Peiris Mawatha, Colombo 02 and everything standing thereon with all fixtures, fittings, services and such other rights attached or appertaining thereto.	550,000,000	AWPLR+2.5%	–	451,125,779	407,144,657
Amana Bank PLC	Short term revolving facilities	Mortgage for Rs. 500,000,000/- over stocks located at Deshamanya H K Dharmadasa Mawatha Colombo 02.	500,000,000	AWPLR + 2%	On demand	365,500,000	215,160,765
Seylan Bank PLC	180 Days	(i) Assignment over credit and debit card receivables of minimum of Rs. 40 Mn. per Month	100,000,000	AWPLR+2.50%	On demand	100,000,000	100,000,000
	36 monthly installments of Rs. 13,333,333	(ii) assignment of insurance receipt totalling Rs. 20 Mn. per month	2,000,000,000	AWPLR+1.5%	173,333,330	1,480,000,012	1,653,333,342
	24 Monthly installments of Rs. 20,000,000	(iii) corporate guarantee from New Nawaloka Hospital Pvt Ltd for Rs. 2.1 Bn.					
	12 monthly installments of Rs. 25,000,000	(iv) A letter of undertaking from Bank of Ceylon for assignment of 100% daily collections of Credit/ Debit card receivables amounting to Rs. 70,000,000 (Minimum per month).					
	23 monthly installments of Rs. 30,833,333 and final installment of Rs. 30,833,353						
						3,931,741,407	4,142,644,851
NEW NAWALOKA HOSPITALS (PVT) LTD.							
Hatton National Bank PLC	48 equal monthly installments	Secondary mortgage bond for Rs. 290 Mn. over Nawaloka Hospital leasehold property.	200,000,000	AWPLR+1.75%	On litigation	97,707,649	87,263,147
						97,707,649	87,263,147

Notes to the Financial Statements

Financial Institution	Repayment Terms	Security	Principal	Annual interest	Annual repayment	Balance as at 31 March 2025 Rs.	Balance as at 31 March 2024 Rs.
NEW NAWALOKA MEDICAL CENTRE (PVT) LTD.							
Hatton National Bank PLC (a) Note 29.3	To be repaid over 07 years in 83 equal monthly installments Rs. 3.55 Mn. and final installment.	Registered primary floating mortgage bond for Rs. 775 Mn. over lease hold property at Sir James Peiris Mawatha and everything standing thereto.	300,000,000	AWPLR +1.75%	On litigation	267,073,101	236,038,465
Hatton National Bank PLC (b) Note 29.3	To be repaid over 07 years in 83 equal monthly installments Rs. 3.25 Mn. and final installment.	Same security pledged for facility 01.	275,000,000	AWPLR +1.75%	On litigation	258,916,124	241,210,057
Hatton National Bank PLC (c) Note 29.3	First 12 months Rs. 3.45 Mn., Next 12 months Rs. 12.5 Mn. Next 18 months Rs. 26 Mn. and Final months Rs. 24.06 Mn.	Secondary mortgage bond of Rs. 1,535 Mn. over Nawaloka Hospital PLC premises leasehold property at Sir James peries Mw, Colombo and everything standing thereon (including the existing buildings and or the buildings which are to be constructed in the future together with any further developments modification or alterations thereto) with all fixtures fittings services and such other rights attached or appertaining thereto.	683,460,000	AWPLR +1.75%	On litigation	919,202,952	834,144,917
Hatton National Bank PLC (d) Note 29.3	First 12 months Rs. 3.45 Mn., Next 12 months Rs. 12.5 Mn. Next 24 months Rs. 26 Mn. and Final months Rs. 34.62 Mn.	Same security pledged for facility 03.	850,020,000	AWPLR + 1.75%	On litigation	1,204,973,399	1,098,029,051
						2,650,165,576	2,409,422,490

29.3 Hatton National Bank PLC (HNB) has initiated recovery actions for loan facilities (a) and (b) mentioned in Note No. 29.2 and overdraft facility (e) mentioned in Note 24.1. The Bank has sent a letter demanding immediate settlement of facilities (c) and (d) mentioned in Note 29.2 on during the year ended 31 March 2023. The Company and HNB have agreed on a settlement arrangement and all the loans and dues to the bank were fully settled subsequent to 31 March 2025 by borrowing facilities from Bank of Ceylon.

Notes to the Financial Statements

30. Lease Liabilities

As at 31 March	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance as at 01 of April	84,408,971	35,567,215	355,437	16,173,920
Leases obtained during the year	195,129,589	6,139,834	160,468,143	-
Remeasurement of leases	-	38,993,679	-	-
Interest charge for the year	28,891,617	34,410,953	625,064	1,267,891
Repayments during the year	(77,591,239)	(12,015,763)	(5,851,026)	(10,745,198)
Derecognition of lease liability	(15,981,540)	(18,686,947)	-	(6,341,176)
Balance as at 31 March	214,857,398	84,408,971	155,597,618	355,437
CLASSIFICATION OF LEASE LIABILITIES				
Current	48,844,597	13,914,933	34,229,061	355,437
Non current	166,012,801	70,494,038	121,368,557	-
	214,857,398	84,408,971	155,597,618	355,437
MATURITY ANALYSIS OF LEASE LIABILITIES				
Lease payable within one year	48,844,597	13,170,113	34,229,061	355,437
Lease payable between 1 to 5 years	106,537,801	56,398,737	121,368,557	-
Lease payable more than five years	5,475,000	14,840,121	-	-
	214,857,398	84,408,971	155,597,618	355,437
MATURITY ANALYSIS OF UNDISCOUNTED CASH FLOWS				
Less than one year	195,710,205	42,304,984	49,716,085	527,438
One to five years	72,028,032	124,180,873	141,569,563	-
More than 5 years	5,475,000	11,900,000	-	-
Total	273,213,237	178,385,857	191,285,648	527,438

30.1 Amount Recognised in the Statement of Profit Loss and Other Comprehensive Income

As at 31 March	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Amortization of right-of-use assets	(23,595,681)	(34,853,998)	(7,235,059)	(9,599,768)
Interest costs	(28,891,617)	(34,410,953)	(625,064)	(1,267,891)
	(52,487,298)	(69,264,951)	(7,860,123)	(10,867,659)

30.2 Amount Recognised in the Statement of Cash Flow

As at 31 March	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Lease rental paid during the year	48,699,622	12,015,763	5,225,962	10,745,198

Notes to the Financial Statements

31. Trade and Other Payables

Accounting policy

Provisions

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

Provisions are not recognised for future operating losses. The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation and the provision is reviewed at end of each reporting period and adjusted to reflect the current best estimate.

As at 31 March	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Financial liabilities				
Trade payables				
– Related parties	879,698,819	46,418,605	879,698,819	46,418,605
– Other	245,744,476	1,030,757,133	33,801,052	762,198,292
	1,125,443,295	1,077,175,738	913,499,871	808,616,897
Doctors' payables	38,838,260	33,941,470	37,549,500	33,157,000
	1,164,281,555	1,111,117,208	951,049,371	841,773,897
Non-financial liabilities				
Other payables	1,837,683,793	1,691,480,040	1,106,599,914	1,032,883,958
	1,837,683,793	1,691,480,040	1,106,599,914	1,032,883,958
	3,001,965,348	2,802,597,248	2,057,649,285	1,874,657,855

32. Current Tax Liability/(Asset)

The accounting policy for income taxes has been given in Note 13.

As at 31 March	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance as at 01 April	108,461,007	86,468,332	–	–
Provision for the year	169,170,009	15,447,527	162,411,929	–
Under provision	–	11,595,548	–	–
Tax paid during the year	(53,999,997)	(5,050,396)	–	–
Balance as at 31 March	223,631,019	108,461,011	162,411,929	–

33. Amounts Due to Related Parties

The accounting policy for amount due to related parties has been given in Notes 38.

As at 31 March	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Nawaloka Construction (Pvt) Ltd.	813,630	813,630	–	–
CAFÉ 77 (Pvt) Ltd.	12,104,481	3,388,857	6,255,332	3,388,857
Mount Lavinia Medical Centre *	–	4,525,675	–	–
Nawaloka Medical Centre Pvt Ltd.	4,525,675	–	–	–
Nawaloka Laboratories (Pvt) Ltd.	–	–	372,379,028	241,445,316
Nawaloka Guardian International (Pvt) Ltd.	97,388,400	–	97,388,400	–
Mart 77 (Pvt) Ltd.	120,118	–	23,263	–
Nawaloka College of Professional Studies (Pvt) Ltd.	31,852,455	–	31,852,455	–
	146,804,759	8,728,162	507,898,478	244,834,173

* These medical centres are operated under the legal entity Nawaloka Medical Centres (Pvt) Ltd.

Notes to the Financial Statements

34. Financial Assets and Liabilities

Accounting policy

a. Financial Assets

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI (Fair value through OCI) – debt investment; FVOCI - equity investment; or FVTPL (Fair value through profit or loss).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument.

Financial assets – Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Notes to the Financial Statements

b. Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial liabilities: trade and other payables, borrowings, amounts due to Related Parties, debentures and bank overdrafts.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

c. Derecognition

Financial assets

The Group derecognised a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group entered into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets were not derecognised.

Financial liabilities

The Group derecognised a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognised a financial liability when its terms are modified and the cash flows of the modified liability were substantially different, in which case a new financial liability based on the modified terms was recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) was recognised in profit or loss.

d. Offsetting

Financial assets and financial liabilities were offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the Financial Statements

Classification of financial assets and financial liabilities

The following table provides a reconciliation between line item in the statement of financial position and categories of financial instruments.

31 March	GROUP				
	2025			2024	
	Amortised cost Rs.	FVTPL Rs.	Total Rs.	Amortised cost Rs.	Total Rs.
FINANCIAL ASSETS					
Trade and other receivables	673,667,985	–	673,667,985	525,364,171	525,364,171
Amounts due from related companies	1,100,663,709	–	1,100,663,709	638,506,708	638,506,708
Other investments	243,925,710	25,411,623	269,337,333	239,841,334	239,841,334
Cash and cash equivalents	349,810,089	–	349,810,089	231,146,238	231,146,238
Total financial assets	2,368,067,493	25,411,623	2,393,479,116	1,634,858,451	1,634,858,451
FINANCIAL LIABILITIES					
Lease liabilities	214,857,398	–	214,857,398	84,408,971	84,408,971
Borrowings	6,679,614,631	–	6,679,614,631	6,680,602,579	6,680,602,579
Trade creditors and other payables	1,164,281,555	–	1,164,281,555	1,111,117,208	1,111,117,208
Unclaimed dividends	4,592,917	–	4,592,917	4,592,917	4,592,917
Amounts due to related companies	146,804,759	–	146,804,759	8,728,162	8,728,162
Bank overdrafts	889,947,506	–	889,947,506	740,457,007	740,457,007
Total financial liabilities	9,100,098,766	–	9,100,098,766	8,629,906,844	8,629,906,844

Notes to the Financial Statements

	COMPANY				
	2025			2024	
	Amortised cost Rs.	FVTPL Rs.	Total Rs.	Amortised cost Rs.	Total Rs.
FINANCIAL ASSETS					
Trade and other receivables	589,971,726	–	589,971,726	472,456,676	472,456,676
Amounts due from related companies	4,640,561,597	–	4,640,561,597	4,071,163,411	4,071,163,411
Other investments	198,340,301	25,411,623	223,751,924	193,272,101	193,272,101
Cash and cash equivalents	266,835,093	–	266,835,093	188,689,377	188,689,377
Total financial assets	5,695,708,716	25,411,623	5,721,120,339	4,925,581,566	4,925,581,566
FINANCIAL LIABILITIES					
Lease liabilities	155,597,618	–	155,597,618	355,437	355,437
Borrowings	3,931,741,407	–	3,931,741,407	4,183,916,942	4,183,916,942
Trade creditors and other payables	951,049,371	–	951,049,371	841,773,897	841,773,897
Unclaimed dividends	4,592,883	–	4,592,883	4,592,883	4,592,883
Amounts due to related companies	507,898,484	–	507,898,484	244,834,173	244,834,173
Bank overdrafts	534,947,506	–	534,947,506	390,457,007	390,457,007
Total financial liabilities	6,085,827,269	–	6,085,827,269	5,665,930,339	5,665,930,339

Notes to the Financial Statements

35. Fair Value Measurement

Accounting policy

Fair Value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as "active" if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short position at an ask price.

The best evidence of the fair value of a financial instrument or initial recognition is normally the transaction price- i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability not based on a valuation techniques for which any unobservable inputs are judged to be insufficient in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, the difference is recognized in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is wholly supported by observable market data or the transaction is closed out.

The Group measures the fair value using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurement. An analysis of the fair value measurement of financial and non-financial assets and liabilities are provided below:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

When available, the Group measures the fair value of an instrument using active quoted prices or dealer price quotations (assets and long positions are measured at a bid price; liabilities and short positions are measured at an ask price), without any deduction for transaction costs. A market is regarded as active if transactions for asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

This category includes instruments valued using;

- (a) quoted prices in active markets for similar instruments,
- (b) quoted prices for identical or similar instruments in markets that are considered to be less active, or
- (c) other valuation techniques in which almost all significant inputs are directly or indirectly observable from market data.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

Notes to the Financial Statements

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

GROUP

31 March 2025	Classification	Total Carrying Amount Rs.	Fair Value Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
FINANCIAL ASSETS MEASURED AT FAIR VALUE							
Investment in Unit Trust	FVTPL	25,411,623	25,411,623	-	25,411,623	-	25,411,623
Investment in unquoted shares	Fair value through OCI	-	-	-	-	-	-
Financial assets not measured at fair value							
Cash and cash equivalents	Amortised cost	174,755,351	174,755,351	-	174,755,351	-	174,755,351
Trade and other receivables	Amortised cost	673,667,985	673,667,985	-	-	673,667,985	673,667,985
Receivable from related parties	Amortised cost	1,100,663,709	1,100,663,709	-	-	1,100,663,709	1,100,663,709
Investment in fixed deposits	Amortised cost	243,925,710	243,925,710	-	243,925,710	-	243,925,710
		2,193,012,755	2,193,012,755	-	418,681,061	1,774,331,694	2,193,012,755
Financial liabilities not measured at fair value							
Lease liabilities	Amortised cost	214,857,398	214,857,398	-	-	214,857,398	214,857,398
Borrowings	Amortised cost	6,679,614,631	6,679,614,631	-	-	6,679,614,631	6,679,614,631
Trade and other payables	Amortised cost	1,164,281,555	1,164,281,555	-	-	1,164,281,555	1,164,281,555
Payable to related companies	Amortised cost	146,804,759	146,804,759	-	-	146,804,759	146,804,759
Unclaimed dividend	Amortised cost	4,592,917	4,592,917	-	-	4,592,917	4,592,917
Bank overdraft	Amortised cost	889,947,506	889,947,506	-	889,947,506	-	889,947,506
		9,100,098,766	9,100,098,766	-	889,947,506	8,210,151,260	9,100,098,766

Notes to the Financial Statements

COMPANY

31 March 2025	Classification	Total Carrying Amount Rs.	Fair Value Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
FINANCIAL ASSETS MEASURED AT FAIR VALUE							
Investment in Unit Trust	FVTPL	25,411,623	25,411,623	-	25,411,623	-	25,411,623
Investment in unquoted shares	Fair value through OCI	-	-	-	-	-	-
Financial assets not measured at fair value							
Cash and cash equivalents	Amortised cost	132,857,263	132,857,263	-	132,857,263	-	132,857,263
Trade and other receivables	Amortised cost	589,971,726	589,971,726	-	-	589,971,726	589,971,726
Receivable from related parties	Amortised cost	4,640,561,597	4,640,561,597	-	-	4,640,561,597	4,640,561,597
Investment in fixed deposits	Amortised cost	198,340,301	198,340,301	-	-	198,340,301	198,340,301
		5,561,730,887	5,561,730,887	-	132,857,263	5,428,873,624	5,561,730,887
Financial liabilities not measured at fair value							
Lease liabilities	Amortised cost	155,597,618	155,597,618	-	-	155,597,618	155,597,618
Borrowings	Amortised cost	3,931,741,407	3,931,741,407	-	-	3,931,741,407	3,931,741,407
Trade and other payables	Amortised cost	951,049,371	951,049,371	-	-	951,049,371	951,049,371
Payable to related companies	Amortised cost	507,898,478	507,898,478	-	-	507,898,478	507,898,478
Unclaimed dividend	Amortised cost	4,592,883	4,592,883	-	-	4,592,886	4,592,886
Bank overdraft	Amortised cost	534,947,506	534,947,506	-	534,947,506	-	534,947,506
		6,085,827,263	6,085,827,263	-	534,947,506	5,550,879,757	6,085,827,263

Notes to the Financial Statements

	GROUP						
31 March 2024	Classification	Total Carrying Amount Rs.	Fair Value Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
FINANCIAL ASSETS MEASURED AT FAIR VALUE							
Investment in Unquoted Shares/FVOCI		-	-	-	-	-	-
Financial assets not measured at fair value							
Cash and cash equivalents	Amortised cost	172,035,123	172,035,123	-	172,035,123	-	172,035,123
Trade and other receivables	Amortised cost	525,364,171	525,364,171	-	-	525,364,171	525,364,171
Receivable from related parties	Amortised cost	638,506,708	638,506,708	-	-	638,506,708	638,506,708
Investment in fixed deposits	Amortised cost	239,841,334	239,841,334	-	239,841,334	-	239,841,334
		1,575,747,336	1,575,747,336	-	411,876,457	1,163,870,879	1,575,747,336
Financial liabilities not measured at fair value							
Lease liabilities	Amortised cost	84,408,971	84,408,971	-	-	84,408,971	84,408,971
Borrowings	Amortised cost	6,680,602,579	6,680,602,579	-	-	6,680,602,579	6,680,602,579
Trade and other payables	Amortised cost	1,111,117,208	1,111,117,208	-	-	1,111,117,208	1,111,117,208
Payable to related companies	Amortised cost	8,728,162	8,728,162	-	-	8,728,162	8,728,162
Unclaimed dividend	Amortised cost	4,592,917	4,592,917	-	-	4,592,917	4,592,917
Bank overdraft	Amortised cost	740,457,007	740,457,007	-	740,457,007	-	740,457,007
		8,629,906,844	8,629,906,844	-	740,457,007	7,889,449,837	8,629,906,844

Notes to the Financial Statements

COMPANY

31 March 2024	Classification	Total Carrying Amount Rs.	Fair Value Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
FINANCIAL ASSETS MEASURED AT FAIR VALUE							
Investment in Unquoted Shares/FVOCI		-	-	-	-	-	-
Financial assets not measured at fair value							
Cash and cash equivalents	Amortised cost	131,358,560	131,358,560	-	131,358,560	-	131,358,560
Trade and other receivables	Amortised cost	472,456,676	472,456,676	-	-	472,456,676	472,456,676
Receivable from related parties	Amortised cost	4,071,163,411	4,071,163,411	-	-	4,071,163,411	4,071,163,411
Investment in fixed deposits	Amortised cost	193,272,101	193,272,101	-	-	193,272,101	193,272,101
		4,868,250,748	4,868,250,748	-	131,358,560	4,736,892,188	4,868,250,748
Financial liabilities not measured at fair value							
Lease liabilities	Amortised cost	355,437	355,437	-	-	355,437	355,437
Borrowings	Amortised cost	4,183,916,942	4,183,916,942	-	-	4,183,916,942	4,183,916,942
Trade and other payables	Amortised cost	841,773,897	841,773,897	-	-	841,773,897	841,773,897
Payable to related companies	Amortised cost	244,834,173	244,834,173	-	-	244,834,173	244,834,173
Unclaimed dividend	Amortised cost	4,592,883	4,592,883	-	-	4,592,883	4,592,883
Bank overdraft	Amortised cost	390,457,007	390,457,007	-	390,457,007	-	390,457,007
		5,665,930,339	5,665,930,339	-	390,457,007	5,275,473,332	5,665,930,339

**** Classes of financial instruments that are not carried at fair value and of which carrying amounts are a reasonable approximation of fair value. This includes trade and other receivables, cash and cash equivalents, trade payable, other payables, amounts due to and due from related parties and bank overdraft. The carrying amounts of these financial assets and liabilities are a reasonable approximation of fair values due to their short term nature.**

Notes to the Financial Statements

36. Financial Risk Management

The Group has exposure to the following risks arising from financial instruments:

- (a) Credit risk (Note 36.2)
- (b) Liquidity risk (Note 36.3)
- (c) Market risk (Note 36.4)
- (d) Operational risk (Note 36.5)

36.1 Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risk faced by the Group, to set appropriate risk limit and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee monitors the process through which business risks are identified for action by management and for the Board's attention and monitors the effectiveness of the Company's internal controls. The Audit Committee is assisted in its role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of controls and procedures, the results of which are reported to the Audit Committee.

36.2 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

Impairment losses on financial assets and contract assets recognised in profit or loss were as follows.

	GROUP		COMPANY	
As at 31 March,	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Impairment loss on trade receivables and amounts due from related companies	108,981,199	11,396,495	106,266,372	(11,708,015)
	108,981,199	11,396,495	106,266,372	(11,708,015)

Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all clients who wish to trade on credit terms are subject to credit verification procedures and contractual agreements made for every high-value transactions. In addition, receivable balances are monitored on an ongoing basis with the results that the Group's exposure to bad debts is not significant.

The Group does not require collateral in respect of trade and other receivables. The group does not have trade receivable and contract assets for which no loss allowance is recognised because of collateral.

The carrying amount of financial assets represent the maximum credit exposure. The maximum exposure to the credit risk is as follow:

	GROUP		COMPANY	
31 March	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Other investments	269,337,333	239,841,334	223,751,924	193,272,101
Trade and other receivables	673,667,985	525,364,171	589,971,726	472,456,676
Amount due from related parties	1,100,663,709	638,506,708	4,640,561,597	4,071,163,411
Cash and cash equivalents	174,755,351	172,035,123	132,857,263	131,358,560
	2,218,424,378	1,575,747,336	5,587,142,510	4,868,250,748

Notes to the Financial Statements

The exposure to credit risk for trade receivables and contract assets by type of counterparty was as follows.

31 March	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Local government	40,109,549	47,178,873	40,109,549	47,178,873
Insurance companies	263,918,363	138,956,173	263,918,363	138,956,173
Other corporate clients	547,249,506	610,931,532	547,249,506	610,931,532
Other	91,246,087	65,421,804	81,145,442	55,237,317
	942,523,505	862,488,382	932,422,860	852,303,895

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at 31 March 2024 and 2025.

GROUP				
As at 31 March 2025	Weighted average loss rate	Gross carrying amount Rs.	Loss allowance Rs.	Credit impaired
Current and < 12 months	16%	555,402,188	88,532,544	No
Past due > 12 months	100%	387,121,317	387,121,317	No
		942,523,505	475,653,861	

COMPANY				
As at 31 March 2025	Weighted average loss rate	Gross carrying amount Rs.	Loss allowance Rs.	Credit impaired
Current and < 12 months	16%	547,433,443	88,532,544	No
Past due > 12 months	100%	384,989,417	384,989,417	No
		932,422,860	473,521,961	

As at 31 March 2024	GROUP/COMPANY			
	Weighted average loss rate	Gross carrying amount Rs.	Loss allowance Rs.	Credit impaired
Current and < 12 months	14%	494,784,170	67,658,974	No
Past due > 12 months	100%	367,704,212	367,704,212	No
		862,488,382	435,363,184	

Cash and cash equivalents with banks

The Group and the Company held cash and cash equivalents of Rs. 174,755,351/- and Rs. 132,857,263 at 31 March 2025 (2024: Rs. 172,035,123/- and Rs. 131,358,560/-). The Group has selected its banker by considering the credit rating of the rating agencies, the reputation in economy, efficiency in transaction processing by minimizing the transaction cost.

The financial institutions in which the deposits and cash at bank existed are guaranteed by local and foreign credit agencies as -BBB or better.

Amounts due from related parties

Provision for impairment on amounts due from related parties are assessed individually considering the financial status of these related parties.

36.3 Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group maintains the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the succeeding 60 days. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. In addition, the Group maintains Rs. 620 Mn. secured overdraft facility that is the interest would be payable at market rate.

It is not expected that cash flows included in the maturity analysis would occur significantly earlier or at significantly different amount.

Notes to the Financial Statements

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

GROUP					
31 March 2025	Carrying amount Rs.	Contractual Cash Flows Rs.	Less than 1 year Rs.	1–5 years Rs.	More than 5 years Rs.
NON-DERIVATIVE FINANCIAL LIABILITIES					
Borrowings	6,679,614,631	10,318,410,312	8,303,384,393	1,975,025,907	40,000,012
Trade creditors and other payables	1,164,281,555	1,164,281,555	1,164,281,555	-	-
Unclaimed dividends	4,592,917	4,592,917	4,592,917	-	-
Lease liabilities	214,857,398	282,757,486	72,028,031	205,254,455	5,475,000
Payable to related companies	146,804,759	146,804,759	146,804,759	-	-
Bank overdrafts	889,947,506	889,947,506	889,947,506	-	-
	9,100,098,766	11,136,578,550	4,621,752,073	4,548,023,526	1,966,802,951
31 March 2024	Carrying amount Rs.	Contractual Cash Flows Rs.	Less than 1 year Rs.	1–5 years Rs.	More than 5 years Rs.
NON-DERIVATIVE FINANCIAL LIABILITIES					
Borrowings	6,680,602,579	6,680,602,579	4,691,189,547	1,989,413,032	-
Trade creditors and other payables	1,111,117,208	1,111,117,208	1,111,117,208	-	-
Unclaimed dividends	4,592,917	4,592,917	4,592,917	-	-
Lease liabilities	84,408,971	178,385,857	42,304,944	124,180,873	11,900,000
Payable to related companies	8,728,162	8,728,162	8,728,162	-	-
Bank overdrafts	740,457,007	740,457,007	740,457,007	-	-
	8,629,906,844	8,723,883,730	6,598,389,785	2,113,593,905	11,900,000

Company					
31 March 2025	Carrying amount Rs.	Contractual Cash Flows Rs.	Less than 1 year Rs.	1–5 years Rs.	More than 5 years Rs.
NON-DERIVATIVE FINANCIAL LIABILITIES					
Borrowings	3,931,741,407	3,931,741,407	5,892,164,558	3,873,479,365	1,978,685,181
Trade creditors and other payables	951,049,371	951,049,371	951,049,371	-	-
Unclaimed dividends	4,592,917	4,592,917	4,592,917	-	-
Lease liabilities	155,597,618	191,285,648	49,716,085	141,569,563	-
Payable to related companies	507,898,484	507,898,484	507,898,484	-	-
Bank overdrafts	534,947,506	534,947,506	534,947,506	-	-
	6,085,827,303	6,121,515,333	7,940,368,921	4,015,048,928	1,978,685,181

31 March 2024	Carrying amount Rs.	Contractual Cash Flows Rs.	Less than 1 year Rs.	1–5 years Rs.	More than 5 years Rs.
NON-DERIVATIVE FINANCIAL LIABILITIES					
Borrowings	4,183,916,942	4,183,916,942	6,113,264,136	3,251,619,690	2,801,644,434
Trade creditors and other payables	841,773,897	841,773,897	841,773,897	-	-
Unclaimed dividends	4,592,917	4,592,917	4,592,917	-	-
Lease liabilities	355,437	527,438	-	-	-
Payable to related companies	244,834,173	244,834,173	244,834,173	-	-
Bank overdrafts	390,457,007	390,457,007	390,457,007	-	-
	5,665,930,373	5,666,102,374	7,594,922,130	3,251,619,690	2,801,644,434

The Company has used Overdraft of Rs. 534,947,506/- at the end of 2025 (2024: Rs. 390,457,007).

Notes to the Financial Statements

	2025		2024	
Overdraft	Facility Available Rs.	Facility Utilised Rs.	Facility Available Rs.	Facility Utilised Rs.
Hatton National Bank PLC	375,000,000	375,000,000	375,000,000	375,004,159
DFCC Bank PLC	210,000,000	202,900,225	240,000,000	205,547,189
Commercial Bank of Ceylon PLC	205,000,000	204,297,117	150,000,000	150,000,000
Seylan Bank PLC	10,000,000	2,378,966	10,000,000	9,905,649
Nation Trust Bank PLC	55,000,000	55,388,459	55,000,000	-
Bank of Ceylon	50,000,000	49,982,739	-	-
	905,000,000	889,947,506	830,000,000	740,457,007

36.4 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency Risk

The Group is exposed to currency risk on receipts, payments and borrowings that are denominated in a currency other than Sri Lankan Rupees.

In respect of monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The Group is exposed to currency risk on borrowings and supplier payable balances that are denominated in a currency other than Sri Lankan Rupees (Rs.). The foreign currency in which the set transactions primarily denominated is United States Dollars (USD).

Exposure to Currency risk

The Group's exposure to foreign currency risk was as follows based on notional amounts:

	GROUP		COMPANY	
31 March	2025 USD	2024 USD	2025 USD	2024 USD
Interest bearing borrowings	603,524	980,924	603,524	980,924
Supplier payable balance	55,102	132,043	-	-
	658,626	1,112,967	603,524	980,924

The following significant exchange rates were applicable during the year;

	Average rate		Reporting date spot rate	
31 March	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
USD	297.92	301.18	296.35	300.44

Sensitivity Analysis

A strengthening or weakening of the Sri Lankan Rupee, as indicated below, against the USD as at the reporting date would have increased/(decreased) the equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group/Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Strengthening Rs.	Weakening Rs.
As at 31 March 2025		
USD (10% movement)	(19,518)	19,518
As at 31 March 2024		
USD (10% movement)	(33,438)	33,438

Notes to the Financial Statements

Interest Rate Risk

Interest rate is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises mainly from the borrowings. The fluctuation in the Average Weighted Prime Lending Rate (AWPLR) results in the effective interest rate of the borrowings usually without a corresponding change in the fair value. The Group analyses the interest rate exposure on a dynamic basis monitoring AWPLR."

The Monetary Board of Central Bank of Sri Lanka (CBSL) has decided to increase the Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) after the reporting date and this may impact the future profitability of the Group.

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

	GROUP		COMPANY	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Fixed-rate instruments				
Financial assets	269,337,333	239,841,334	223,751,924	193,272,101
Financial liabilities	125,681,062	125,681,062	41,627,528	41,627,528
	395,018,395	365,522,396	265,379,452	234,899,629
Variable-rate instruments				
Financial assets	-	-	-	-
Financial liabilities	7,528,290,041	7,379,787,490	4,425,416,822	4,533,101,858
	7,528,290,041	7,379,787,490	4,425,416,822	4,533,101,858

Sensitivity Analysis

The following table demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the profit before tax. A reasonably possible of +/- 1% is used, consistent with current trends in interest rates.

	Group		Company	
	+1% (100 Basis Points) Impact on Profit Rs. '000	-1% (100 Basis Points) Impact on Profit Rs. '000	+1% (100 Basis Points) Impact on Profit Rs. '000	-1% (100 Basis Points) Impact on Profit Rs. '000
31 March 2025				
Financial liabilities				
Interest bearing loans and borrowings	75,283	(75,283)	44,254	(44,254)
31 March 2024				
Financial liabilities				
Interest bearing loans and borrowings	(73,798)	73,798	(45,331)	45,331

36.5 Operational Risk

'Operational risk' is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks – e.g. those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and innovation. In all cases, Company policy requires compliance with all applicable legal and regulatory requirements.

Notes to the Financial Statements

The Board of Directors has established Board Integrated Risk Management Committee, which is responsible for the development and implementation of controls to address operational risk. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- requirements for the reporting of operational losses and proposed remedial action;
- development of contingency plans;
- training and professional development;
- ethical and business standards;
- information technology and cyber risks; and
- risk mitigation, including insurance where this is cost-effective.

Compliance with Company standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the Company Operational Risk Committee, with summaries submitted to the Audit Committee and senior management of the Company.

37. Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain development of the business. Capital consists of ordinary shares, retained earnings and revaluation reserve of the Group. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Group's net debt to adjusted equity ratio at the reporting date was as follow:

	As at 31 March 2025	As at 31 March 2024
Total liabilities	15,110,648,486	14,109,648,119
Less: Cash and cash equivalents	349,810,089	231,146,238
Net debt	14,760,838,397	13,878,501,881
Total equity	4,912,863,399	4,585,398,428
Net debt to adjusted equity ratio	3.00	3.03

Notes to the Financial Statements

38. Related Party Transactions

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard (LKAS 24) "Related Party Disclosures", the details of which are reported below. The pricing applicable to such transactions is based on the assessment of risk and pricing model of the Company and is comparable with what is applied to transactions between the Company and its unrelated customers.

38.1 Transactions with Key Management Personnel (KMP)

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly.

KMP of the Company

The Board of Directors of the Company has been classified as KMP of the Company.

KMP of the Group

(a) Compensation of key management personnel

	GROUP		COMPANY	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Short-term employee benefits	45,225	71,642	45,225	71,642
	45,225	71,642	45,225	71,642

(B) Other transactions

	GROUP		COMPANY	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Rendering of services	20,993	35,732	20,993	31,768

Close family members (CFM) of Key Management Personnel

CFM of a KMP are those family members who may be expected to influence, or be influenced by, that KMP in their dealings with the entity. They may include KMP's domestic partner and children, children of the KMP's domestic partner and dependants of the KMP or the KMP's domestic partner, CFM are related parties to the Group/ Company.

38.2 Transactions with related parties

Non-recurrent related party transactions

There were no non-recurrent related party transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Company as per 31 March 2024 audited financial statements, which required additional disclosures in the 2024/25 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

Recurrent related party transactions

There were no recurrent related party transactions, except for below, which in aggregate value exceeds 10% of the consolidated revenue of the Group as per 31 March 2024 audited financial Statements, which required additional disclosures in the 2024/25 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

New Nawaloka Hospitals (Pvt) Ltd and New Nawaloka Medical Centre (Pvt) Ltd which are fully owned subsidiaries of the company are situated in the same premises and operated under the Nawaloka Hospitals brand name with the company and therefore revenue and the expenses could occur mutually. However the net transactions values of recurrent transactions and Non recurrent transactions does not exceed the 10% of the consolidated revenue or 10% of the Equity of the Company respectively.

Notes to the Financial Statements

Transactions with Subsidiaries – Company

Name of the Company	New Nawaloka Hospitals (Pvt) Ltd		New Nawaloka Medical Centre (Pvt) Ltd		Nawaloka Laboratories (Pvt) Ltd	
Shareholding	100%		100%		100%	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Opening balance due (to)/from subsidiaries	165,222	358,718	3,282,730	3,380,208	(241,445)	(81,842)
Provision of services	1,835,298	(776,435)	45,580	(689,635)	(131,059)	(620,133)
Cost of pharmaceutical and general stores items	806,310	623,939	857,198	658,867	125	460,530
Transfer to other debtor					-	-
Fund transfer	(2,604,484)	(41,000)	(831,585)	(66,711)		
Closing balance due (to)/from subsidiaries	202,346	165,222	3,353,923	3,282,730	(372,379)	(241,445)
Directors	Dr H K J Dharmadasa		Dr H K J Dharmadasa		Dr H K J Dharmadasa	
	Mr A G Dharmadasa		Mr A G Dharmadasa		Mr A G Dharmadasa	
	Prof L G Chandrasena				Prof L G Chandrasena	

Transactions with subsidiaries are carried out in the ordinary course of the business except the funding provided for New Nawaloka Medical Centre (Pvt) Ltd to invest on multi storied building with car park facilities. New Nawaloka Medical Centre (Pvt) Ltd and New Nawaloka Hospitals (Pvt) Ltd are fully owned subsidiaries of Nawaloka Hospitals PLC. All three companies are located in the same premises and operational decisions as well as investment / expansion decisions are also executed as a single entity with common staff. As such, neither specific terms and conditions nor guarantees were agreed in relating to the funding of New Nawaloka Medical Centre (Pvt) Ltd to invest on multi storied building with car park facilities.

Outstanding balance relating to this transaction is included in the current account as disclosed in Note 38.2 to these financial statements and considered as repayable on demand. Current account balances at year end are unsecured, interest free and settlement occurs in cash.

Notes to the Financial Statements

Transactions with Other Related parties – Company

Name of the Company	Transfer to other debtor		Investment in associate		Rendering of services/ Sale of Goods		Receiving of services/ Purchase of Goods		Fund Transfer		Balance as at 31 March Due (To)/From	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Nawaloka Aviation (Pvt) Ltd.	-	-	-	-	-	-	-	-	-	-	4,479	4,479
M Branch (Pvt) Ltd.	-	-	-	-	-	-	-	-	-	-	16,216	16,216
Nawaloka Construction Co.(Pvt) Ltd.	-	-	-	-	-	-	30,589	-	(16,481)	28,000	101,651	87,543
Nawaloka Engineering	-	-	-	-	-	-	517	-	(517)	2,835	4,405	4,405
Nawaloka ACG Aluminium Company (Pvt) Ltd.	-	-	-	-	-	86	-	-	-	-	96	96
Nawaloka Medical Centres (Pvt) Ltd.	-	-	-	-	-	19,435	15,473	(59,675)	971	-	261,499	245,054
Nawaloka Guardian International (Pvt) Ltd.	-	-	-	-	-	2,601	7,590	-	(107,579)	(29,622)	(97,388)	2,601
Nawaloka College of Higher Studies (Pvt) Ltd.	-	-	-	-	-	-	-	-	-	-	33,013	33,013
Nawaloka College of Professional Studies (Pvt) Ltd.	-	-	-	-	-	174	(13,024)	-	(19,002)	-	(31,852)	174
Nawaloka Institute of Health care (Pvt) Ltd.	-	-	-	-	-	-	(7,327)	-	(2,056)	3,305	3,244	12,627
Polysacks Sharjah U.A.E	-	-	-	-	-	-	-	-	-	-	22,429	22,429
Redline Services (Pvt) Ltd.	-	-	-	-	-	-	9,000	-	2,000	-	11,000	-
Nawata Group (Pvt) Ltd.	-	-	-	-	-	23,231	3,281	-	30,847	-	63,159	29,031
Nawaloka Steel Industries (Pvt) Ltd.	-	-	-	-	-	-	1,214	-	(72,309)	14,491	238,843	309,938
Sasiri Polysacks (Pvt) Ltd.	-	-	-	-	-	29,555	1,026	-	30,466	-	145,629	114,137
New Ashford International (Pvt) Ltd.	-	-	-	-	-	-	-	(455)	-	-	3,050	3,050
Cafe 77 (Pvt) Ltd.	-	-	-	-	(9,208)	-	42,094	-	(35,752)	-	(6,255)	(3,389)
Mart 77 (Pvt) Ltd.	-	-	-	-	-	-	(23)	-	-	-	(23)	-
Alcobronz (Pvt) Ltd.	-	-	-	-	-	-	-	-	-	-	11,000	11,000
Nawaloka Research & Education Foundation	-	-	-	-	-	-	-	-	-	800	8,800	8,800
Healthways (Pvt) Ltd.	-	-	-	-	-	-	-	-	9,412	-	9,412	-
Nawaloka Forwarding Agents (Pvt) Ltd.	-	-	-	-	-	-	-	-	445,110	-	445,110	-
Yiwu Trading (Pvt) Ltd.	-	-	-	-	-	-	4,224	-	30,260	-	34,484	-
JD design studio (Pvt) Ltd.	-	-	-	-	-	-	75	-	-	-	75	-
Nawaloka Petroleum (Pvt) Ltd.	-	-	-	-	-	8,000	-	-	11,000	-	12,873	1,873

Notes to the Financial Statements

39. Commitments

There were no contract for capital expenditure of material amounts approved or contracted for as at the reporting date for the Company/Group.

40. Contingent Liabilities

Accounting policy

A provision is recognised if, as a result of a past event, the company 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. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised in profit or loss.

Contingent liabilities are disclosed if there is a possible future obligation as a result of a past event, or if there is a present obligation as a result of a past event but either a payment is not probable or the amount cannot be reasonably estimated.

Use of Judgments and Estimates

Provisions and Contingencies

The Company receives legal claims against it in the normal course of business. Management has made judgment as to the likelihood of any claim succeeding in making provisions. The time of concluding legal claims is uncertain, as is the amount of possible outflow of economic benefits. Timing and cost ultimately depend on the due process in the respective legal jurisdictions.

Pending Litigations against Company/Group

Based on the available information, the Management is of the view that there are no material litigation or claims other than those disclosed below that could have material impact on the financial position on the Group. Accordingly, no provision has been made for following legal claims in the Financial Statements.

The Board of Directors of the Company having consultates the legal council have determined that no provision is required for the below cases outstanding against the Group as at 31 March 2025.

40.1 District Court of Colombo – Case DMR 5339/19 and Civil Appellate High Court of Colombo – Case WP HCCA 87/2023 LA Supreme Court Case No. SC HCCA 90/25

Plaintiff filed a case against the Company and one other claiming damages of Rs. 102 Mn. on the grounds of negligence of the defendants. An application was made under the Civil procedure code on 21 June 2022 to produce documents specified in the application for inspection. On 17 May 2023 the learned district judge allowed the application of the plaintiff and permitted him to inspect the documents specified in the application.

The Company, being aggrieved by the said order, filed a leave to Civil Appellate High Court against the said order. The Civil Appellate High Court was dismissed on 5 February 2025, and the Company has filed a further appeal to the Supreme Court under Case No. SC HCCA LA 90/2025, which is has now been fixed for 16 March 2026.

Having considered the status of the matter, the Company concluded that no provision is required to be made in the financial statements for the year ended 31 March 2025.

40.2 District Court of Colombo – Case DMR 3969/19

A case has been filed against the Company alleging medical negligence in the death of a patient, valuing the action at Rs. 107 Mn. The matter was scheduled for Pre-Trial but was postponed several times. The case has now been re-fixed for Pre-Trial on 29 September 2025.

The Company has concluded that no provision is required in the Financial Statements for the year ended 31 March 2025.

40.3 District Court of Colombo – Case DMR 1376/23

The plaintiff by his plaint dated on 21 July 2023 sought Rs. 100 Mn. as damages for physical and mental pain due to medical negligence and cost of litigation. On 08 May 2025, counsel for the Defendant applied to vacate an ex parte order.

Since the Plaintiff was absent, the Defendant was directed to issue notice. The matter has been re-fixed for 07 October 2025.

The Company has concluded that no provision is required to be made in the Financial Statements for the year ended 31 March 2025.

Notes to the Financial Statements

40.4 District Court of Colombo – Case DMR 565/23

Plaintiffs have filed a case against the Company and others claiming damages of Rs. 10 Mn. due to alleged negligence. The matter has been fixed for Answer of the 1st and 2nd Defendants on 05 December 2025.

Having considered the preliminary stage of the matter Company has concluded that no provision is required to be made in the Financial Statements for the year ended 31 March 2025.

40.5 Labour Tribunal – Case No. 08/28/2024

An Applicant has filed a case at the Labour Tribunal against the Company seeking release of gratuity forfeited by the Respondent. The case has been heard on several occasions. Cross-examination was completed on 04 August 2025; the matter has been adjourned for re-examination and to call a new witness on 30 September 2025.

Having considered the preliminary stage of the matter Company has concluded that no provision is required to be made in the Financial Statements for the year ended 31 March 2025.

41. Events After The Reporting Period

Accounting policy

Events after the reporting period are those events, favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue.

All material events after the reporting date have been considered and where appropriate, adjustments or disclosures have been made in the respective notes to the financial statements.

Company/Group

41.1 Settlement of Loans and dues to Hatton National Bank PLC

As disclosed in Note 29.3 of the financial statements, Hatton National Bank PLC commenced debt recovery proceedings and initiated a Parate Execution for the outstanding loan owed by New Nawaloka Medical Centre (Pvt) Ltd in April 2023. In response to the legal action, the Company successfully obtained an interim injunction from the courts in May 2023, temporarily halting the Parate execution.

Subsequently, Group reached out to a settlement agreement with Hatton National Bank PLC and all loans and dues to this Bank were fully settled amounting to Rs. 3,350 Mn. on 23 May 2025 by obtaining borrowings from Bank of Ceylon.

42. Comparative Information

The Financial Statements for the comparative periods comprise results for the 12 month periods from 1 April 2023 to 31 March 2024. In this circumstance, the comparative information for the Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Cash Flow Statements and related notes are comparable with the current period.

The previous year figures and phrases have been rearranged wherever necessary to conform to current year's presentation.

43. Directors' Responsibility

The Board of Directors is responsible for the preparation and presentation of the financial statements in accordance with Sri Lanka Accounting Standards.

44. Going Concern Group/Company

The Group has recorded a net profit of Rs. 56,381,099 (2024: Net loss of Rs. 304,747,263) for the year ended 31 March 2025. As of that date, accumulated losses amounted to Rs. 1,116,224,291 (2024: Rs. 1,161,310,643) and Current liabilities of the Group exceeded its current assets by Rs. 6,402,347,185 as at 31 March 2025 (2024: Rs. 6,239,297,496).

Notwithstanding these, the Directors have considered the Group's existing cash resources and available unutilised borrowing facilities as at the date of the audit report and have concluded their judgement that these conditions do not give rise to a material uncertainty casting significant doubt on the Group's ability to continue as a going concern. In particular, the Directors have concluded that the Group's unutilised borrowing facilities totalling approximately Rs. 5,547 Mn. will remain available throughout the next twelve months from 31 March 2025, and the Group will be able to utilise these facilities to avoid any financial distress.

In addition, the Board's assessment considered the improvements to the financial performance of both the Group and the Company during the year. This is evident through the increasing gross profit, reduction in net current liability position, and the turnaround in profitability compared to the previous year.

Notes to the Financial Statements

Furthermore, the Group continues to focus on a range of new operational and financial strategic plans aimed at sustaining its future profitability and growth. Key initiatives that support this include the following:

- The Group successfully executed a comprehensive debt restructuring plan, significantly reducing its interest cost and improving financial stability.
- The Group is in the process of developing an AI-powered chatbot for Nawaloka, aimed at enhancing patient engagement, streamlining inquiries, and improving overall service delivery.
- The Group is expanding into a new venture, thereby strengthening its regional presence and widening access to healthcare services.
- During the year, the Group stepped into medical tourism, targeting international patients with specialised packages designed to enhance the Group's service portfolio and foreign currency inflows.
- The Radiology Department, which was upgraded in the previous year, has been further strengthened through the import of a brand-new AI-assisted CT Scan machine and upgraded MRI facilities, positioning the Group at the forefront of diagnostic imaging technology.
- The Physiotherapy Unit was renovated and upgraded to offer enhanced rehabilitation services.
- A Sleep Lab was established during the year, introducing advanced diagnostic facilities for sleep-related disorders, thereby diversifying the Group's specialty offerings.
- The Fertility Centre was further upgraded with advanced technology and infrastructure to expand its service capacity.
- Maternity Ward renovations were carried out to improve patient comfort, safety, and service standards.
- The Group expanded its laboratory footprint by opening new laboratories, thereby increasing accessibility and broadening diagnostic service coverage.

Having considered these factors and the expected improvements in financial performance through these collective strategies, the Board of Directors has determined that the Company and the Group possess adequate resources to sustain their operations well into the foreseeable future. Furthermore, the Board of Directors of the Group does not have any intention to liquidate the Company or the Group or to cease operations in the near future.



*169 Investor Information 171 Ten Year Financial Summary 173 Notice of Meeting
Enclosed – Form of Proxy Inner Back Cover – Corporate Information*

Supplementary Information

Investor Information

Investor Information

	31 March 2025 Rs.
Highest Price	6.80
Lowest Price	3.50
Closing Price	5.30

Composition of Shareholders

CATEGORY	No. of Shareholders as at 31 March 2025			No. of Shareholders as at 31 March 2024		
		Total holdings Rs.	%		Total holdings Rs.	%
Institutional Shareholders	94	525,661,646	37.3	112	527,148,798	37.4
Individual shareholders	6,805	883,843,950	62.7	6,807	882,356,798	62.6
Total	6,899	1,409,505,596	100	6,919	1,409,505,596	100

Top 20 Shareholders of Nawaloka Hospitals PLC as at 31 March 2025

Names	No. of Shares	%
Nawaloka Construction Company (Private) Limited	441,778,880	31.34
Dr Jayantha Dharmadasa	402,736,182	28.57
Seylan Bank Ltd/H K Jayantha Dharmadasa	60,000,000	4.26
Mr K D D Perera	389,676,904	27.65
Employees Trust Fund Board	7,722,374	0.55
Miss A G Dharmadasa	5,066,686	0.36
Mrs P Nanayakkara	5,066,666	0.36
Mr L Hettiarachchi	4,315,720	0.31
Mr V R Ramanan	3,110,088	0.22
Mr A G Dharmadasa	3,004,026	0.21
Nawaloka Developments (Pvt) Ltd	2,814,932	0.20
Mr K S Warusavitarana	2,618,786	0.19
Mrs C S Dharmadasa	2,581,866	0.18
Freudenberg Shipping Agencies Limited	2,306,185	0.16
Tranz Dominion, LLC	1,950,000	0.14
Seylan Bank Plc/Andaradeniya Estate (Pvt) Ltd	1,947,429	0.14
J B Cocoshell (Pvt) Ltd	1,376,677	0.10
Mr GC Goonetilleke	1,205,000	0.09
Mr B A A S Basnayaka	1,100,000	0.08
Mr M T Rajab Khan	1,016,768	0.07
Ranatunga Motors (Pvt) Ltd.	1,000,000	0.07
Total Shares	1,342,395,169	95.25
Balance	67,110,427	4.75
Total No. of Shares	1,409,505,596	100.00

Investor Information

Directors Shareholding as at 31 March 2025

Names	No. of Shares
Mr H K J Dharmadasa	402,736,182
Seylan Bank Ltd/H K Jayantha Dharmadasa	60,000,000
Mr A G Dharmadasa	3,004,026
Miss A G Dharmadasa	5,066,686
Prof L G Chandrasena	601,198
Mr T De Zoysa	218,000
Mr V R Ramanan	3,110,088
Dr I M D Z Gunasekera	32,000
Mr T K Bandaranayake	0
Dr M Rajakaruna	0
Mr M T D Lakshan	0
Mr V T De Zoysa	0
Dr D B S C Bandara	0
Mr C P Wijetilleke	0
Dr R M S Pushpakumara	0
Prof P P M Jayaweera	0

Range of Shareholders as at 31 March 2025

Names	No. of Shareholders	No. of Shares	% of Shares
1 to 1,000 Shares	3,462	1,024,321	0.07
1,001 to 10,000 Shares	2,310	9,156,811	0.65
10,001 to 100,000 Shares	1,004	29,645,453	2.11
100,001 to 1,000,000 Shares	103	28,283,842	2.01
1,000,001 and above	20	1,341,395,169	95.16
Total	6,899	1,409,505,596	100

Public Shareholding

As at 31 March	2024/25	2023/24
Shares held by public	482,433,208	482,433,208
No. of public shareholders	6,883	6,903
Public holdings percentage (%)	34.22	34.23
Compliant under option 4-Float adjusted market capitalisation (Rs. Mn.)	2,895	1,881

Ten Year Financial Summary

GROUP	2024/25 (Rs.)	2023/24 (Rs.)	2022/23 (Rs.)	2021/22 (Rs.)	2020/21 (Rs.)	2019/20 (Rs.)	2018/19 (Rs.)	2017/18 (Rs.)	2016/17 (Rs.)	2015/16 (Rs.)
Revenue	11,012,689,270	10,379,164,804	9,305,061,318	15,302,268,206	11,827,738,761	9,035,829,577	8,534,267,449	7,955,278,613	6,299,910,436	5,860,218,161
Cost of sale	(5,134,195,166)	(4,762,524,128)	(4,669,970,410)	(7,461,332,040)	(6,285,289,880)	(4,248,181,070)	(4,143,850,942)	(3,551,349,412)	(2,997,276,079)	(2,906,572,342)
Gross profit	5,878,494,104	5,616,640,676	4,635,090,908	7,840,936,166	5,542,448,881	4,787,648,507	4,390,416,507	4,403,929,201	3,302,634,357	2,953,645,819
Other operating income	177,315,238	181,341,329	138,255,580	136,521,897	125,629,915	149,388,093	244,851,729	198,816,074	129,152,153	94,495,240
Profit/(Loss) from operations	1,008,243,743	1,024,615,844	(73,460,408)	1,660,285,220	1,503,505,332	1,179,734,344	802,357,905	1,174,203,124	728,625,298	637,208,825
Net profit/(loss) after taxation	56,381,099	(304,747,263)	(2,438,455,495)	(96,588,317)	501,263,947	15,980,740	(587,153,161)	179,958,540	282,840,629	206,034,228
BALANCE SHEET DATA										
Shareholders' fund	4,912,863,399	4,585,398,428	4,923,500,887	6,682,364,430	4,098,914,447	3,430,129,485	3,441,663,445	4,258,504,794	4,513,462,017	3,994,897,962
FINANCIAL RATIOS										
Gross profit ratio (%)	53.38	54.00	50.00	51.00	47.00	53.00	51.00	55.00	52.00	50.00
Net profit ratio (%)	0.51	(3.00)	(26.21)	(0.63)	4.24	0.18	(6.88)	2.00	4.00	4.00
Increase in revenue (%)	6.10	12.00	(39.19)	29.38	30.90	6.00	7.00	26.00	8.00	27.00
Return on capital employed (%)	8.99	22.00	(1.49)	24.85	13.67	11.47	7.00	10.55	5.43	5.16
Current asset ratio (Times)	0.32	0.25	0.24	0.79	0.57	0.40	0.45	0.53	0.83	0.89
Quick asset ratio (Times)	0.27	0.21	0.19	0.69	0.51	0.34	0.35	0.44	0.73	0.70
Return on assets	0.05	0.05	-	0.08	2.68	0.09	(4.00)	1.00	2.00	2.00
Debt/equity ratio	1.36	1.40	2.86	2.00	1.44	0.62	1.77	1.34	1.37	1.27
Earnings/(loss) per share (after share split)	0.04	(0.22)	(1.73)	(0.07)	0.36	0.01	(0.42)	0.13	0.17	0.15
Net asset per share (Rs) (after share split)	3.49	3.25	3.49	4.74	2.91	2.43	2.56	3.02	3.15	2.83
Dividend per share	-	-	-	-	-	-	0.05	0.10	0.08	0.07
Dividend pay out ratio (%)	-	-	-	-	-	-	-	0.59	0.55	1.13

Ten Year Financial Summary

COMPANY	2024/25 (Rs.)	2023/24 (Rs.)	2022/23 (Rs.)	2021/22 (Rs.)	2020/21 (Rs.)	2019/20 (Rs.)	2018/19 (Rs.)	2017/18 (Rs.)	2016/17 (Rs.)	2015/16 (Rs.)
INCOME STATEMENT DATA										
Revenue	5,782,777,543	5,481,588,550	4,779,052,407	6,119,455,452	3,554,428,501	3,732,633,886	3,471,447,762	3,568,770,483	2,568,162,863	2,833,195,719
Cost of sale	(2,821,038,301)	(2,542,988,522)	(2,424,266,002)	(3,152,249,596)	(1,572,724,022)	(1,710,637,789)	(1,805,766,151)	(1,532,151,922)	(1,359,482,350)	(1,490,055,615)
Gross profit	2,961,739,242	2,938,600,028	2,354,786,405	2,967,205,856	1,981,704,479	2,021,996,097	1,665,681,611	2,036,618,561	1,208,680,513	1,343,140,104
Other operating income	92,349,154	81,668,159	62,281,914	665,981,996	62,619,125	205,770,909	250,304,480	534,238,430	212,984,776	86,694,974
Profit/(Loss) from operations	1,062,926,304	1,320,347,905	511,201,695	1,253,104,236	526,624,258	772,251,090	(4,156,285)	993,606,987	19,979,747	201,126,820
Net profit/(loss) after taxation	601,820,415	579,651,797	(654,726,222)	249,855,172	(302,931,556)	99,022,051	(251,631,403)	453,607,982	(373,558,926)	(127,565,499)
Balance sheet data Shareholders' fund	1,896,399,385	1,296,296,538	739,533,830	1,315,277,067	700,641,397	1,023,216,365	934,921,037	1,274,086,896	1,043,158,707	1,466,336,065
FINANCIAL RATIOS										
Gross profit ratio (%)	51.22	54.00	49.00	48.00	56.00	54.00	48.00	57.00	47.00	47.00
Net profit ratio (%)	10.41	11.00	(14.00)	4.00	(9.00)	3.00	(7.25)	13.00	(17.00)	(5.00)
Increase in revenue (%)	5.49	15.00	(21.90)	-	(4.77)	7.52	(2.73)	38.96	(9.00)	13.00
Return on capital employed (%)	31.80	102.00	69.12	95.00	11.14	16.64	0.08	19.83	(45.00)	(9.00)
Current asset ratio (Times)	1.07	1.11	1.14	1.80	1.14	1.08	1.23	1.11	1.30	1.83
Quick asset ratio (Times)	1.03	1.07	1.10	1.74	1.11	1.05	1.17	1.06	1.24	1.75
Return on assets	0.11	0.16	0.06	2.43	(2.70)	0.91	(2.74)	4.30	(5.00)	(1.60)
Debt/equity ratio	0.67	5.66	10.43	3.80	5.28	3.32	4.15	2.68	4.80	3.21
Earnings/(loss) per share (after share split)	0.43	0.41	(0.46)	0.18	(0.21)	0.07	(0.18)	0.32	(0.31)	(0.09)
Net asset per share (Rs.) (after share split)	1.35	0.92	0.52	0.93	0.50	0.73	0.66	0.90	0.69	1.04
Dividend per share	-	-	-	-	-	-	0.05	0.10	0.08	0.07
Dividend pay out ratio (%)	-	-	-	-	-	-	-	(0.32)	(0.88)	1.10

Notice of Meeting

Notice is hereby given that the Annual General Meeting of NAWALOKA HOSPITALS PLC will be held on Tuesday, 30 September 2025 as a virtual meeting (on a virtual platform as a Zoom video conference) which will be coordinated from the Auditorium of Nawaloka Hospitals PLC at No. 23, Deshamanya, H K Dharmadasa Mawatha, Colombo 2 commencing at 10.00 a.m. for the following purposes:

AGENDA

1. To receive and consider the Report of the Board of Directors on the Affairs of the Company and the Financial Statements for the year ended 31 March 2025 together with the Report of Auditors thereon.
2. To resolve in terms of Section 211 of the Companies Act No. 07 of 2007 to appoint/re-appoint Dr Hewa Komanage Jayantha Dharmadasa (who has attained the age of 77 years) and who retires at the end of the Annual General Meeting, as a Director, notwithstanding him having exceeded the age of 70 years and to declare that the age limit referred to in section 210 of the said Act, shall not apply to him.
3. To resolve in terms of Section 211 of the Companies Act No. 07 of 2007 to appoint/re-appoint Vidya Jyothi Professor Lal Chandrasena (who has attained the age of 79 years) and who retires at the end of the Annual General Meeting, as a Director, notwithstanding him having exceeded the age of 70 years and to declare that the age limit referred to in section 210 of the said Act, shall not apply to him and subject to his rotation.
4. To resolve in terms of Section 211 of the Companies Act No. 07 of 2007 to appoint/re-appoint Deshabandu Tilak De Zoysa (who has attained the age of 79 years) and who retires at the end of the Annual General Meeting, as a Director, notwithstanding him having exceeded the age of 70 years and to declare that the age limit referred to in section 210 of the said Act, shall not apply to him and subject to his rotation.
5. To resolve in terms of Section 211 of the Companies Act No. 07 of 2007 to appoint/re-appoint Mr. Tissa K Bandaranayake (who has attained the age of 82 years) and who retires at the end of the Annual General Meeting, as a Director, notwithstanding him having exceeded the age of 70 years and to declare that the age limit referred to in section 210 of the said Act, shall not apply to him and subject to his rotation.
6. To resolve in terms of Section 211 of the Companies Act No. 07 of 2007 to appoint/re-appoint Dr Maithri (Maiya) Gunasekera (who has attained the age of 74 years) and who retires at the end of the Annual General Meeting, as a Director, notwithstanding him having exceeded the age of 70 years and to declare that the age limit referred to in section 210 of the said Act, shall not apply to him and subject to his rotation.
7. To elect Dr Chamara Bandara as a Director in terms of Article 81, who was appointed by the Board to fill a casual vacancy.
8. To elect Dr Samantha Ratnayake as a Director in terms of Article 81, who was appointed by the Board to fill a casual vacancy.
9. To elect Prof Manjula Jayaweera as a Director in terms of Article 81, who was appointed by the Board to fill a casual vacancy.
10. To elect Mr Chamira Wijetilleke as a Director in terms of Article 81, who was appointed by the Board to fill a casual vacancy.
11. To re-elect Mr Victor Ramanan as a Director in terms of Article 74, who retires by rotation and offers himself for re-election.
12. To consider and if thought fit, pass the following resolution as a Special Resolution:

SPECIAL RESOLUTION – TO AMEND ARTICLE 90 OF THE COMPANY’S ARTICLES OF ASSOCIATION IT IS HEREBY RESOLVED the existing Article 90 of the Articles of Association of the Company be deleted in its entirety and be substituted with the new Article 90 as set out below:

Article 90

A resolution in writing signed by all Directors shall be as effective as a resolution passed at a meeting of the Directors duly convened and held, and may consist of several documents in the like form each signed by one (01) or more of the Directors. The expressions “in writing” and “signed” include the approval or disapproval to a resolution by a Director transmitted to the Company by e-mail or facsimile transmission or any other form of electronic communication and e-signatures. A copy of such resolution shall be entered in the minute book of Board proceedings.
13. To re-appoint Messrs KPMG (Chartered Accountants) as Auditors of the Company and authorise the Board of Directors to determine their remuneration.

The Annual Report and Financial Statements of the Company for the year ended 31 March 2025 are available on the:

- Corporate website: <https://www.nawaloka.com/index.php>
- The Colombo Stock Exchange: <https://www.cse.lk/home/company-info/NHL.N0000/financial>

Notice of Meeting

The said Annual Report and Financial Statements of Nawaloka Hospitals PLC for 2024/25 can also be accessed by scanning the following QR code.



Should Members wish to obtain a hard copy of the Annual Report 2024/25, they may send a request to the Company by filling the Form of Request attached to the Form of Proxy. A printed copy of the Annual Report will be forwarded by the Company within eight (8) market days, subject to the prevailing circumstances at the time, from the date of receipt of the request.

For clarification on how to download and/or access the Annual Report and Financial Statements, please contact: Ms Zameena Swangsa on +94 75 968 0701 during normal office hours (8.30am to 5.00pm)

BY ORDER OF THE BOARD

Charuni Gunawardana

Director – CG CORPORATE CONSULTANTS (PRIVATE) LIMITED
Company Secretaries for Nawaloka Hospitals PLC
04 September 2025

Notes

- (1) This Notice and the submission of the Form of Proxy should be read in conjunction with the "Circular to Shareholders" and "Guidelines and the Registration process for the Virtual Annual General Meeting of the Company scheduled for 30 September 2025"
- (2) Shareholders who wish to participate at the Virtual AGM through Zoom are kindly requested to complete and forward the "Application Form for registration for the virtual Annual General Meeting" as morefully explained in the said "Guidelines and the Registration process for the Virtual Annual General Meeting"
- (3) A member is entitled to appoint a Proxy to attend and vote instead of himself/herself. A proxy need not be a Member of the Company. A Form of Proxy accompanies this notice.
- (4) The completed Form of Proxy together with the "Application Form" for registration to participate at the virtual AGM via "Zoom" Video conferencing App must be emailed to cgc2@c-g-associates.com or have it delivered by hand or post to the Finance Department (10th Floor), No. 23, Deshamanya H K Dharmadasa Mawatha, Colombo 02, Sri Lanka not later than 10.00 a.m on 28 September 2025 (Forty Eight hours prior to the meeting).
- (5) A person representing a Corporation is required to forward a certified copy of the Resolution authorising him/her to act as the Representative of the Corporation. A Representative need not be a Member.
- (6) A person representing a Shareholder as the Attorney (Power of Attorney) is required to forward the original or a certified copy of the said Power of Attorney.
- (7) The Transfer book of the Company will be kept open.

Form of Proxy

I/We (NIC/PP No.) of
..... being a member/members of

NAWALOKA HOSPITALS PLC hereby appoint:

Dr H K J Dharmadasa	or failing him
Mr Anisha Dharmadasa	or failing him
Vidya Jyothi Prof Lal Chandrasena	or failing him
Deshabandu Tilak de Zoysa	or failing him
Mr Tissa K Bandaranayake	or failing him
Ms A G Dharmadasa	or failing her
Mr Victor R Ramanan	or failing him
Dr I Maithri de Z Gunasekera	or failing him
Dr Mohan Rajakaruna	or failing him
Dr M T D Lakshan	or failing him
Mr Virann De Zoysa	or failing him
Dr Chamara Bandara	or failing him
Mr Chamira Wijetilleke	or failing him
Dr Samantha Ratnayake	or failing him
Prof Manjula Jayaweera	or failing him

..... as *my/our Proxy ** (NIC/PP No.)
of to vote as indicated hereunder for
me*/us on my*/our behalf at the Annual General Meeting of the Company to be held on the 30 day
of September 2025 at 10.00am as a virtual meeting (on a virtual platform as a Zoom video conference)
which will be coordinated from the Auditorium of the Nawaloka Hospitals PLC at No. 23, Deshamanya
H K Dharmadasa Mawatha, Colombo 2 and at any adjournment thereof and at every poll which may
be taken in consequence thereof:

	For	Against
i. To receive and consider the Report of the Board of Directors on the Affairs of the Company and the Financial Statement for the year ended 31 March 2025, together with the Report of Auditors thereon;	☐	☐
ii. To resolve in terms of Section 211 of the Companies Act No. 07 of 2007 to appoint/re-appoint Dr Hewa Komanage Jayantha Dharmadasa (who has attained the age of 77 years) and who retires at the end of the Annual General Meeting, as a Director, notwithstanding him having exceeded the age of 70 years and to declare that the age limit referred to in section 210 of the said Act, shall not apply to him;	☐	☐
iii. To resolve in terms of Section 211 of the Companies Act No. 07 of 2007 to appoint/re-appoint Vidya Jyothi Professor Lal Chandrasena (who has attained the age of 79 years) and who retires at the end of the Annual General Meeting, as a Director, notwithstanding him having exceeded the age of 70 years and to declare that the age limit referred to in section 210 of the said Act, shall not apply to him and subject to his rotation;	☐	☐
iv. To resolve in terms of Section 211 of the Companies Act No. 07 of 2007 to appoint/re-appoint Deshabandu Tilak De Zoysa (who has attained the age of 79 years) and who retires at the end of the Annual General Meeting, as a Director, notwithstanding him having exceeded the age of 70 years and to declare that the age limit referred to in section 210 of the said Act, shall not apply to him and subject to his rotation;	☐	☐
v. To resolve in terms of Section 211 of the Companies Act No. 07 of 2007 to appoint/re-appoint Mr Tissa K Bandaranayake (who has attained the age of 82 years) and who retires at the end of the Annual General Meeting, as a Director, notwithstanding him having exceeded the age of 70 years and to declare that the age limit referred to in section 210 of the said Act, shall not apply to him and subject to his rotation;	☐	☐

Form of Proxy

	For	Against
vi. To resolve in terms of Section 211 of the Companies Act No. 07 of 2007 to appoint/re-appoint Dr Maiya Gunasekera (who has attained the age of 74 years) and who retires at the end of the Annual General Meeting, as a Director, notwithstanding him having exceeded the age of 70 years and to declare that the age limit referred to in section 210 of the said Act, shall not apply to him and subject to his rotation;	☐	☐
vii. To elect Dr Chamara Bandara as a Director in terms of Article 81, who was appointed by the Board to fill a casual vacancy;	☐	☐
viii. To elect Mr Chamira Wijetilleke as a Director in terms of Article 81, who was appointed by the Board to fill a casual vacancy;	☐	☐
ix. To elect Dr Samantha Ratnayake as a Director in terms of Article 81, who was appointed by the Board to fill a casual vacancy;	☐	☐
x. To elect Prof Manjula Jayaweera as a Director in terms of Article 81, who was appointed by the Board to fill a casual vacancy;	☐	☐
xi. To re-elect Mr Victor Ramanan as a Director in terms of Article 74, who retires by rotation and offers himself for re-election	☐	☐
xii. To amend the existing Article 90 by substituting the Article with the new Article 90 as mentioned in the Notice convening the meeting.	☐	☐
xiii. To re-appoint Messrs KPMG (Chartered Accountants) as Auditors of the Company and authorise the Board of Directors to determine their remuneration.	☐	☐

In witness *my/our hands this day of
Two Thousand and Twenty-Five.

.....
Signature of Shareholder/s

Note:

- (a) *Please delete the inappropriate words.
(b) **If you wish your proxy to speak at the meeting you should interpolate the words "Speak and" in the place indicated with and initial such interpolation.

INSTRUCTIONS AS TO COMPLETION

1. In terms of Article 40 (a) of the Articles of Association of the Company: The instrument appointing a proxy shall be in writing and
- (i) In the case of an individual, shall be signed by the appointer or his Attorney (if signed by the Attorney, the Company reserves the right to request to be furnished with a copy of the said Power of Attorney); and
- (ii) In the case of a corporation or company shall be either under its common seal or signed by its Attorney or by an Officer on behalf of the Company. The Company may, but shall not be bound to, furnish evidence of the authority of any such Attorney or Officer.

A proxy need not be a member of the Company.

2. Kindly perfect the Form of Proxy by filling it legibly with your full name and address and it must be signed at the space provided.

Please fill in the date of signature and indicate with an "X" in the space provided, as to how your proxy is to vote on each Resolution.

If no indication is given, the proxy, in his/her discretion may vote as he/she thinks fit.

3. In terms of Article 52 of the Articles of Association of the Company, in the case of joint-holding of a share, the senior tenders a vote, whether in person or by proxy or by Attorney or by Representative and that vote shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.
4. In case of a joint holding, only one member or his duly appointed proxy may attend.
5. To be valid, the completed Form of Proxy together with the application form for registration to participate at the virtual AGM via Zoom Video conferencing App should be submitted to the Company no later than 10.00am on 28 September 2025: Via email to cgc2@c-g-associates.com; By hand or by post to the Finance Department, 10th Floor, No. 23, Deshamanya H K Dharmadasa Mawatha, Colombo 02.

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) 254 4444-56,
(+94 11) 230 5051-79,
(+94 11) 557 7111

Telefax

(+94 11) 243 0393
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. Dr H K Jayantha Dharmadasa (Chairman and CEO)
2. Mr Anisha Dharmadasa (Deputy Chairman)
3. Vidya Jyothi Prof Lal G Chandrasena (Director/General Manager)
4. Deshabandu Tilak de Zoysa
5. Mr Tissa K Bandaranayake
6. Ms A G Dharmadasa
7. Mr D Sunil AbeyRatna – (Resigned w.e.f 31 December 2024)
8. Mr Victor R Ramanan
9. Dr Maithree Gunasekera
10. Dr Mohan Rajakaruna
11. Dr M T D Lakshan
12. Mr Virann De Zoysa (Senior Independent Director) – Appointed w.e.f 15 October 2024
13. Dr Chamara Bandara – Appointed w.e.f 13 November 2014
14. Mr Chamira Wijetilleke – Appointed w.e.f 31 December 2024
15. Dr Samantha Ratnayake – Appointed w.e.f 31 December 2024
16. Prof Manjula Jayaweera – Appointed w.e.f 31 December 2024

Secretaries to the Company

C G Corporate Consultants (Private) Limited
No. 45, Visakha Road, Colombo 04.

Auditors

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

Lawyer(s)

Mr Sanath Wijewardane
Attorney-at-Law & Notary Public
No. 28, Wilson Street, Colombo 12.

Bankers

Bank of Ceylon
Commercial Bank of Ceylon PLC
Hatton National Bank PLC
Nations Trust Bank PLC
Sampath Bank PLC
Seylan Bank PLC

Subsidiaries

New Nawaloka Hospitals (Private) Limited
New Nawaloka Medical Centre (Private) Limited
Nawaloka Laboratories (Private) Ltd.

Associate

Nawaloka College of Higher Studies (Private) Ltd.



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

www.nawaloka.com