



Condensed Interim
Financial Information for the
First Quarter Ended September 30, 2016

CONTENTS

Company Information	1
Directors' Review	2
Condensed Interim Balance Sheet	6
Condensed Interim Profit & Loss Account	8
Condensed Interim Statement of Comprehensive Income	9
Condensed Interim Cash Flow Statement	10
Condensed Interim Statement of Changes in Equity	11
Selected Notes to the Condensed Interim Financial Information	12
Condensed Interim Consolidated Balance Sheet	18
Condensed Interim Consolidated Profit & Loss Account	20
Condensed Interim Consolidated Statement of Comprehensive Income	21
Condensed Interim Consolidated Cash Flow Statement	22
Condensed Interim Consolidated Statement of Changes in Equity	23
Selected Notes to the Condensed Interim Consolidated Financial Information	24

COMPANY INFORMATION

Board of Directors: Dr. Habib-Ur-Rahman
Chairman
Dr. Manzoor H. Qazi
CEO
Mr. Muhammad Zahid
Dr. Mohammad Salim Khan
Mr. Shafquat Ali Chaudhary
Shah Naveed Saeed
Mr. Qasim Farooq Ahmad
Dr. Samea Kauser Ahmad
Syed Ilyas Ahmed
Prof. Dr. Shoab Ahmed Khan

Audit Committee: Shah Naveed Saeed
Chairman
Dr. Habib-Ur-Rahman
Dr. Mohammad Salim Khan
Mr. Muhammad Zahid
Dr. Samea Kauser Ahmad
Syed Ilyas Ahmed

H R & R Committee: Dr. Habib-Ur-Rahman
Chairman
Dr. Manzoor H. Qazi
Shah Naveed Saeed

Chief Operating Officer: Mr. Aziz A. Jan

Chief Finance Officer: Syed Muneer Hussain

Company Secretary: Mr. Muhammad Naeem

Head of Internal Audit: Mr. Muhammad Saeed

Auditors: M/s Grant Thornton Anjum Rahman
Chartered Accountants

Legal Advisor: M/s Bashir Ahmad Ansari & Company

Bankers: Meezan Bank Limited
Al Baraka Bank (Pakistan) Limited
Faysal Bank Limited
Askari Bank Limited
Burj Bank Limited
Habib Bank Limited
MCB Bank Limited
First Habib Modaraba

Registered Office: Sector H-8/4, Islamabad

Share Registrar: M/s Corplink (Private) Limited
Wings Arcade, 1-K,
Commercial, Model Town,
Lahore.

DIRECTORS' REVIEW

Dear Members,

Your directors are immensely pleased in presenting the condensed interim Financial Information of the Company for the first quarter ended September 30, 2016 and condensed interim Consolidated Financial Information for the First quarter ended September 30, 2016 incorporating the financial results of subsidiary of Shifa International Hospitals Limited i.e. Shifa Consulting Services (Private) Limited is also annexed herewith.

Summary of Financial Performance of the Company is as under:

	September 30, 2016 PKR Million	September 30, 2015 PKR Million	Change %
Net Revenue	2,230	1,975	+13
Profit before taxation	223	200	+12
Profit after taxation	169	151	+12
Earnings Per Share-(Rs.)	3.10	2.98	+4

The above results indicates an overall revenue growth of 13% as compared to corresponding period of the last year.

The operating cost has been increased by 15% from Rs. 1,762 million to Rs. 2,029 million, which is mainly due to increase in cost and volume of supplies and medicines consumed, increase in depreciation, salaries, wages and benefits expenses.

Finance cost has been declined because of the repayment of long term loan and reduction in KIBOR.

Utilization of funds raised through right issue of capital:

The Company had issued 4,024,100 right shares by March 18, 2016. The amount raised through right issue has been utilized in internal expansion of its operations at H-8/4, Islamabad. Funds shall also be utilized for the construction of hospital facility at F-11, Islamabad.

Future Outlook:

The management is optimistic in maintaining excellent results in the future as we have planned to enhance patient services which will contribute significantly towards the financial health of the Company. We are confident that we can

generate increased value for shareholders as well as deliver better services to our customers.

Acknowledgement:

The Board would like to thank and appreciate its employees, customers and strategic partners for their dedication, commitment and contributions in the challenging times. The Board also extends its gratitude to government authorities, suppliers and shareholders for their unwavering support and cooperation.

For and on behalf of the Board of Directors



DR. MANZOOR H. QAZI
Chief Executive Officer
Islamabad
October 28, 2016

ڈائریکٹرز رپورٹ

معزز ممبران

آپ کے ڈائریکٹرز کو کمپنی کی 30 ستمبر 2016 کو ختم ہونے والی پہلی سہ ماہی کی عبوری مالیاتی معلومات کا خلاصہ اور 30 ستمبر 2016 کو ختم ہونے والی پہلی سہ ماہی کی عبوری مالیاتی معلومات کا مجموعہ پیش کرتے ہوئے خوشی محسوس ہو رہی ہے، جس میں شفا انٹرنیشنل ہسپتالز لمیٹڈ کے ذیلی ادارے، شفا کنسلٹنگ سروسز (پرائیویٹ) لمیٹڈ کے مالیاتی نتائج بھی شامل کئے گئے ہیں اور ساتھ ملحق کئے جا رہے ہیں۔

کمپنی کی مالیاتی کارکردگی کا خلاصہ درج ذیل ہے:

تبدیلی	30 ستمبر 2015 پاکستانی روپے (ملین)	30 ستمبر 2016 پاکستانی روپے (ملین)	
+13	1,975	2,230	خالص آمدنی
+12	200	223	منافع قبل از ٹیکس
+12	151	169	منافع بعد از ٹیکس
+4	2.98	3.10	فی شیئر آمدنی (روپے)

مندرجہ بالا نتائج پچھلے سال کے اس حصہ سے 13% مجموعی آمدنی میں اضافہ کی طرف اشارہ کر رہے ہیں۔

کاروباری اخراجات میں 1,762 ملین سے 2,029 ملین روپے کا 15% اضافہ ہوا ہے جس کی بنیادی وجہ سپلائرز اور دوائیوں کی قیمت، مفق دار اور استعمال میں اضافہ، روپے کی قیمت میں کمی، تنخوائیں، اجرتیں اور سہولتوں پر اخراجات ہیں۔

طویل مدتی قرض کی واپسی اور KIBOR میں کمی کی بنیاد پر مالیاتی اخراجات میں کچھ کمی واقع ہوئی ہے۔

رائٹ شیئرز کے اجراء سے استعمال کردہ فنڈز:

کمپنی نے 18 مارچ 2016 تک 4,024,100 رائٹ شیئرز جاری کیے تھے۔ رائٹ شیئرز کے اجراء سے جمع ہونے والی رقم H-8/4 اسلام آباد میں آپریشنز کی اندرونی توسیع میں استعمال کی جا رہی ہے۔ فنڈز کو IF-11 اسلام آباد میں ہسپتال کی تعمیر کیلئے بھی استعمال میں لایا جائے گا۔

مستقبل کا منظر نامہ:

بینیٹ مستقبل کے حوالے سے اعلیٰ نتائج کو برقرار رکھنے کے حوالے سے پر عزم ہے کیونکہ ہم نے مریضوں کیلئے سہولیات کو بڑھانے کی منصوبہ بندی کی ہے جس کی وجہ سے کمپنی کی مالیاتی صحت پر خاطر خواہ اضافہ ہوگا۔ ہم پر اعتماد ہیں کہ ہم اپنے کسٹمرز کو بہتر سہولیات فراہم کر کے اپنے شیئرز ہولڈرز کیلئے اضافی منافع کے مواقع پیدا کرنے میں کامیاب ہوں گے۔

اظہار تشکر:

بورڈ اپنے ملازمین، صارفین اور اسٹریٹیجک شراکت داروں کا مشکل حالات میں لگن، عزم اور اپنا کردار ادا کرنے پر شکریہ اور تعریف کرنا چاہتا ہے۔ اسکے علاوہ بورڈ سرکاری حکام، سپلائرز اور شیئرز ہولڈرز کی غیر متزلزل حمایت اور تعاون پر بھی شکرگزار ہے۔

برائے اور بجانب بورڈ آف ڈائریکٹرز

Maryam H. Beg

ڈاکٹر منظور بیج قاضی

چیف ایگزیکٹو آفیسر

اسلام آباد

28 اکتوبر 2016

**CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2016**

	Note	Un-audited September 30, 2016	Audited June 30, 2016
(Rupees in '000')			
SHARE CAPITAL AND RESERVES			
Share capital		545,379	545,379
Capital reserve		1,046,025	1,046,025
Unappropriated profit		2,262,349	2,090,865
		3,853,753	3,682,269
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
		739,944	742,191
NON - CURRENT LIABILITIES			
Long term financing - secured	4	420,060	503,991
Deferred taxation		394,900	423,606
		814,960	927,597
CURRENT LIABILITIES			
Trade and other payables		1,727,515	1,506,485
Markup accrued		434	483
Current portion of long term financing		335,695	335,674
		2,063,644	1,842,642
		7,472,301	7,194,699
CONTINGENCIES AND COMMITMENTS			
	5		

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

Danish M. Rahman

CHAIRMAN

	Note	Un-audited September 30, 2016	Audited June 30, 2016
(Rupees in '000')			
NON - CURRENT ASSETS			
Property, plant and equipment	6	4,602,931	4,606,615
Long term investment - at cost		18,000	18,000
Long term deposits		45,007	39,677
		4,665,938	4,664,292
CURRENT ASSETS			
Stores, spare parts and loose tools		76,189	145,524
Stock-in-trade		362,953	256,458
Trade debts - considered good	7	484,963	338,745
Loans and advances - considered good		198,951	159,157
Trade deposits and short term prepayments		41,672	21,352
Markup accrued		1,114	1,501
Other financial assets		993,592	1,096,241
Tax refunds due from the government (net of provision)		3,499	24,980
Cash and bank balances		643,430	486,449
		2,806,363	2,530,407
		7,472,301	7,194,699



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT [UN-AUDITED]
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016**

	September 30, 2016	September 30, 2015
	(Rupees in '000')	
Net revenue	2,229,721	1,975,378
Other income	40,536	13,430
Operating costs	(2,029,099)	(1,762,146)
Finance costs	(18,524)	(26,883)
Profit before taxation	222,634	199,779
Provision for taxation	(53,397)	(49,006)
Profit after taxation	169,237	150,773
	----- (Rupees) -----	Restated
Earnings per share - basic and diluted	3.10	2.98

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME [UN-AUDITED]
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016**

	September 30, 2016	September 30, 2015
	(Rupees in '000')	
Profit after taxation	169,237	150,773
Other comprehensive income for the period - net of tax	-	-
Total comprehensive income for the period	169,237	150,773

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

Basim M. Rahman

CHAIRMAN

Margamulhaq Beg

CHIEF EXECUTIVE

Muneez Lubhshi

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM
CASH FLOW STATEMENT [UN-AUDITED]
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016**

	September 30, 2016	September 30, 2015
	(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	222,634	199,779
Adjustments for:		
Depreciation / amortization of property, plant and equipment	111,385	99,759
Provision for doubtful debts	10,592	12,894
Property, plant and equipment written off	2,963	39
Gain on disposal of property, plant and equipment	(4,643)	(149)
Provision for compensated absences	12,000	7,500
Provision for gratuity	21,000	15,000
Provision for slow moving stores	(2,168)	1,463
Profit on investments and bank deposits	(21,283)	(6,088)
Finance cost	18,524	26,883
Operating cash flows before changes in working capital	371,004	357,080
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	71,819	(5,890)
Stock-in-trade	(106,495)	18,518
Trade debts	(156,810)	(154,448)
Loans and advances	(39,794)	1,894
Trade deposits and short term prepayments	(20,320)	(10,098)
Increase / (decrease) in current liabilities:		
Trade and other payables	210,241	(57,557)
Cash generated from operations	329,645	149,499
Finance cost paid	(18,573)	(26,985)
Income tax paid	(60,620)	(52,542)
Payment to SIHL Employees' Gratuity Fund	(6,842)	(37,893)
Compensated absences paid	(9,812)	(7,220)
Net cash from operating activities	233,798	24,859
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(111,145)	(96,591)
Proceeds from disposal of property, plant and equipment	4,805	301
Profit received	21,670	7,303
Increase in long term deposits	(5,329)	-
Net cash used in investing activities	(89,999)	(88,987)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - repayments	(83,910)	(83,333)
Dividend paid	(5,557)	(1,185)
Net cash used in financing activities	(89,467)	(84,518)
Net increase / (decrease) in cash and cash equivalents	54,332	(148,646)
Cash and cash equivalents at beginning of period	1,582,690	649,702
Cash and cash equivalents at end of period	1,637,022	501,056

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

Qasim-ur-Rahman

CHAIRMAN

Margamuniraj Singh

CHIEF EXECUTIVE

Muneer Anwar

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY [UN-AUDITED]
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016**

	Share capital	Capital reserve	Unappro- priated profit	Surplus on revaluation of property, plant & equipment	Total
	(Rupees in '000')				
Balance at July 01, 2015	505,138	40,000	1,709,813	751,182	3,006,133
Total comprehensive income for the period					
Profit for the period	-	-	150,773	-	150,773
Other comprehensive income - net of tax	-	-	-	-	-
	-	-	150,773	-	150,773
Transfer of depreciation / amortization on incremental value arising on revaluation of property, plant and equipment attributed to current period	-	-	2,248	(2,248)	-
Balance at September 30, 2015	505,138	40,000	1,862,834	748,934	3,156,906
Balance at July 01, 2016	545,379	1,046,025	2,090,865	742,191	4,424,460
Total comprehensive income for the period					
Profit for the period	-	-	169,237	-	169,237
Other comprehensive income - net of tax	-	-	-	-	-
	-	-	169,237	-	169,237
Transfer of depreciation / amortization on incremental value arising on revaluation of property, plant and equipment attributed to current period	-	-	2,247	(2,247)	-
Balance at September 30, 2016	545,379	1,046,025	2,262,349	739,944	4,593,697

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

Qasim M. Rahman

CHAIRMAN

Margamunir Beg

CHIEF EXECUTIVE

Muneez Subhani

CHIEF FINANCIAL OFFICER

**SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION [UN-AUDITED]
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016**

1 LEGAL STATUS AND NATURE OF BUSINESS

Shifa International Hospitals Limited ("the Company") was incorporated in Pakistan on September 29, 1987 as a private limited company under the Companies Ordinance, 1984 and converted into a public limited company on October 12, 1989. The Company is listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at Sector H-8/4, Islamabad. The principal activity of the Company is to establish and run medical centers and hospitals in Pakistan. The Company has established its first hospital in 1993 in H-8/4, Islamabad, second hospital in 2011 in Faisalabad and another in 2014 in G-10/4, Islamabad. The Company is also running medical center, pharmacies in Islamabad and franchise pharmacies and Lab collection points in different cities of Pakistan.

This condensed interim financial information is separate financial information of the Company where investment in subsidiary is recognized on the basis of direct equity interest rather than on the basis of reporting results of the subsidiary. Consolidated condensed interim financial information is prepared separately.

2 BASIS OF PREPARATION

This condensed interim financial information of the Company for the first quarter ended September 30, 2016 has been prepared in accordance with the requirements of International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information is unaudited and is being submitted to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984. This condensed interim financial information do not include all of the information required for annual financial statements, and should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2016. Comparative condensed interim balance sheet is extracted from annual financial statements as of June 30, 2016, whereas comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from un-audited condensed interim financial information for the first quarter ended September 30, 2015.

3 ACCOUNTING POLICIES

The accounting policies, related judgments, estimates and assumptions adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Company for the year ended June 30, 2016.

		Un-audited September 30, 2016	Audited June 30, 2016
	Note	(Rupees in '000')	
4 LONG TERM FINANCING - SECURED			
From banking and non-banking companies			
Syndicated Islamic Finance Facility	4.1	750,000	833,333
Others		5,755	6,332
		755,755	839,665
Less: Current portion		335,695	335,674
		420,060	503,991

- 4.1 This represents syndicated Islamic finance facility, arranged and led by Meezan Bank Limited, obtained on markup basis at 3 months KIBOR plus 1% (June 2016: 3 months KIBOR plus 1%) per annum, repayable in 18 equal quarterly installments. The sanction limit of this facility was Rs. 1,500 million (June 2016: Rs1,500 million) which shall be repaid by December 28, 2018. The financing is secured by ranking charge upgraded into first pari passu charge on all present and future fixed assets of the Company (excluding plot No.5, F-11 Markaz, Islamabad) amounting to Rs. 2,000 million. Meezan Bank Limited has the custody of original ownership documents of the Company's land located at sector H-8/4 Islamabad.

	Note	Un-audited September 30, 2016 (Rupees in '000')	Audited June 30, 2016
5 CONTINGENCIES AND COMMITMENTS			
5.1 Contingencies			
Claims against the Company not acknowledged as debt			
Patients		111,000	111,000
Others		20,000	20,000
Guarantees issued by bank on behalf of the Company		34,600	34,600
5.2 Commitments			
Capital expenditure		89,428	282,614
Letter of credit		22,298	22,333
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	4,527,755	4,551,370
Capital work in progress (CWIP)	6.2	75,176	55,245
		4,602,931	4,606,615
6.1 Operating fixed assets			
Written down value (WDV) at the beginning of the period		4,551,370	4,431,462
Additions during the period	6.1.1	90,895	538,797
		4,642,265	4,970,259
WDV of disposals		(162)	(2,228)
WDV of assets written off		(2,963)	(1,414)
Depreciation for the period		(111,385)	(415,247)
WDV at the end of the period		4,527,755	4,551,370
6.1.1 Additions to operating fixed assets			
Freehold land		-	66,402
Building on leasehold land		-	29,245
Biomedical equipment		68,820	290,421
Air conditioning equipment and machinery		6,303	40,796
Electrical and other equipment		8,597	40,192
Furniture and fittings		2,903	17,008
Computer installations		4,272	37,413
Vehicles		-	17,320
		90,895	538,797
6.2 Capital work in progress			
Opening work in progress		55,245	54,515
Additions during the period		19,931	29,975
Transferred to operating fixed assets		-	(29,245)
Closing work in progress		75,176	55,245

	Note	Un-audited September 30, 2016 (Rupees in '000')	Audited June 30, 2016
7 TRADE DEBTS			
Considered good			
Related party - Shifa Foundation		11,418	9,020
Related party - Shifa Tameer -e- Millat University (STMU)		6,957	-
Others		466,588	329,725
Considered doubtful			
Others		58,151	47,559
		543,114	386,304
Less: provision for doubtful debts	7.1	58,151	47,559
		484,963	338,745

7.1 Trade debts are provided on estimated irrecoverable amounts, on the basis of past experience of the management of the Company.

8 RELATED PARTY TRANSACTIONS

The Company entered into transactions with related parties during the period in the normal course of business on an arm's length basis. Aggregate of significant transactions with related parties during first quarter ended were as follows:

	Un-audited	
	September 30, 2016	September 30, 2015
	(Rupees in '000')	
Shifa Foundation: (Related party by virtue of common directorship)		
Revenue from services earned by the Company	33,947	11,496
Revenue from rent	101	101
Other services provided to the Company	3,960	3,960
Donation given by the Company	600	-
Tameer-e-Millat Foundation: (Related party by virtue of common directorship)		
Revenue from services earned by the Company	-	3
Revenue from rent	78	11
Other supplies provided to the Company	3,330	3,268
Other services provided to the Company	1,365	934
Rent paid by the Company	654	521
SIHL Employees' Gratuity Fund		
Payments made by the Company during the period	6,842	37,893

	Un-audited	
	September 30, 2016	September 30, 2015
	(Rupees in '000')	
Shifa Tameer-e- Millat University (Related party by virtue of common directorship)		
Revenue from services earned by the Company	511	295
Revenue from rent	6,087	5,882
Expenses paid by and reimbursed to the Company	6,278	6,332
Donation given by the Company	12,500	25,000
Shifa Consulting Services (Private) Limited - (Subsidiary Company)		
Revenue from services earned by the Company	4	120
Consultancy services provided to the Company	4,500	-

9 GENERAL

- 9.1** Figures have been rounded off to the nearest one thousand of Pak Rupees.
- 9.2** This condensed interim financial information has been authorized for issue by the Board of Directors of the Company on October 28, 2016.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



SHIFA INTERNATIONAL HOSPITALS LIMITED

Condensed Interim Consolidated
Financial Information For The
First Quarter Ended September 30, 2016

**CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 2016**

	Note	Un-audited September 30, 2016	Audited June 30, 2016
(Rupees in '000')			
SHARE CAPITAL AND RESERVES			
Share capital		545,379	545,379
Capital reserve		1,046,025	1,046,025
Unappropriated profit		2,247,914	2,076,255
		3,839,318	3,667,659
NON - CONTROLLING INTEREST			
		2,735	2,641
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
		739,944	742,191
NON - CURRENT LIABILITIES			
Long term financing - secured	5	420,060	503,991
Deferred taxation		394,900	423,606
		814,960	927,597
CURRENT LIABILITIES			
Trade and other payables		1,729,697	1,508,344
Markup accrued		435	483
Current portion of long term financing		335,695	335,674
		2,065,827	1,844,501
		7,462,784	7,184,589
CONTINGENCIES AND COMMITMENTS			
	6		

The annexed notes 1 to 10 form an integral part of this condensed interim consolidated financial information.

David M. Rahman

CHAIRMAN

	Note	Un-audited September 30, 2016	Audited June 30, 2016
NON - CURRENT ASSETS			
Property, plant and equipment	7	4,606,093	4,609,949
Long term deposits		45,317	39,987
		4,651,410	4,649,936
CURRENT ASSETS			
Stores, spare parts and loose tools		76,189	145,524
Stock-in-trade		362,953	256,458
Trade debts - considered good	8	491,713	345,495
Loans and advances - considered good		195,055	157,580
Trade deposits and short term prepayments		41,672	19,416
Markup accrued		1,114	1,501
Other financial assets		993,592	1,096,241
Tax refunds due from the government (net of provision)		4,599	25,737
Cash and bank balances		644,487	486,701
		2,811,374	2,534,653
		7,462,784	7,184,589



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM
CONSOLIDATED PROFIT AND LOSS ACCOUNT [UN-AUDITED]
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016**

	September 30, 2016	September 30, 2015
	(Rupees in '000')	
Net revenue	2,231,101	1,978,678
Other income	40,536	13,430
Operating costs	(2,030,148)	(1,768,490)
Finance costs	(18,524)	(26,883)
Profit before taxation	222,965	196,735
Provision for taxation	(53,459)	(49,006)
Profit after taxation	169,506	147,729
Attributable to:		
Equity holders of Shifa International Hospitals Limited	169,412	148,947
Non-Controlling interest	94	(1,218)
	169,506	147,729
	----- (Rupees) -----	
Earnings per share - basic and diluted	3.11	Restated 2.94

The annexed notes 1 to 10 form an integral part of this condensed interim consolidated financial information.

Qasim M. Rahman

CHAIRMAN

Margamulhaq Beg

CHIEF EXECUTIVE

Muneez Lubhshi

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME [UN-AUDITED]
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016**

	September 30, 2016	September 30, 2015
	(Rupees in '000')	
Profit after taxation	169,506	147,729
Other comprehensive income for the period - net of tax	-	-
Total comprehensive income for the period	<u>169,506</u>	<u>147,729</u>
Attributable to:		
Equity holders of Shifa International Hospitals Limited	169,412	148,947
Non-Controlling interest	94	(1,218)
	<u>169,506</u>	<u>147,729</u>

The annexed notes 1 to 10 form an integral part of this condensed interim consolidated financial information.

Qasim M. Rahman

CHAIRMAN

Margamunah Begi

CHIEF EXECUTIVE

Muneer Lubassi

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM
CONSOLIDATED CASH FLOW STATEMENT [UN-AUDITED]
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016**

	September 30, 2016	September 30, 2015
	(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	222,965	196,735
Adjustments for:		
Depreciation / amortization of property, plant and equipment	111,557	99,854
Provision for doubtful debts	10,592	12,894
Property, plant and equipment written off	2,963	39
Gain on disposal of property, plant and equipment	(4,643)	(149)
Provision for compensated absences	12,000	7,500
Provision for gratuity	21,000	15,000
Provision for slow moving stores	(2,168)	1,463
Profit on investments and bank deposits	(21,283)	(6,088)
Finance cost	18,524	26,883
Operating cash flows before changes in working capital	371,507	354,131
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	71,819	(5,890)
Stock-in-trade	(106,495)	18,518
Trade debts	(156,810)	(155,868)
Loans and advances	(37,475)	318
Trade deposits and short term prepayments	(22,256)	(10,610)
Increase / (decrease) in current liabilities:		
Trade and other payables	210,564	(57,570)
Cash generated from operations	330,854	143,029
Finance cost paid	(18,572)	(26,985)
Income tax paid	(61,026)	(52,628)
Payment to SIHL Employees' Gratuity Fund	(6,842)	(37,893)
Compensated absences paid	(9,812)	(7,220)
Net cash from operating activities	234,602	18,303
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(111,144)	(96,670)
Proceeds from disposal of property, plant and equipment	4,805	301
Profit received	21,670	7,303
Increase in long term deposits	(5,329)	-
Net cash used in investing activities	(89,998)	(89,066)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - repayments	(83,910)	(83,333)
Dividend paid	(5,557)	(1,185)
Net cash used in financing activities	(89,467)	(84,518)
Net increase / (decrease) in cash and cash equivalents	55,137	(155,281)
Cash and cash equivalents at beginning of period	1,582,942	662,292
Cash and cash equivalents at end of period	1,638,079	507,011

The annexed notes 1 to 10 form an integral part of this condensed interim consolidated financial information.



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**CONDENSED INTERIM
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY [UN-AUDITED]
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016**

	Share capital	Capital reserve	Unappropriated profit	Surplus on revaluation of property, plant & equipment	Non-controlling interest	Total
(Rupees in '000')						
Balance at July 01, 2015	505,138	40,000	1,703,323	751,182	(4,325)	2,995,318
Total comprehensive income for the period						
Profit / (loss) for the period	-	-	148,947	-	(1,218)	147,729
Other comprehensive income - net of tax	-	-	-	-	-	-
	-	-	148,947	-	(1,218)	147,729
Transfer of depreciation / amortization on incremental value arising on revaluation of property, plant and equipment attributed to current period	-	-	2,248	(2,248)	-	-
Balance at September 30, 2015	505,138	40,000	1,854,518	748,934	(5,543)	3,143,047
Balance at July 01, 2016	545,379	1,046,025	2,076,255	742,191	2,641	4,412,491
Total comprehensive income for the period						
Profit for the period	-	-	169,412	-	94	169,506
Other comprehensive income - net of tax	-	-	-	-	-	-
	-	-	169,412	-	94	169,506
Transfer of depreciation / amortization on incremental value arising on revaluation of property, plant and equipment attributed to current period	-	-	2,247	(2,247)	-	-
Balance at September 30, 2016	545,379	1,046,025	2,247,914	739,944	2,735	4,581,997

The annexed notes 1 to 10 form an integral part of this condensed interim consolidated financial information.



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**SELECTED NOTES TO THE CONDENSED
INTERIM CONSOLIDATED FINANCIAL INFORMATION [UN-AUDITED]
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016**

1 LEGAL STATUS AND NATURE OF BUSINESS

Shifa International Hospitals Limited ("the Group") comprises of Shifa International Hospitals Limited (SIHL / parent company) and its subsidiary Shifa Consulting Services (Private) Limited. SIHL was incorporated in Pakistan on September 29, 1987 as a private limited company under the Companies Ordinance, 1984 and converted into a public limited company on October 12, 1989. SIHL is listed on Pakistan Stock Exchange Limited. The registered office of the SIHL is situated at Sector H-8/4 Islamabad. The principal activity of the SIHL is to establish and run medical centres and hospitals in Pakistan. The SIHL has established its first hospital in 1993 in H-8/4, Islamabad, second hospital in 2011 in Faisalabad and another in 2014 in G-10/4, Islamabad. SIHL is also running medical centre, pharmacies in Islamabad and franchise pharmacies and lab collection points in different cities of Pakistan.

Shifa Consulting Services (Private) Limited was incorporated on December 18, 2014. The principal activity of Shifa Consulting Services (Private) Limited is to provide consulting services relating to healthcare facilities, medical staff, availability of human resource and hospital quality.

2 BASIS OF PREPARATION

This condensed interim consolidated financial information of the Group for the first quarter ended September 30, 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984 and the listing regulations of Pakistan Stock Exchange Limited. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim consolidated financial information is un-audited and is being submitted to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984. This condensed interim consolidated financial information does not include all of the information required for annual consolidated financial statements, and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended June 30, 2016. Comparative condensed interim consolidated balance sheet is extracted from annual consolidated financial statements for the year ended June 30, 2016, whereas comparative condensed interim consolidated profit and loss account, condensed interim consolidated statement of comprehensive income, condensed interim consolidated cash flow statement and condensed interim consolidated statement of changes in equity are extracted from un-audited condensed interim consolidated financial information for the first quarter ended September 30, 2015.

3 ACCOUNTING POLICIES

The accounting policies, related judgments, estimates and assumptions adopted for the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the audited consolidated financial statements of the Group for the year ended June 30, 2016.

4 BASIS OF CONSOLIDATION

The condensed interim consolidated financial information includes the condensed interim financial information of Shifa International Hospitals Limited and its subsidiary company Shifa Consulting Services (Private) Limited 60% owned.

Subsidiary is an enterprise in which parent company directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors.

The condensed interim financial information of the subsidiary is prepared for the same reporting period as the Parent Company, using consistent accounting policies. Material intra-group balances and transactions have been eliminated.

The assets and liabilities of subsidiary companies have been consolidated on a line by line basis. Non-controlling interests are that part of net results of the operations and of net assets of the subsidiary attributable to interests which are not owned by the parent company. Non-controlling interests are presented as a separate item in the condensed interim consolidated financial information.

	Note	Un-audited September 30, 2016	Audited June 30, 2016
(Rupees in '000')			
5 LONG TERM FINANCING - SECURED			
From banking and non-banking companies			
Syndicated Islamic Finance Facility	5.1	750,000	833,333
Others		5,755	6,332
		755,755	839,665
Less: Current portion		335,695	335,674
		420,060	503,991

- 5.1** This represents syndicated Islamic finance facility, arranged and led by Meezan Bank Limited, obtained by SIHL on markup basis at 3 months KIBOR plus 1% (June 2016: 3 months KIBOR plus 1%) per annum, repayable in 18 equal quarterly installments. The sanction limit of this facility was Rs. 1,500 million (June 2016: Rs1,500 million) which shall be repaid by December 28, 2018. The financing is secured by ranking charge upgraded into first pari passu charge on all present and future fixed assets of the Company (excluding plot No.5, F-11 Markaz, Islamabad) amounting to Rs. 2,000 million. Meezan Bank Limited has the custody of original ownership documents of the Company's land located at sector H-8/4 Islamabad.

	Note	Un-audited September 30, 2016	Audited June 30, 2016
(Rupees in '000')			
6 CONTINGENCIES AND COMMITMENTS			
6.1 Contingencies			
Claims against the SIHL not acknowledged as debt			
Patients		111,000	111,000
Others		20,000	20,000
Guarantees issued by bank on behalf of the SIHL		34,600	34,600
6.2 Commitments			
Capital expenditure		89,428	282,614
Letter of credit		22,298	22,333
7 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	4,530,917	4,554,704
Capital work in progress (CWIP)	7.2	75,176	55,245
		4,606,093	4,609,949
7.1 Operating fixed assets			
Written down value (WDV) at the beginning of the period		4,554,704	4,433,704
Additions during the period	7.1.1	90,895	539,004
		4,645,599	4,972,708
WDV of disposals		(162)	(838)
WDV of assets written off		(2,963)	(1,414)
Depreciation for the period		(111,557)	(415,752)
WDV at the end of the period		4,530,917	4,554,704

		Un-audited September 30, 2016	Audited June 30, 2016
	Note	(Rupees in '000')	
7.1.1	Additions to operating fixed assets		
	Freehold land	-	66,402
	Building on leasehold land	-	29,245
	Biomedical equipment	68,820	290,421
	Air conditioning equipment and machinery	6,303	40,796
	Electrical and other equipment	8,597	40,196
	Furniture and fittings	2,903	17,067
	Computer installations	4,272	37,557
	Vehicles	-	17,320
		90,895	539,004
7.2	Capital work in progress		
	Opening work in progress	55,245	54,515
	Additions during the period/year	19,931	29,975
	Transferred to operating fixed assets	-	(29,245)
	Closing work in progress	75,176	55,245
8	TRADE DEBTS		
	Considered good		
	Related party - Shifa Foundation	11,418	9,020
	Related party - Shifa Tameer-e-Millat University	6,957	-
	Others	473,338	336,475
	Considered doubtful		
	Others	58,151	47,559
		549,864	393,054
	Less: provision for doubtful debts	58,151	47,559
		491,713	345,495

8.1 Trade debts are provided on estimated irrecoverable amounts, on the basis of past experience of the management of the SIHL.

		Un-audited September 30, 2016	September 30, 2015
		(Rupees in '000')	
9	RELATED PARTY TRANSACTIONS		
	Significant transactions with related parties were as follows:		
	Shifa Foundation: (Related party by virtue of common directorship)		
	Revenue from services earned by the SIHL	33,947	11,496
	Revenue from rent	101	101
	Other services provided to the SIHL	3,960	3,960
	Donation given by the SIHL	600	-
	Tameer-e-Millat Foundation: (Related party by virtue of common directorship)		
	Revenue from services earned by the SIHL	-	3
	Revenue from rent	78	11
	Other supplies provided to the SIHL	3,330	3,268
	Other services provided to the SIHL	1,365	934
	Rent paid by the SIHL	654	521

	Un-audited	
	September 30, 2016	September 30, 2015
	(Rupees in '000')	
SIHL Employees' Gratuity Fund		
Payments made by the SIHL during the period	6,842	37,893
Shifa Tameer-e- Millat University: (Related party by virtue of common directorship)		
Revenue from services earned by the SIHL	511	295
Revenue from rent	6,087	5,882
Expenses paid by and reimbursed to the SIHL	6,278	6,332
Donation given by the SIHL	12,500	25,000

10 GENERAL

10.1 Figures have been rounded off to the nearest one thousand of Pak Rupees.

10.2 This condensed interim consolidated financial information has been authorized for issue by the Board of Directors of the SIHL on October 28, 2016.



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