



Shifa
International
Hospitals Ltd.

**CONDENSED INTERIM FINANCIAL
INFORMATION FOR THE THIRD
QUARTER AND NINE MONTHS
ENDED MARCH 31, 2017**





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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. 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 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,

On behalf of the Board of Directors, I am pleased to present the Condensed Interim Financial Information of the Company for the nine months ended March 31, 2017. Condensed Interim Consolidated Financial Information for the nine months ended March 31, 2017 incorporating the financial results of subsidiary i.e. Shifa Consulting Services (Private) Limited is also annexed herewith.

Financial Highlights	Nine months ended March 31 (Rs. in million)		
	2017	2016	Change (%)
Net Revenue	7,013	6,501	7.88
Profit before taxation	773	795	(2.77)
Profit after taxation	562	563	(0.18)
Earnings Per Share - (Rs.)	10.30	11.08	(7.04)

The above results indicate an overall revenue growth of 7.88% as compared to corresponding period of the last year. The operating cost has been increased by 11% from Rs. 5,666 million to Rs. 6,289 million, which is mainly due to increase in cost of supplies and medicines consumed, increase in depreciation of assets and salaries, wages and benefits expenses. Finance cost has been declined because of the repayment of long term loan and reduction in KIBOR. The earnings per share has however dropped due to increase in the paid up capital for the nine months ended March 31, 2017. Had we not enhanced the paid up capital, the earnings per share would have been Rs. 11.13 without enhancement of paid up capital, as a matter of comparison with the previous period.

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 are also being 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 the capacity in the existing facility 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. Further, as per the capital commitment, the Company has acquired land of more than 200 Kanals near Kashmir Highway, Islamabad for the purpose of building another health care facility.

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, banks 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

April 22, 2017

ڈائریکٹرز ریویو

معزز ممبران،

بورڈ آف ڈائریکٹرز کی جانب سے میں 31 مارچ 2017ء کو ختم ہونے والے 9 ماہ کی مجموعی عبوری مالیاتی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔ اس عبوری مالیاتی رپورٹ میں کمپنی کے ذیلی ادارے یعنی شفا کنسلٹنگ سروسز (پرائیویٹ) لمیٹڈ کے مالیاتی نتائج بھی منسلک ہیں۔

31 مارچ کو ختم ہونے والے نو ماہ (پاکستانی روپے ملین میں)			مالیاتی جھلکیاں
تبدیلی (فیصد)	2016	2017	
7.88	6,501	7,013	خالص آمدنی
- 2.77	795	773	منافع قبل از ٹیکس
- 0.18	563	562	منافع بعد از ٹیکس
- 7.04	11.08	10.30	آمدنی فی شیئر - (روپے)

مذکورہ نتائج یہ ظاہر کرتے ہیں کہ پچھلے سال اسی عرصے کی نسبت اس دفعہ آمدنی میں 7.88 فیصد بہتری ہوئی، کاروباری اخراجات میں 5,666 ملین روپے سے 6,289 ملین روپے یعنی 11 فیصد کا اضافہ ہوا، جس کی بڑی وجوہات سپلائرز اور ادویات کی لاگت میں اضافہ نیز اثاثوں کی فرسودگی، تنخواہوں اور اجرتوں میں اضافہ ہیں۔ فنانس کاسٹ میں کمی ہوئی ہے جس کی وجہ طویل دورانیہ کے قرضوں کی دوبارہ ادائیگی اور KIBOR میں کمی ہے۔ البتہ آمدنی فی شیئر کم ہو گئی ہے جس کی وجہ کمپنی کے ادا شدہ سرمایہ میں اضافہ ہے۔ اگر ہم نے ادا شدہ سرمایہ کو بڑھایا نہ ہوتا تو گزشتہ مدت کے مقابلے میں ادا شدہ سرمایہ میں اضافے کے بغیر آمدنی فی شیئر 11.13 روپے پر پہنچ چکی ہوتی۔

رائٹ شیئرز کے اجراء سے استعمال کردہ فنڈز:

کمپنی نے 18 مارچ 2016ء تک 4,024,100 کے رائٹ شیئرز جاری کیے تھے۔ رائٹ شیئرز کے اجراء سے جمع ہونے والی رقم H-8/4، اسلام آباد میں آپریشنز کی اندرونی توسیع پر استعمال کی گئی ہے۔ فنڈز کو F-11، اسلام آباد میں ہسپتال کی تعمیر کے لئے بھی استعمال میں لایا جا رہا ہے۔

مستقبل کا منظر نامہ:

بینچسٹ مستقبل میں ایسے ہی شاندار نتائج کو برقرار رکھنے کیلئے پُر امید ہے اس سلسلے میں مریضوں کی خدمات کو بڑھانے کی منصوبہ بندی ہو چکی ہے جس سے کمپنی کی مالی حالت میں نمایاں اضافہ ہوگا۔ ہم پُر اعتماد ہیں کہ ہم اپنے شیئرز ہولڈرز کیلئے اضافی قدر پیدا کرنے کے ساتھ ساتھ اپنے صارفین کو بہتر خدمات فراہم کر سکتے ہیں۔ مزید یہ کہ سرمایہ کاری عزم کی بناء پر کمپنی نے کشمیر ہائی وے اسلام آباد کے قریب 200 کنال سے زیادہ زمین حاصل کی ہے جس کا مقصد ایک اور طبی سہولتی مرکز کا قیام ہے۔

اظہار تشکر:

بورڈ اپنے ملازمین، صارفین اور سٹریٹجک پارٹنر کا شکریہ ادا کرتا ہے اور مشکل وقت میں ان کی لگن، عزم اور کردار کو سراہتا ہے۔ بورڈ سرکاری حکام، سپلائرز، بنکس اور شیئرز ہولڈرز کو ان کی غیر متزلزل حمایت اور تعاون پر بھی شکر گزار ہے۔

برائے اور بجانب بورڈ آف ڈائریکٹرز

Maryam H. Khan

ڈائریکٹر منظر امیج قاضی

چیف ایگزیکٹو آفیسر

اسلام آباد

2017 اپریل 22

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2017

		Un-audited March 31, 2017	Audited June 30, 2016
	Note	(Rupees in '000')	
SHARE CAPITAL AND RESERVES			
Share capital		545,379	545,379
Capital reserve		1,046,025	1,046,025
Unappropriated profit		2,499,030	2,090,865
		4,090,434	3,682,269
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
		732,228	742,191
NON - CURRENT LIABILITIES			
Long term financing - secured	4	252,178	503,991
Deferred taxation		394,181	423,606
		646,359	927,597
CURRENT LIABILITIES			
Trade and other payables	5	1,792,648	1,506,485
Markup accrued		585	483
Short term borrowings	6	89,896	-
Current portion of long term financing	4	335,786	335,674
		2,218,915	1,842,642
		7,687,936	7,194,699
CONTINGENCIES AND COMMITMENTS			
	7		

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Danish M. Rahman

CHAIRMAN

		Un-audited March 31, 2017	Audited June 30, 2016
	Note	(Rupees in '000')	
NON - CURRENT ASSETS			
Property, plant and equipment	8	5,233,130	4,606,615
Long term investment - at cost	9	18,120	18,000
Long term deposits		43,660	39,677
		5,294,910	4,664,292
CURRENT ASSETS			
Stores, spare parts and loose tools		78,946	145,524
Stock-in-trade		437,634	256,458
Trade debts - considered good	10	600,476	338,745
Loans and advances - considered good	11	358,870	159,157
Trade deposits, short term prepayments and other receivables	12	28,004	21,352
Markup accrued		359	1,501
Other financial assets		392,395	1,096,241
Tax refunds due from the government (net of provision)		19,388	24,980
Cash and bank balances		476,954	486,449
		2,393,026	2,530,407
		7,687,936	7,194,699

Margum Ali Baji

CHIEF EXECUTIVE

Muneer Lubani

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT [UN-AUDITED]
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2017**

	For the quarter ended		For the nine months ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Note	(Rupees in '000')			
Net revenue	2,390,066	2,261,872	7,012,823	6,501,495
Other income	26,537	14,563	101,121	46,906
Operating costs	(2,140,940)	(1,971,079)	(6,289,343)	(5,666,340)
Finance costs	(15,727)	(35,207)	(51,817)	(87,138)
Profit before taxation	259,936	270,149	772,784	794,923
Provision for taxation	(77,276)	(81,921)	(210,968)	(232,178)
Profit after taxation	182,660	188,228	561,816	562,745
Earnings per share basic and diluted (Rupees)	16	3.35	3.71	10.30
		3.71	10.30	11.08

The annexed notes 1 to 17 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 THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2017**

	For the quarter ended		For the nine months ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	(Rupees in '000')			
Profit after taxation	182,660	188,228	561,816	562,745
Other comprehensive income				
Realization of revaluation surplus on disposal of assets	3,221	-	3,221	-
Other comprehensive income for the period - net of tax	3,221	-	3,221	-
Total comprehensive income for the period	185,881	188,228	565,037	562,745

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Dawood M. Rahman

CHAIRMAN

Margamulya Biji

CHIEF EXECUTIVE

Muneez Lubiani

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM CASH FLOW STATEMENT [UN-AUDITED]
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2017**

<u>Note</u>	March 31, 2017	March 31, 2016
	(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	772,784	794,923
Adjustments for:		
Depreciation / amortization of property, plant and equipment	343,953	306,657
Provision for doubtful debts	23,480	25,514
Property, plant and equipment written off	10,253	567
Gain on disposal of property, plant and equipment	(8,101)	(1,530)
Provision for compensated absences	29,381	29,623
Provision for gratuity	63,000	48,000
Provision for slow moving stores	(2,296)	6,764
Profit on investments and bank deposits	(52,694)	(16,828)
Gain on foreign currency translation	(25)	488
Finance cost	51,817	87,138
Operating cash flows before changes in working capital	1,231,552	1,281,316
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	69,044	(5,231)
Stock-in-trade	(181,176)	(7,856)
Trade debts	(285,211)	(161,148)
Loans and advances	(199,713)	(66,635)
Trade deposits and short term prepayments	(6,652)	(23,185)
Increase / (decrease) in current liabilities:		
Trade and other payables	256,909	17,686
Cash generated from operations	884,753	1,034,947
Finance cost paid	(51,715)	(87,195)
Income tax paid	(234,800)	(176,266)
Payment to SHL Employees' Gratuity Fund	(29,558)	(91,057)
Compensated absences paid	(22,948)	(20,841)
Net cash from operating activities	545,732	659,588
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(992,248)	(321,206)
Proceeds from disposal of property, plant and equipment	19,457	2,319
Markup received	53,836	17,536
Investment in subsidiary	(120)	-
Increase in long term deposits	(3,983)	(3,476)
Net cash used in investing activities	(923,058)	(304,827)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - repayments	(251,701)	(245,823)
Proceeds from issue of right shares	-	1,046,266
Dividend paid	(174,235)	(207,210)
Net cash used in financing activities	(425,936)	593,233
Net (decrease) / increase in cash and cash equivalents	(803,262)	947,994
Cash and cash equivalents at beginning of period	1,582,690	649,702
Effect of exchange rate changes on cash and cash equivalents	25	(488)
Cash and cash equivalents at end of period	779,453	1,597,208

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY [UN-AUDITED]
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2017**

	Share capital	Capital reserve	Unappro- priated profit	Surplus on revaluation of property, plant and equipment	Total
	(Rupees in '000')				
Balance at July 01, 2015	505,138	40,000	1,709,813	751,182	3,006,133
Issue of further share capital - right issue	40,241	-	-	-	40,241
Share premium on issue of right shares	-	1,006,025	-	-	1,006,025
Total comprehensive income for the period					
Profit for the period	-	-	562,745	-	562,745
Other comprehensive income - net of tax	-	-	-	-	-
	-	-	562,745	-	562,745
Transfer of depreciation / amortization on incremental value arising on revaluation of property, plant and equipment attributed to current period	-	-	6,743	(6,743)	-
Distribution to owners					
Final dividend 2015: Rs. 4.5 per share	-	-	(227,312)	-	(227,312)
Balance at March 31, 2016	<u>545,379</u>	<u>1,046,025</u>	<u>2,051,989</u>	<u>744,439</u>	<u>4,387,832</u>
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	-	-	561,816	-	561,816
Other comprehensive income - net of tax	-	-	3,221	(3,221)	-
	-	-	565,037	(3,221)	561,816
Transfer of depreciation / amortization on incremental value arising on revaluation of property, plant and equipment attributed to current period	-	-	6,742	(6,742)	-
Distribution to owners					
Final dividend 2016: Rs. 3 per share	-	-	(163,614)	-	(163,614)
Balance at March 31, 2017	<u>545,379</u>	<u>1,046,025</u>	<u>2,499,030</u>	<u>732,228</u>	<u>4,822,662</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL
INFORMATION [UN-AUDITED]
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2017**

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. Previously, the shares of the Company were quoted on Karachi, Lahore and Islamabad stock exchanges of Pakistan. However, due to integration of these Stock Exchange into Pakistan Stock Exchange Limited effective January 11, 2016 the shares of the Company are now quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at Sector H-8/4, Islamabad.

- 1.1** 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. Besides this, the Company is running medical center, pharmacies in Islamabad and franchise pharmacies and Lab collection points in different cities of Pakistan.
- 1.2** This condensed interim financial information is separate financial information of the Company wherein investment in subsidiary is recognised on the basis of direct equity interest rather than on the basis of reporting results of the subsidiary. Condensed interim consolidated financial information is prepared separately.

2 BASIS OF PREPARATION

- 2.1** This condensed interim financial information of the Company for the nine months ended March 31, 2017 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. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- 2.2** 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 does 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 for the year ended 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 unaudited condensed interim financial information for the nine months ended March 31, 2016.

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 March 31, 2017	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	583,333	833,333
Diminishing musharika facility	4.2	4,631	6,332
	4.3	587,964	839,665
Less: current portion		335,786	335,674
		252,178	503,991

- 4.1** This represents syndicated islamic finance facility, arranged and lead by Meezan Bank Limited, obtained on profit rate 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: Rs. 1,500 million) which shall be fully 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.

- 4.2** This represents a long term Islamic finance facility obtained under the diminishing musharaka basis from Al Baraka Bank (Pakistan) Limited to finance purchase of brand new vehicles. Facility is repayable in 36 equal monthly installments carrying profit rate at 3 months KIBOR plus 1.25 % (June 2016: 3 months KIBOR plus 1.25 %).

	Un audited March 31, 2017	Audited June 30, 2016
(Rupees in '000')		
Opening balance	839,665	1,166,666
Repayment during the period / year	(251,701)	(327,001)
Closing balance	587,964	839,665

4.3 Movement during the period / year

Opening balance
 Repayment during the period / year
 Closing balance

5 TRADE AND OTHER PAYABLES

This includes payable to Tameer-e-Millat Foundation, Shifa Foundation, Shifa Tameer-e-Millat University and Shifa Employees' Gratuity Fund. Detail of balances of each related party are as under:

	Un audited March 31, 2017	Audited June 30, 2016
(Rupees in '000')		
Tameer -e- Millat Foundation	3,830	3,923
Shifa Foundation	-	709
Shifa Tameer -e- Millat University	-	1,657
Shifa International Hospitals Limited (SIHL) Employees' Gratuity Fund	68,555	35,113
	72,385	41,402

6 SHORT TERM BORROWINGS

This represents running finance facility obtained on mark up basis at 3 months KIBOR plus 1% per annum with sanctioned limit of Rs. 90 million. The facility is secured by first pari passu charge on all present and future current assets of the Company.

	Un audited March 31, 2017	Audited June 30, 2016
(Rupees in '000')		

7 CONTINGENCIES AND COMMITMENTS

Note

7.1 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

7.2 Commitments

Capital expenditure

74,174

282,614

Letters of credit

29,452

22,333

8 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

8.1

5,096,164

4,551,370

Capital work - in - progress

8.2

136,966

55,245

5,233,130

4,606,615

8.1 Operating fixed assets

Written down value (WDV) at the beginning
 of the period / year

4,551,370

4,431,462

Additions

8.1.1

910,355

538,797

5,461,725

4,970,259

WDV of disposals

(11,355)

(2,228)

WDV of assets written off

(10,253)

(1,414)

Depreciation for the period / year

(343,953)

(415,247)

WDV at the end of the period / year

5,096,164

4,551,370

	Un-audited March 31, 2017	Audited June 30, 2016
	(Rupees in '000')	
8.1.1 Additions to operating fixed assets		
Freehold land	462,685	66,402
Building on leasehold land	25,224	29,245
Biomedical equipment	320,927	290,421
Air conditioning equipment and machinery	13,475	40,796
Electrical and other equipment	23,605	40,192
Furniture and fittings	22,168	17,008
Computer installations	42,271	37,413
Vehicles	-	17,320
	910,355	538,797
8.2 Capital work-in-progress		
Opening work-in-progress	55,245	54,515
Additions during the period / year	106,943	29,975
Transferred to operating fixed assets	(25,222)	(29,245)
Closing work-in-progress	136,966	55,245

9 LONG TERM INVESTMENT - AT COST

During the period the Company has acquired remaining 40% share of its subsidiary (Shifa Consulting Services (Private) Limited).

	Un-audited March 31, 2017	Audited June 30, 2016
	(Rupees in '000')	
10 TRADE DEBTS		
Considered good - unsecured		
Related party - Shifa Foundation	15,965	9,020
Related party - Shifa Tameer-e-Millat University (STMU)	3,439	-
Others	581,072	329,725
	600,476	338,745
Considered doubtful		
Others	54,148	47,559
Considered bad		
Others	16,891	-
	671,515	386,304
Less: provision for doubtful debts	54,148	47,559
Bad debts written off	16,891	-
	600,476	338,745

10.1 Trade debts are provided on estimated irrecoverable amounts, on the basis of past experience of the management of the Company. The movement in the allowance for impairment in respect of trade debts during the period / year was as follows:

	Un-audited March 31, 2017	Audited June 30, 2016
	(Rupees in '000')	
Balance at beginning of the period / year	47,559	28,380
Provision made during the period / year	23,480	19,179
Less: Bad debts written off	16,891	-
	54,148	47,559

11 LOANS AND ADVANCES - CONSIDERED GOOD

This includes an advance of Rs. 3,000 thousands (June 2016: 3000 thousands) given to Shifa Consulting Services (Private) Limited for consultancy services.

12 TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES

This includes receivable of Rs. 2,341 thousands (June 2016: 2,021 thousands) from Shifa Consulting (Private) Limited.

13 FINANCIAL INSTRUMENTS

Fair value of financial instruments

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

"IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e as prices) or indirectly (i.e derived from prices). Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)."

Financial instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying Amount			Fair Value					
	Loans and receivables	Available for sale instruments	Fair value through profit or loss instruments	Other financial instruments	Total	Level 1	Level 2	Level 3	Total
	41,730	-	-	-	41,730	-	-	-	-
	600,476	-	-	-	600,476	-	-	-	-
	44,624	-	-	-	44,624	-	-	-	-
	4,901	-	-	-	4,901	-	-	-	-
	359	-	-	-	359	-	-	-	-
	392,395	-	-	-	392,395	-	-	-	-
	474,891	-	-	-	474,891	-	-	-	-
	1,559,376	-	-	-	1,559,376	-	-	-	-

**March 31, 2017 (Un-audited)
 Financial assets not measured
 at fair value**
Non-current assets

Long term deposits

Current assets

Trade debts - considered good

Loans and advances - considered good

Trade deposits

Markup accrued

Other financial assets

Cash and bank balances

	Carrying Amount			Fair Value					
	Loans and receivables	Available for sale instruments	Fair value through profit or loss	Other financial instruments	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000')								
Financial liabilities not measured at fair value									
Non-current liabilities									
Long term financing - secured	-	-	-	252,178	252,178	-	-	-	-
Current liabilities									
Trade and other payables	-	-	-	1,659,391	1,659,391	-	-	-	-
Markup accrued	-	-	-	585	585	-	-	-	-
Short term borrowings	-	-	-	89,896	89,896	-	-	-	-
Current portion of long term financing	-	-	-	335,786	335,786	-	-	-	-
	-	-	-	2,337,836	2,337,836	-	-	-	-
June 30, 2016 (Audited)									
Financial assets not measured at fair value									
Non-current assets									
Long term deposits	35,972	-	-	-	35,972	-	-	-	-
Current assets									
Trade debts - considered good	338,745	-	-	-	338,745	-	-	-	-
Loans and advances - considered good	51,859	-	-	-	51,859	-	-	-	-
Trade deposits	4,581	-	-	-	4,581	-	-	-	-
Markup accrued	1,501	-	-	-	1,501	-	-	-	-
Other financial assets	1,096,241	-	-	-	1,096,241	-	-	-	-
Cash and bank balances	486,449	-	-	-	486,449	-	-	-	-
	2,015,348	-	-	-	2,015,348	-	-	-	-

	Carrying Amount			Fair Value					
	Loans and receivables	Available for sale instruments	Fair value through profit or loss	Other financial instruments	Total	Level 1	Level 2	Level 3	Total
	-	-	-	503,991	503,991	-	-	-	-
	-	-	-	1,421,374	1,421,374	-	-	-	-
	-	-	-	483	483	-	-	-	-
	-	-	-	335,674	335,674	-	-	-	-
	-	-	-	2,261,522	2,261,522	-	-	-	-

(Rupees in '000)

Financial liabilities not measured at fair value

Non-current liabilities

Long term financing - secured

Current liabilities

Trade and other payables

Markup accrued


Short term borrowings

Current portion of long term financing

14 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 are given below:

	Un-audited	
	March 31, 2017	March 31, 2016
	(Rupees in '000')	
Shifa Foundation - (Related party by virtue of common directorship)		
Revenue from services earned by the Company	109,280	53,713
Revenue from rent	303	303
Expenses paid by and reimbursed to the Company	812	-
Other services provided to the Company	11,880	11,880
Donation given by the Company	1,800	-
Tameer-e-Millat Foundation - (Related party by virtue of common directorship)		
Revenue from services earned by the Company	-	8
Revenue from rent	233	100
Other supplies provided to the Company	16,406	11,624
Other services provided to the Company	3,827	4,074
Rent paid by the Company	1,816	1,491
SIHL Employees' Gratuity Fund		
Contributions made by the Company	29,558	91,057
Shifa Tameer-e-Millat University - (Related party by virtue of common directorship)		
Revenue from services earned by the Company	2,741	2,619
Revenue from rent	12,816	17,937
Expenses paid by and reimbursed to the Company	13,162	18,927
Other supplies provided to the Company	-	1,300
Donation given by the Company	37,500	50,000
Shifa Consulting Services (Private) Limited - (Subsidiary Company)		
Revenue from services earned by the Company	21	-
Expenses paid by and reimbursed to the Company	299	-
Other supplies provided to the Company	360	-
Consultancy services provided to the Company	13,500	-
15 CASH AND CASH EQUIVALENTS		
Cash and bank balances	476,954	1,461,724
Other financial assets	392,395	135,484
Short term borrowings	(89,896)	-
	779,453	1,597,208
16 EARNINGS PER SHARE - BASIC AND DILUTED		
Weighted average number of ordinary shares for the corresponding period include the impact of bonus element as the right issue was made below the prevailing market price of shares at March 18, 2016.		
17 GENERAL		
17.1 Figures have been rounded off to the nearest one thousand Pak Rupees.		
17.2 This condensed interim financial information has been authorized for issue by the Board of Directors of the Company on April 22, 2017.		


CHAIRMAN

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER



Shifa International Hospitals Ltd.
Condensed Interim Consolidated Financial
Information for the third Quarter and Nine months
ended March 31, 2017

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

		Un-audited March 31, 2017	Audited June 30, 2016
	Note	(Rupees in '000')	
SHARE CAPITAL AND RESERVES			
Share capital		545,379	545,379
Capital reserve		1,046,025	1,046,025
Unappropriated profit		2,487,359	2,076,255
		4,078,763	3,667,659
NON - CONTROLLING INTEREST	4	-	2,641
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		732,228	742,191
NON - CURRENT LIABILITIES			
Long term financing - secured	5	252,178	503,991
Deferred taxation		394,181	423,606
		646,359	927,597
CURRENT LIABILITIES			
Trade and other payables		1,792,754	1,508,344
Markup accrued		585	483
Short term borrowings	6	89,896	-
Current portion of long term financing	5	335,786	335,674
		2,219,021	1,844,501
		7,676,371	7,184,589
CONTINGENCIES AND COMMITMENTS	7		

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

Danish M. Rahman

CHAIRMAN

		Un-audited March 31, 2017	Audited June 30, 2016
	Note	(Rupees in '000')	
NON - CURRENT ASSETS			
Property, plant and equipment	8	5,233,693	4,609,949
Long term deposits		43,660	39,987
		5,277,353	4,649,936
CURRENT ASSETS			
Stores, spare parts and loose tools		78,946	145,524
Stock-in-trade		437,634	256,458
Trade debts - considered good	9	605,474	345,495
Loans and advances - considered good		356,351	157,580
Trade deposits and short term prepayments		26,663	19,416
Markup accrued		359	1,501
Other financial assets		392,395	1,096,241
Tax refunds due from the government (net of provision)		19,456	25,737
Cash and bank balances		481,740	486,701
		2,399,018	2,534,653
		7,676,371	7,184,589

Margum Ali Biji

CHIEF EXECUTIVE

Muneer Lubani

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM CONSOLIDATED
PROFIT AND LOSS ACCOUNT [UN-AUDITED]
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2017**

	For the quarter ended		For the nine months ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Note	(Rupees in '000')			
Net revenue	2,392,190	2,267,172	7,017,728	6,510,950
Other income	25,851	14,563	100,436	46,941
Operating costs	(2,139,361)	(1,977,911)	(6,291,146)	(5,686,045)
Finance costs	(15,727)	(35,207)	(51,819)	(87,138)
Profit before taxation	262,953	268,617	775,199	784,708
Provision for taxation	(78,458)	(81,977)	(212,965)	(232,282)
Profit after taxation	184,495	186,640	562,234	552,426
Attributable to:				
Equity holders of SIHL	184,495	187,276	562,339	556,555
Non-Controlling interest	-	(636)	(105)	(4,129)
	184,495	186,640	562,234	552,426
Earnings per share basic and diluted (Rupees)	3.38	3.69	10.31	10.96

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME [UN-AUDITED]
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2017**

	For the quarter ended		For the nine months ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	(Rupees in '000')			
Profit after taxation	184,495	186,640	562,234	552,426
Other comprehensive income				
Realization of revaluation surplus on disposal of assets	3,221	-	3,221	-
Other comprehensive income for the period - net of tax	3,221	-	3,221	-
Total comprehensive income for the period	187,716	186,640	565,455	552,426
Attributable to:				
Equity holders of SIHL	187,716	187,276	565,560	556,555
Non-Controlling interest	-	(636)	(105)	(4,129)
	187,716	186,640	565,455	552,426

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

Danish M. Rahman

CHAIRMAN

Marguerite H. Byj

CHIEF EXECUTIVE

Muneez Ishaq

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM
CONSOLIDATED CASH FLOW STATEMENT [UN-AUDITED]
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2017**

Note	March 31, 2017 (Rupees in '000')	March 31, 2016 (Rupees in '000')
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	775,199	784,708
Adjustments for:		
Depreciation / amortization of property, plant and equipment	344,664	306,956
Provision for doubtful debts	25,232	25,514
Property, plant and equipment written off	10,253	567
Gain on disposal of property, plant and equipment	(7,415)	(1,530)
Provision for compensated absences	29,381	29,623
Provision for gratuity	63,000	48,000
Provision for slow moving stores	(2,296)	6,764
Profit on investments and bank deposits	(52,694)	(16,828)
Loss on foreign currency translation	(25)	488
Finance cost	51,819	87,138
Operating cash flows before changes in working capital	1,237,118	1,271,400
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	69,044	(5,231)
Stock-in-trade	(181,176)	(7,856)
Trade debts	(285,211)	(163,135)
Loans and advances	(198,771)	(67,012)
Trade deposits and short term prepayments	(7,247)	(22,725)
Increase / (decrease) in current liabilities:		
Trade and other payables	255,156	17,740
Cash generated from operations	888,913	1,023,181
Finance cost paid	(51,717)	(87,195)
Income tax paid	(236,108)	(176,784)
Payment to SIHL Employees' Gratuity Fund	(29,558)	(91,057)
Compensated absences paid	(22,948)	(20,841)
Net cash from operating activities	548,582	647,304
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(991,885)	(321,413)
Proceeds from disposal of property, plant and equipment	20,468	2,319
Profit received	53,836	17,536
Investment in subsidiary	(120)	-
Increase in long term deposits	(3,673)	(3,476)
Net cash used in investing activities	(921,374)	(305,034)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - repayments	(251,701)	(245,823)
Proceeds from issue of right shares	-	1,046,266
Dividend paid	(174,235)	(207,210)
Net cash used in financing activities	(425,936)	593,233
Net increase / (decrease) in cash and cash equivalents	(798,728)	935,503
Cash and cash equivalents at beginning of period	1,582,942	662,292
Effect of exchange rate changes on cash and cash equivalents	25	(488)
Cash and cash equivalents at end of period	784,239	1,597,307

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

Danish M. Rahman

CHAIRMAN

Maryam Farhat

CHIEF EXECUTIVE

Muneez Anwar

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY [UN-AUDITED]
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2017**

Note	Share capital	Capital reserve	Unappropriated profit (Rupees in '000')	Surplus on revaluation of property, plant and equipment	Non-Controlling Interest	Total
Balance at July 01, 2015	505,138	40,000	1,703,323	751,182	(4,325)	2,995,318
Issue of further share capital - right issue	40,241	-	-	-	-	40,241
Share premium on issue of right shares	-	1,006,025	-	-	-	1,006,025
Total comprehensive income for the period						
Profit for the period	-	-	556,555	-	(4,129)	552,426
Other comprehensive income - net of tax	-	-	-	-	-	-
Transfer of depreciation / amortization on incremental value arising on revaluation of property, plant and equipment attributed to current period	-	-	556,555	-	(4,129)	552,426
	-	-	6,743	(6,743)	-	-
Transaction with owners						
Distribution to owners						
Final dividend 2015: Rs. 4.5 per share	-	-	(227,312)	-	-	(227,312)
Total transactions with owners	-	-	(227,312)	-	-	(227,312)
Balance at March 31, 2016	545,379	1,046,025	2,039,309	744,439	(8,454)	4,366,698
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	-	-	562,339	-	(105)	562,234
Other comprehensive income - net of tax	-	-	3,221	(3,221)	-	-
Transfer of depreciation / amortization on incremental value arising on revaluation of property, plant and equipment attributed to current period	-	-	565,560	(3,221)	(105)	562,234
	-	-	6,742	(6,742)	-	-
Transaction with owners						
Distribution to owners						
Final dividend 2015: Rs. 3 per share	-	-	(163,614)	-	-	(163,614)
Changes in ownership interests						
Acquisition of NCI without a change in control 4	-	-	2,416	-	(2,536)	(120)
Total transactions with owners	-	-	(161,198)	-	(2,536)	(163,734)
Balance at March 31, 2017	545,379	1,046,025	2,487,359	732,228	-	4,810,991

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

Danish M Rahman

CHAIRMAN

Maryam Nisbi

CHIEF EXECUTIVE

Muneez Ishaq

CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2017

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.

- 1.2 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

- 2.1 This condensed interim consolidated financial information of the SIHL for the third quarter and nine months ended March 31, 2017 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.

- 2.2 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 third quarter and nine months ended March 31, 2017.

- 2.3 During the current period ended March 31, 2017 Shifa Consulting Services (Pvt) Limited (SCS/the subsidiary) has earned a net profit of Rs. 0.58 million (March 2016: 10.32 million loss) showing a decrease in loss by 10.90 million and as of that date the cumulative losses have eroded the equity by Rs. 22.78 million (June 2016: 23.37 million) leaving a net equity of Rs. 7.21 million (June 2016: 6.63 million). Due to accumulated losses, the subsidiary is dependent on the financial assistance of its parent company. The Group management is confident that the Company has the potential to gradually develop its business and overcome the financial difficulties and during this phase the subsidiary has available full financial and technical support of its parent company. In view of the above, the going concern assumption is appropriate and has, as such, prepared Shifa Consulting Services (Pvt) Limited condensed interim financial information for the nine months ended March 31, 2017 on a going concern basis.

Due to above mentioned reasons, in an independent auditor's report to the members on review of condensed interim financial information of Shifa Consulting Services (Pvt) Limited (SCS) for the half year ended December 31, 2016, auditors' has added Emphasis of matter paragraph indicating that a material uncertainty exist that may cast significant doubt on the SCS ability to continue as going concern, without modifying their conclusion.

3 BASIS OF CONSOLIDATION

The consolidated financial statements includes the financial statements of Shifa International Hospitals Limited and its subsidiary company Shifa Consulting Services (Private) Limited 100% owned. (June 2016: 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 financial statements 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 the interests which are not owned by the parent company. Non-controlling interests are presented as a separate item in the consolidated financial statements.

4 ACQUISITION OF NON - CONTROLLING INTEREST

In October 2016, the Group acquired an additional 40% interest in Shifa Consulting Services (Private) Limited for Rs. 120 thousand in cash, increasing its ownership from 60% to 100%. The Group recognised a decrease in NCI of Rs. 2,536 thousand and increase in retained earnings Rs. 2,416 thousand attributable to the owners of the Group for changes in the Company's ownership interest in Shifa Consulting Services (Private) Limited.

	(Rupees in '000')
Carrying amount of NCI acquired	2,536
Less: Consideration paid	120
An increase in equity attributable to owners of the group	2,416

5 LONG TERM FINANCING - SECURED

From banking and non-banking companies

Syndicated Islamic Finance Facility

Diminishing Musharika Facility

Less: Current portion

Note

Un-audited
March 31,
2017

Audited
June 30,
2016

(Rupees in '000')

5.1	583,333	833,333
5.2	4,631	6,332
5.3	587,964	839,665
	335,786	335,674
	252,178	503,991

5.1 This represents syndicated islamic finance facility, arranged and lead by Meezan Bank Limited, obtained on mark-up 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: Rs. 1,500 million) which shall be fully 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.

5.2 This represents a long term islamic finance facility obtained under the diminishing musharaka basis from Al Baraka Bank (Pakistan) Limited to finance purchase of brand new vehicles. Facility is repayable in 36 equal monthly installments carrying markup at 3 months KIBOR plus 1.25 % (June 2016: 3 months KIBOR plus 1.25 %).

Un-audited
March 31,
2017

Audited
June 30,
2016

(Rupees in '000')

5.3 Movement during the period / year

Opening balance

Repayment during the period / year

Closing balance

839,665	1,166,666
(251,701)	(327,001)
587,964	839,665

6 SHORT TERM BORROWINGS

This represents running finance facility obtained by SIHL on mark up basis at 3 months kIBOR plus 1% per annum with sanctioned limit of Rs. 90 million. The facility is secured by first pari passu charge on all present and future current assets of the company.

		Un-audited March 31, 2017	Audited June 30, 2016
	Note	(Rupees in '000')	
7 CONTINGENCIES AND COMMITMENTS			
7.1 Contingencies			
Claims against SIHL not acknowledged as debt			
Patients		111,000	111,000
Others		20,000	20,000
Letter of guarantees		34,600	34,600
7.2 Commitments			
Capital expenditure contracted		74,174	282,614
Letter of credit		29,452	22,333
8 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	8.1	5,096,729	4,554,704
Capital work- in- progress (CWIP)	8.2	136,964	55,245
		5,233,693	4,609,949
8.1 Operating fixed assets			
Written down value (WDV) at the beginning of the period / year		4,554,704	4,433,704
Additions	8.1.1	909,996	539,004
		5,464,700	4,972,708
WDV of disposals		(13,053)	(838)
WDV of assets written off		(10,253)	(1,414)
Depreciation for the period / year		(344,665)	(415,752)
WDV at the end of the period / year		5,096,729	4,554,704
8.1.1 Additions to operating fixed assets			
Freehold land		462,685	66,402
Building on leasehold land		-	29,245
Leasehold improvements		25,224	-
Biomedical equipment		320,927	290,421
Air conditioning equipment and machinery		13,475	40,796
Electrical and other equipment		23,246	40,196
Furniture and fittings		22,168	17,067
Computer installations		42,271	37,557
Vehicles		-	17,320
		909,996	539,004
8.2 Capital work-in-progress			
Opening work-in-progress		55,245	54,515
Additions during the period / year		106,943	29,975
Transferred to operating fixed assets		(25,224)	(29,245)
Closing work-in-progress		136,964	55,245

	Un-audited March 31, 2017	Audited June 30, 2016
Note	(Rupees in '000')	
9 TRADE DEBTS		
Considered good		
Related party - Shifa Foundation	15,965	9,020
Related party - Shifa Tameer-e-Millat University (STMU)	3,439	-
Others	586,070	336,475
	605,474	345,495
Considered doubtful		
Others	55,900	47,559
Considered bad		
Others	16,891	-
	678,265	393,054
Less: provision for doubtful debts	55,900	47,559
Bad debts written off	16,891	-
	605,474	345,495

10 FINANCIAL INSTRUMENTS**Fair value of financial instruments**

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

"IFRS 13, 'Fair Value Measurements' requires the SIHL to classify fair value measurements using fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)."

Financial instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying Amount			Fair Value					
	Loans and receivables	Available for sale instruments	Fair value through profit or loss instruments	Other financial instruments	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000')								
41,730	-	-	-	-	41,730	-	-	-	-
605,474	-	-	-	-	605,474	-	-	-	-
45,105	-	-	-	-	45,105	-	-	-	-
4,901	-	-	-	-	4,901	-	-	-	-
359	-	-	-	-	359	-	-	-	-
392,395	-	-	-	-	392,395	-	-	-	-
479,699	-	-	-	-	479,699	-	-	-	-
1,569,663	-	-	-	-	1,569,663	-	-	-	-

March 31, 2017 (Un-audited)**Financial assets not measured at fair value**

Non-current assets
Long term deposits
Current assets
Trade debts - considered good
Loans and advances - considered good
Trade deposits
Markup accrued
Other financial assets
Cash and bank balances

	Carrying Amount		Fair Value						
	Loans and receivables	Available for sale instruments	Fair value through profit or loss	Other financial instruments	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)								
Financial liabilities not measured at fair value									
Non-current liabilities									
Long term financing - secured	-	-	-	252,178	252,178	-	-	-	-
Current liabilities									
Trade and other payables	-	-	-	1,659,497	1,659,497	-	-	-	-
Markup accrued	-	-	-	585	585	-	-	-	-
Short term borrowings	-	-	-	89,896	89,896	-	-	-	-
Current portion of long term financing	-	-	-	335,786	335,786	-	-	-	-
	-	-	-	2,337,942	2,337,942	-	-	-	-
June 30, 2016 (audited)									
Financial assets not measured at fair value									
Non-current assets									
Long term deposits	36,282	-	-	-	36,282	-	-	-	-
Current assets									
Trade debts - considered good	345,495	-	-	-	345,495	-	-	-	-
Loans and advances - considered good	53,282	-	-	-	53,282	-	-	-	-
Trade deposits	4,581	-	-	-	4,581	-	-	-	-
Markup accrued	1,501	-	-	-	1,501	-	-	-	-
Other financial assets	1,096,241	-	-	-	1,096,241	-	-	-	-
Cash and bank balances	475,498	-	-	-	475,498	-	-	-	-
	2,012,880	-	-	-	2,012,880	-	-	-	-

Loans and receivables	Carrying Amount			Fair Value				
	Available for sale instruments	Fair value through profit or loss	Other financial instruments	Total	Level 1	Level 2	Level 3	Total
	-	-	503,991	503,991	-	-	-	-
	-	-	1,423,233	1,423,233	-	-	-	-
	-	-	483	483	-	-	-	-
	-	-	335,674	335,674	-	-	-	-
	-	-	2,263,381	2,263,381	-	-	-	-

(Rupees in '000)

Financial liabilities not measured at fair value**Non-current liabilities**

Long term financing - secured

Current liabilities

Trade and other payables

Markup accrued

Short term borrowings

Current portion of long term financing

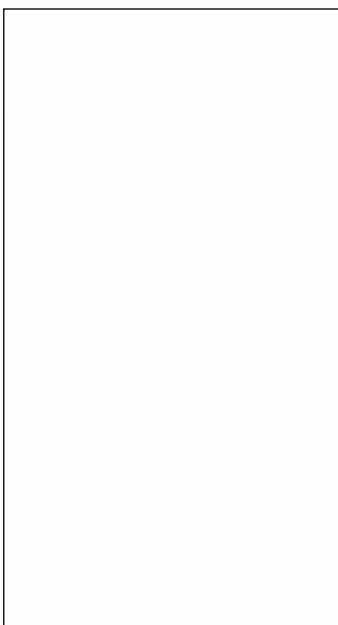
		Un-audited	
		March 31, 2017	March 31, 2016
		(Rupees in '000')	
11	RELATED PARTY TRANSACTIONS		
	Significant transactions with related parties are as follows:		
	Shifa Foundation - (Related party by virtue of common directorship)		
	Revenue from services earned by the SIHL	109,280	53,713
	Revenue from rent	303	303
	Expenses paid and reimbursed to SIHL	812	
	Other services provided to the SIHL	11,880	11,880
	Donation given by the SIHL	1,800	-
	Tameer-e-Millat Foundation - (Related party by virtue of common directorship)		
	Revenue from services earned by the SIHL	-	8
	Revenue from rent	233	100
	Other supplies provided to the SIHL	16,406	11,624
	Other services provided to the SIHL	3,827	4,074
	Rent paid by SIHL	1,816	1,491
	SIHL Employees' Gratuity Fund		
	Contributions made by the SIHL	29,558	91,057
	Shifa Tameer-e- Millat University - (Related party by virtue of common directorship)		
	Revenue from services earned by the SIHL	2,741	2,619
	Revenue from rent	12,816	17,937
	Expenses paid by and reimbursed to the SIHL	13,162	18,927
	Other supplies provided to the SIHL	-	1,300
	Donation given by the SIHL	37,500	50,000
12	CASH AND CASH EQUIVALENTS		
	Cash and bank balances	481,740	1,461,823
	Other financial assets	392,395	135,484
	Short term borrowings	(89,896)	-
		784,239	1,597,307
13	EARNINGS PER SHARE - BASIC AND DILUTED		
	Weighted average number of ordinary shares for the corresponding period include the impact of bonus element as the right issue was made below the prevailing market price of shares at March 18, 2016.		

14 GENERAL

- 14.1** Figures have been rounded off to the nearest one thousand Pak Rupees.
- 14.2** This condensed interim consolidated financial information has been authorised for issue by the Board of Directors of SIHL on April 22, 2017.

**CHAIRMAN****CHIEF EXECUTIVE****CHIEF FINANCIAL OFFICER**

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