



Condensed Interim Financial Information

for the Half Year Ended
December 31, 2016



Shifa
International
Hospitals Ltd.

CONTENTS



Company Information	2
Directors' Review	3
Independent Auditors' Report to the members	7
Condensed Interim Balance Sheet	8
Condensed Interim Profit & Loss Account	10
Condensed Interim Statement of Comprehensive Income	11
Condensed Interim Cash Flow Statement	12
Condensed Interim Statement of Changes in Equity	13
Selected Notes to the Condensed Interim Financial information	14
Condensed Interim Consolidated Balance Sheet	22
Condensed Interim Consolidated Profit & Loss Account	24
Condensed Interim Consolidated Statement of Comprehensive Income	25
Condensed Interim Consolidated Cash Flow Statement	26
Condensed Interim Consolidated Statement of Changes in Equity	27
Selected Notes to the Condensed Interim Consolidated Financial information	28



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 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,

On behalf of the Board of Directors, I am pleased to present the Condensed Interim Financial Information of the Company for the half year ended December 31, 2016, independently reviewed by the external auditors. Condensed Interim Consolidated Financial Information for the half year ended December 31, 2016 incorporating the financial results of subsidiary i.e. Shifa Consulting Services (Private) Limited is also annexed herewith.

Financial Highlights	Half year ended December 31, 2016 Rs. in million		
	2016	2015	Change %
Net Revenue	4,623	4,240	9%
Profit before taxation	513	525	-2%
Profit after taxation	379	375	1%
Earnings Per Share-Restated-(Rs.)	6.95	7.39	-6%

The above results indicates an overall revenue growth of 9% as compared to corresponding period of the last year. The operating cost has been increased by 12% from Rs. 3,695 million to Rs. 4,148 million, which is mainly due to increase in cost and volume of supplies and medicines consumed, increase in depreciation 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 half year ended December 31, 2016. Had we not enhanced the paid up capital, the earnings per share would have been Rs. 7.51 without enhancement of paid up capital, as a matter of comparison with the previous period.

Reconstitution of Audit Committee:

Audit Committee has been reconstituted as under:

- | | |
|---------------------------|-----------------|
| 1. Shah Naveed Saeed | Member/Chairman |
| 2. Dr. Habib-Ur-Rahman | Member |
| 3. Dr. Samea Kauser Ahmad | Member |
| 4. Syed Ilyas Ahmed | Member |

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.

**Acquisition of Subsidiary:**

In accordance with special resolution passed in 30th Annual General Meeting held on October 29, 2016, the Company has acquired 1.2 million shares of its subsidiary i.e. Shifa Consulting Services (Pvt.) Limited @ Re. 0.10 per share and now Shifa Consulting Services (Pvt.) Limited is the wholly owned subsidiary company of Shifa International Hospitals Limited.

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, 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

January 28, 2017



ڈائریکٹرز رپورٹ

معزز ممبران،

بورڈ آف ڈائریکٹرز کی جانب سے مجھے 31 دسمبر 2016 کو ختم ہونے والے نصف سال کیلئے بیرونی آڈیٹر کی جانب سے آزادانہ طور پر نظر ثانی شدہ کمپنی کی عبوری مالی معلومات پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔ 31 دسمبر 2016 کو ختم ہونے والے نصف سال کی عبوری مجموعی مالی معلومات میں ذیلی ادارے یعنی شفاء کنسلٹنگ سروسز (پرائیویٹ) لمیٹڈ کے مالی نتائج بھی شامل کیے گئے ہیں جو حسب ذیل ہیں۔

31 دسمبر 2016 کو ختم ہونے والا نصف سال (پاکستانی روپے ملین میں)			مالیاتی جھلکیاں
تبدیلی فیصد	2015	2016	
9 فیصد	4,240	4,623	خالص آمدنی
2- فیصد	525	513	منافع قبل از ٹیکس
1 فیصد	375	379	منافع بعد از ٹیکس
6- فیصد	7.39	6.95	آمدنی فی شیئر - اعادہ - (روپے)

مذکورہ نتائج یہ ظاہر کرتے ہیں کہ پچھلے سال اسی عرصے کی نسبت اس دفعہ آمدنی میں 9 فیصد بہتری ہوئی، کاروباری اخراجات میں 3,695 ملین روپے سے 4,148 ملین روپے یعنی 12 فیصد کا اضافہ ہوا، جس کی بڑی وجوہات سپلائرز اور ادویات کے استعمال کا حجم اور لاگت، روپے کی قدر میں کمی اور تنخواہوں میں اضافہ، پیش قیمت اجرتیں اور بھرتوں پر اخراجات 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 بڑھایا نہ ہوتا تو گزشتہ مدت کے مقابلے میں ادا شدہ سرمایہ میں اضافے کے بغیر آمدنی فی شیئر 7.51 روپے پر پہنچ چکی ہوتی۔

آڈٹ کمیٹی کی تشکیل نو:

آڈٹ کمیٹی کی درج ذیل کے مطابق نئی تشکیل کی گئی ہے:

۱۔ شاہ نوید سعید	ممبر ایگزیکٹو
۲۔ ڈاکٹر حبیب الرحمان	ممبر
۳۔ ڈاکٹر سمیعہ کوثر احمد	ممبر
۴۔ سید الیاس احمد	ممبر

رائٹ شیئرز کے اجراء سے استعمال کردہ فنڈز:

کمپنی نے 18 مارچ 2016 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۔

ذیلی ادارے کا حصول:

29 اکتوبر 2016 کو منعقد ہونے والے 30 ویں سالانہ اجلاس میں منظور شدہ خصوصی قرارداد کے مطابق کمپنی نے اپنی ذیلی ادارے یعنی شفاء کنسلٹنگ سروسز (پرائیویٹ) لمیٹڈ کے 1.2 ملین شیئرز بحساب 10 پیسہ فی شیئر حاصل کر لئے ہیں اور اب شفاء کنسلٹنگ سروسز (پرائیویٹ) لمیٹڈ شفاء انٹرنیشنل ہسپتال لمیٹڈ کی مکمل ملکیتی ذیلی کمپنی ہے۔

مستقبل کا منظر نامہ:

میں 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۔

اظہار تشکر:

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

برائے اور سجاوب بورڈ آف ڈائریکٹرز

Maryam H. Bizi

ڈاکٹر منظور امجد قاضی

چیف ایگزیکٹو آفیسر

اسلام آباد

28 جنوری 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction


We have reviewed the accompanying condensed interim balance sheet of **Shifa International Hospitals Limited** (the Company) as at **December 31, 2016** and the related 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 together with the notes forming part thereof for the six month period then ended (here-in-after referred to as "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2016 have not been reviewed, as we are required to review the cumulative figures only for the six months ended December 31, 2016.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim reporting.



GRANT THORNTON ANJUM RAHMAN

Chartered Accountants

Engagement Partner: Imran Afzal

Islamabad

January 28, 2017

Chartered Accountants

Member of Grant Thornton International Ltd

Offices in Lahore and Karachi

**CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2016**

		Un-audited December 31, 2016	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		2,310,904	2,090,865
		3,902,308	3,682,269
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
		737,696	742,191
NON - CURRENT LIABILITIES			
Long term financing - secured	4	336,122	503,991
Deferred taxation		393,559	423,606
		729,681	927,597
CURRENT LIABILITIES			
Trade and other payables	5	1,810,003	1,506,485
Markup accrued		560	483
Short term borrowings	6	69,984	-
Current portion of long term financing	4	335,717	335,674
		2,216,264	1,842,642
		7,585,949	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 December 31, 2016	Audited June 30, 2016
	Note	(Rupees in '000')	
NON - CURRENT ASSETS			
Property, plant and equipment	8	4,727,992	4,606,615
Long term investment - at cost	9	18,120	18,000
Long term deposits		45,394	39,677
		4,791,506	4,664,292
CURRENT ASSETS			
Stores, spare parts and loose tools		71,911	145,524
Stock-in-trade		402,190	256,458
Trade debts - considered good	10	531,418	338,745
Loans and advances - considered good	11	289,874	159,157
Trade deposits, short term prepayments and other receivables	12	40,126	21,352
Markup accrued		1,808	1,501
Other financial assets		993,111	1,096,241
Tax refunds due from the government (net of provision)		22,202	24,980
Cash and bank balances		441,803	486,449
		2,794,443	2,530,407
		7,585,949	7,194,699

Margum Ali Buzi

CHIEF EXECUTIVE

Muneer Lubani

CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT [UN-AUDITED]
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

	For the quarter ended		For the half year ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Note	(Rupees in '000')			
Net revenue	2,393,037	2,264,244	4,622,758	4,239,623
Other income	34,049	18,914	74,585	32,343
Operating costs	(2,119,306)	(1,933,114)	(4,148,403)	(3,695,261)
Finance costs	(17,567)	(25,048)	(36,090)	(51,931)
Profit before taxation	290,213	324,996	512,850	524,774
Provision for taxation	(80,295)	(101,251)	(133,692)	(150,256)
Profit after taxation	209,918	223,745	379,158	374,518
		(Restated)		(Restated)
Earnings per share basic and diluted (Rupees)	16	4.42	6.95	7.39

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 HALF YEAR ENDED DECEMBER 31, 2016**

	For the quarter ended		For the half year ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	(Rupees in '000')			
Profit after taxation	209,918	223,745	379,158	374,518
Other comprehensive income for the period - net of tax	-	-	-	-
Total comprehensive income for the period	209,918	223,745	379,158	374,518

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

CHAIRMAN

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM CASH FLOW STATEMENT [UN-AUDITED] FOR THE HALF YEAR ENDED DECEMBER 31, 2016

Note	December 31, 2016	December 31, 2015
	(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	512,850	524,774
Adjustments for:		
Depreciation / amortization of property, plant and equipment	227,996	201,871
Provision for doubtful debts	12,865	12,390
Property, plant and equipment written off	7,195	288
Gain on disposal of property, plant and equipment	(5,306)	(489)
Provision for compensated absences	17,378	19,723
Provision for gratuity	42,000	30,000
Provision for slow moving stores	(2,296)	6,585
Profit on investments and bank deposits	(40,033)	(11,210)
Gain on foreign currency translation	(25)	(28)
Finance cost	36,090	51,931
Operating cash flows before changes in working capital	808,714	835,835
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	76,078	1,318
Stock-in-trade	(145,732)	14,831
Trade debts	(205,538)	(151,303)
Loans and advances	(130,717)	(28,862)
Trade deposits, short term prepayments and other receivables	(18,774)	(1,461)
Increase / (decrease) in current liabilities:		
Trade and other payables	267,022	72,611
Cash generated from operations	651,053	742,969
Finance cost paid	(36,013)	(51,876)
Income tax paid	(160,960)	(119,036)
Payment to SIHL Employees' Gratuity Fund	(17,745)	(61,499)
Compensated absences paid	(17,384)	(13,704)
Net cash from operating activities	418,951	496,854
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(357,089)	(213,456)
Proceeds from disposal of property, plant and equipment	5,657	810
Markup received	39,726	11,898
Investment in subsidiary	(120)	-
Increase in long term deposits	(5,717)	(885)
Net cash used in investing activities	(317,543)	(201,633)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - repayments	(167,826)	(164,223)
Dividend paid	(151,367)	(197,868)
Net cash used in financing activities	(319,193)	(362,091)
Net decrease in cash and cash equivalents	(217,785)	(66,870)
Cash and cash equivalents at beginning of period	1,582,690	649,702
Effect of exchange rate changes on cash and cash equivalents	25	28
Cash and cash equivalents at end of period	1,364,930	582,860

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 HALF YEAR ENDED DECEMBER 31, 2016**

	Share capital	Capital reserve	Unappropriated 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
Total comprehensive income for the period					
Profit for the period	-	-	374,518	-	374,518
Other comprehensive income - net of tax	-	-	-	-	-
	-	-	374,518	-	374,518
Transfer of depreciation / amortization on incremental value arising on revaluation of property, plant and equipment attributed to current period	-	-	4,495	(4,495)	-
Distribution to owners					
Final dividend 2015: Rs. 4.5 per share	-	-	(227,312)	-	(227,312)
Balance at December 31, 2015	<u>505,138</u>	<u>40,000</u>	<u>1,861,514</u>	<u>746,687</u>	<u>3,153,339</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	-	-	379,158	-	379,158
Other comprehensive income - net of tax	-	-	-	-	-
	-	-	379,158	-	379,158
Transfer of depreciation / amortization on incremental value arising on revaluation of property, plant and equipment attributed to current period	-	-	4,495	(4,495)	-
Distribution to owners					
Final dividend 2016: Rs. 3 per share	-	-	(163,614)	-	(163,614)
Balance at December 31, 2016	<u>545,379</u>	<u>1,046,025</u>	<u>2,310,904</u>	<u>737,696</u>	<u>4,640,004</u>

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

Casim M. Rahman

CHAIRMAN

Maryam Akbar

CHIEF EXECUTIVE

Muneez Anwar

CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED] FOR THE HALF YEAR ENDED DECEMBER 31, 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. 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. The Company is also 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 half year ended December 31, 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. 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 half year ended December 31, 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 December 31, 2016	Audited June 30, 2016
Note	(Rupees in '000')	
4 LONG TERM FINANCING - SECURED		
From banking and non-banking companies		
Syndicated Islamic finance facility	4.1 666,667	833,333
Diminishing musharika facility	4.2 5,172	6,332
	4.3 671,839	839,665
Less: current portion	335,717	335,674
	336,122	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 the 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 December 31, 2016	Audited June 30, 2016
	(Rupees in '000')	
	839,665	1,166,666
	(167,826)	(327,001)
	671,839	839,665

4.3 Movement during the period / year

Opening balance
Repayment during the period / year
Closing balance

5 TRADE AND OTHER PAYABLES

This also 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 December 31, 2016	Audited June 30, 2016
	(Rupees in '000')	
Tameer-e-Millat Foundation	5,552	3,923
Shifa Foundation	1,413	709
Shifa Tameer-e-Millat University	-	1,657
Shifa International Hospitals Limited (SIHL) Employees' Gratuity Fund	59,368	35,113
	66,333	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 December 31, 2016	Audited June 30, 2016
	(Rupees in '000')	

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

Claims against the Company not acknowledged as debt

Patients

Others

Guarantees issued by bank on behalf of the Company

7.2 Commitments

Capital expenditure

Letter of credit

8 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

Capital work - in - progress (CWIP)

Note

8.1

8.2

	111,000	111,000
	20,000	20,000
	34,600	34,600
	71,639	282,614
	1,714	22,333
	4,615,871	4,551,370
	112,121	55,245
	4,727,992	4,606,615

		Un audited December 31, 2016	Audited June 30, 2016
		(Rupees in '000')	
	Note		
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	300,043	538,797
		4,851,413	4,970,259
WDV of disposals		(351)	(2,228)
WDV of assets written off		(7,195)	(1,414)
Depreciation for the period / year		(227,996)	(415,247)
WDV at the end of the period / year		4,615,871	4,551,370
8.1.1 Additions to operating fixed assets			
Freehold land		-	66,402
Building on leasehold land		25,224	29,245
Biomedical equipment		197,410	290,421
Air conditioning equipment and machinery		6,943	40,796
Electrical and other equipment		19,811	40,192
Furniture and fittings		16,360	17,008
Computer installations		34,295	37,413
Vehicles		-	17,320
		300,043	538,797
8.2 Capital work-in-progress			
Opening work-in-progress		55,245	54,515
Additions during the period / year		82,098	29,975
Transferred to operating fixed assets		(25,222)	(29,245)
Closing work-in-progress		112,121	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).			
10 TRADE DEBTS	Note	Un audited December 31, 2016	Audited June 30, 2016
		(Rupees in '000')	
Considered good - unsecured			
Related party - Shifa Foundation		13,520	9,020
Related party - Shifa Tameer-e-Millat University (STMU)		13,626	-
Others		504,272	329,725
		531,418	338,745
Considered doubtful			
Others		60,424	47,559
		591,842	386,304
Less: provision for doubtful debts	10.1	60,424	47,559
		531,418	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 December 31, 2016	Audited June 30, 2016
		(Rupees in '000')	
Balance at beginning of the period / year		47,559	28,380
Provision made during the period / year		12,865	19,179
		60,424	47,559



11 LOANS AND ADVANCES - CONSIDERED GOOD

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

12 TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES

This includes receivable of Rs. 2,214 thousands (June 2016: Rs. 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
December 31, 2016 (Un-audited)									
Financial assets not measured at fair value									
Non-current assets									
Long term deposits	42,576	-	-	-	42,576	-	-	-	-
Current assets									
Trade debits - considered good	531,418	-	-	-	531,418	-	-	-	-
Loans and advances - considered good	46,614	-	-	-	46,614	-	-	-	-
Trade deposits	4,774	-	-	-	4,774	-	-	-	-
Markup accrued	1,808	-	-	-	1,808	-	-	-	-
Other financial assets	993,111	-	-	-	993,111	-	-	-	-
Cash and bank balances	439,815	-	-	-	439,815	-	-	-	-
	2,060,116	-	-	-	2,060,116	-	-	-	-

(Rupees in '000')



	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	-	-	-	336,122	336,122	-	-	-	-
Current liabilities									
Trade and other payables	-	-	-	1,686,593	1,686,593	-	-	-	-
Markup accrued	-	-	-	560	560	-	-	-	-
Short term borrowings	-	-	-	69,984	69,984	-	-	-	-
Current portion of long term financing	-	-	-	335,717	335,717	-	-	-	-
	-	-	-	2,428,976	2,428,976	-	-	-	-
June 30, 2016 (audited)									
Financial assets not measured at fair value									
Non-current assets									
Long term deposits	35,972	-	-	-	35,972	-	-	-	-
Current assets									
Trade debits - 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	-	-	-	-
	2,004,170	-	-	-	2,004,170	-	-	-	-



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	-	-	-	-
	-	-	1,421,374	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	
	December 31, 2016	December 31 2015
	(Rupees in '000')	
Shifa Foundation - (Related party by virtue of common directorship)		
Revenue from services earned by the Company	72,013	23,480
Revenue from rent	202	202
Other services provided to the Company	7,920	7,920
Donation given by the Company	1,200	-
Tameer-e-Millat Foundation - (Related party by virtue of common directorship)		
Revenue from services earned by the Company	-	8
Revenue from rent	155	22
Other supplies provided to the Company	10,153	7,243
Other services provided to the Company	3,235	1,439
Rent paid by the Company	1,343	897
SIHL Employees' Gratuity Fund		
Contributions made by the Company	17,745	61,499
Shifa Tameer-e- Millat University - (Related party by virtue of common directorship)		
Revenue from services earned by the Company	2,166	2,218
Revenue from rent	12,320	11,905
Expenses paid by and reimbursed to the Company	11,231	12,128
Other supplies provided to the Company	-	1,300
Donation given by the Company	25,000	50,000
Advance given by the Company	12,500	-
Shifa Consulting Services (Private) Limited - (Subsidiary Company)		
Revenue from services earned by the Company	17	-
Expenses paid by and reimbursed to the Company	172	-
Other supplies provided to the Company	360	-
Consultancy services provided to the Company	9,000	-
Remuneration including benefits & perquisites of key management personnel	144,230	118,284
15 CASH AND CASH EQUIVALENTS		
Cash and bank balances	441,803	485,746
Other financial assets	993,111	97,114
Short term borrowings	(69,984)	-
	1,364,930	582,860

16 EARNINGS PER SHARE - BASIC AND DILUTED

Weighted average number of ordinary shares for the corresponding period has been restated to accommodate the 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 January 28, 2017.


CHAIRMAN

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER



Shifa International Hospitals Ltd.
Condensed Interim Consolidated Financial
Information for the Half Year Ended
December 31, 2016

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2016

		Un-audited December 31, 2016	Audited June 30, 2016
	<u>Note</u>	(Rupees in '000')	
SHARE CAPITAL AND RESERVES			
Share capital		545,379	545,379
Capital reserve		1,046,025	1,046,025
Unappropriated profit		2,297,398	2,076,255
		3,888,802	3,667,659
NON - CONTROLLING INTEREST	4	-	2,641
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		737,696	742,191
NON - CURRENT LIABILITIES			
Long term financing - secured	5	336,122	503,991
Deferred taxation		393,559	423,606
		729,681	927,597
CURRENT LIABILITIES			
Trade and other payables	6	1,811,525	1,508,344
Markup accrued		560	483
Short term borrowings	7	69,984	-
Current portion of long term financing		335,717	335,674
		2,217,786	1,844,501
		7,573,965	7,184,589
CONTINGENCIES AND COMMITMENTS	8		

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Dawood M. Rahman

CHAIRMAN



	Note	Un-audited December 31, 2016	Audited June 30, 2016
(Rupees in '000')			
NON - CURRENT ASSETS			
Property, plant and equipment	9	4,730,378	4,609,949
Long term deposits		45,394	39,987
		4,775,772	4,649,936
CURRENT ASSETS			
Stores, spare parts and loose tools		71,911	145,524
Stock-in-trade		402,190	256,458
Trade debts - considered good	10	537,315	345,495
Loans and advances - considered good		285,566	157,580
Trade deposits, short term prepayments and other receivables		40,126	19,416
Markup accrued		1,808	1,501
Other financial assets		993,111	1,096,241
Tax refunds due from the government (net of provision)		22,972	25,737
Cash and bank balances		443,194	486,701
		2,798,193	2,534,653
		7,573,965	7,184,589

Margum Ali Buzi

CHIEF EXECUTIVE

Muneer Lubani

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM CONSOLIDATED
PROFIT AND LOSS ACCOUNT [UN-AUDITED]
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

	For the quarter ended		For the half year ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Note		(Rupees in '000')		
Net revenue	2,394,437	2,265,129	4,625,538	4,243,778
Other income	34,049	18,949	74,585	32,378
Operating costs	(2,121,637)	(1,939,644)	(4,151,784)	(3,708,134)
Finance costs	(17,568)	(25,048)	(36,091)	(51,931)
Profit before taxation	289,281	319,386	512,248	516,091
Provision for taxation	(81,048)	(101,300)	(134,507)	(150,305)
Profit after taxation	208,233	218,086	377,741	365,786
Attributable to:				
Equity holders of SIHL	208,431	220,350	377,846	369,279
Non-Controlling interest	(198)	(2,264)	(105)	(3,493)
	208,233	218,086	377,741	365,786
Earnings per share basic and diluted (Rupees)	3.82	4.35	6.93	7.29
	14	Restated		Restated

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME [UN-AUDITED]
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

	For the quarter ended		For the half year ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	(Rupees in '000')			
Profit after taxation	208,233	218,086	377,741	365,786
Other comprehensive income for the period - net of tax	-	-	-	-
Total comprehensive income for the period	208,233	218,086	377,741	365,786
Attributable to:				
Equity holders of SIHL	208,431	220,350	377,846	369,279
Non-Controlling interest	(198)	(2,264)	(105)	(3,493)
	208,233	218,086	377,741	365,786

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Dawood M. Rahman

CHAIRMAN

Margamulya Devi

CHIEF EXECUTIVE

Muneez Lubiani

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM
CONSOLIDATED CASH FLOW STATEMENT [UN-AUDITED]
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

Note	December 31, 2016	December 31, 2015
	(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	512,248	516,091
Adjustments for:		
Depreciation / amortization of property, plant and equipment	228,585	202,068
Provision for doubtful debts	13,917	12,390
Property, plant and equipment written off	7,195	288
Gain on disposal of property, plant and equipment	(5,306)	(489)
Provision for compensated absences	17,378	19,723
Provision for gratuity	42,000	30,000
Provision for slow moving stores	(2,296)	6,585
Profit on investments and bank deposits	(40,033)	(11,210)
Loss on foreign currency translation	(25)	(28)
Finance cost	36,091	51,931
Operating cash flows before changes in working capital	809,754	827,349
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	76,078	1,318
Stock-in-trade	(145,732)	14,831
Trade debts	(205,737)	(152,723)
Loans and advances	(127,986)	(29,733)
Trade deposits, short term prepayments and other receivables	(20,710)	(1,488)
Increase / (decrease) in current liabilities:		
Trade and other payables	266,685	72,625
Cash generated from operations	652,352	732,179
Finance cost paid	(36,014)	(51,876)
Income tax paid	(161,789)	(119,192)
Payment to SIHL Employees' Gratuity Fund	(17,745)	(61,499)
Compensated absences paid	(17,384)	(13,704)
Net cash from operating activities	419,420	485,908
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(356,729)	(213,665)
Proceeds from disposal of property, plant and equipment	5,657	810
Profit received	39,726	11,898
Investment in subsidiary	(120)	-
(Increase) / decrease in long term deposits	(5,407)	(885)
Net cash used in investing activities	(316,873)	(201,842)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - repayments	(167,826)	(164,223)
Dividend paid	(151,367)	(197,868)
Net cash used in financing activities	(319,193)	(362,091)
Net decrease in cash and cash equivalents	(216,646)	(78,025)
Cash and cash equivalents at beginning of period	1,582,942	662,292
Effect of exchange rate changes on cash and cash equivalents	25	28
Cash and cash equivalents at end of period	13	584,295

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Dawood M. Rahman

CHAIRMAN

Maryam Farhat

CHIEF EXECUTIVE

Muneez Ishaq

CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY [UN-AUDITED]
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

Note	Share capital	Capital reserve	Unappro- priated profit	Surplus on revaluation of property, plant and 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 for the period	-	-	369,279	-	(3,493)	365,786
Other comprehensive income-net of tax	-	-	-	-	-	-
	-	-	369,279	-	(3,493)	365,786
Transfer of depreciation / amortization on incremental value arising on revaluation of property, plant and equipment attributed to current period	-	-	4,495	(4,495)	-	-
Distribution to owners						
Final dividend 2015: Rs. 4.5 per share	-	-	(227,312)	-	-	(227,312)
	-	-	(227,312)	-	-	(227,312)
Total transactions with owners						
Balance at December 31, 2015	505,138	40,000	1,849,785	746,687	(7,818)	3,133,792
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	-	-	377,846	-	(105)	377,741
Other comprehensive income-net of tax	-	-	-	-	-	-
	-	-	377,846	-	(105)	377,741
Transfer of depreciation / amortization on incremental value arising on revaluation of property, plant and equipment attributed to current period	-	-	4,495	(4,495)	-	-
Distribution to owners						
Final dividend 2016: Rs. 3 per share	-	-	(163,614)	-	-	(163,614)
	-	-	(163,614)	-	-	(163,614)
Changes in ownership interests						
Acquisition of NCI without a change in control	4	-	2,416	-	(2,536)	(120)
Balance at December 31, 2016	545,379	1,046,025	2,297,398	737,696	-	4,626,498

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Dawood M. Rahman

CHAIRMAN

Margamulya Singh

CHIEF EXECUTIVE

Muneer Lubrani

CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE HALF YEAR ENDED DECEMBER 31, 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.

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 half year ended December 31, 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.

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 half year ended December 31, 2015.

2.3 During the current period ended December 31, 2016 Shifa Consulting Services (Pvt) Limited (SCS/the subsidiary) has incurred a net loss of Rs. 1.25 million (December 2015: 8.73 million) showing a decrease in loss by 7.48 million and as of that date the cumulative losses have eroded the equity by Rs. 24.62 million (June 2016: 23.37 million) leaving a net equity of Rs. 5.38 million (June 2016: 6.63 million). Due to the above, the subsidiary is facing liquidity issues and therefore 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 half year ended December 31, 2016 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), 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 (NCI) 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 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

		Un-audited December 31, 2016	Audited June 30, 2016
	Note	(Rupees in '000')	
5 LONG TERM FINANCING - SECURED			
From banking and non-banking companies			
Syndicated Islamic Finance Facility	5.1	666,667	833,333
Diminishing Musharika Facility	5.2	5,172	6,332
		671,839	839,665
Less: Current portion		335,717	335,674
		336,122	503,991

5.1 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.

5.2 This represents a long term Islamic finance facility obtained under the diminishing musharaka basis from Al Baraka Bank (Pakistan) Limited to finance the 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%).

6 TRADE AND OTHER PAYABLES

This also 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 December 31, 2016	Audited June 30, 2016
	(Rupees in '000')	
Tameer-e-Millat Foundation	5,552	3,923
Shifa Foundation	1,413	709
Shifa Tameer-e-Millat University	-	1,657
Shifa International Hospitals Limited (SIHL) Employees' Gratuity Fund	59,368	35,113
	66,333	41,402

7 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 pasu charge on all present and future current assets of the company.

	Un-audited December 31, 2016	Audited June 30, 2016
	(Rupees in '000')	
8 CONTINGENCIES AND COMMITMENTS		
8.1 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
8.2 Commitments		
Capital expenditure contracted	71,639	282,614
Letter of credit	1,714	22,333
9 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	4,618,259	4,554,704
Capital work- in- progress (CWIP)	112,119	55,245
	4,730,378	4,609,949
9.1 Operating fixed assets		
Written down value (WDV) at the beginning of the period / year	4,554,704	4,433,704
Additions	299,683	539,004
	4,854,387	4,972,708
WDV of disposals	(351)	(838)
WDV of assets written off	(7,195)	(1,414)
Depreciation for the period / year	(228,582)	(415,752)
WDV at the end of the period / year	4,618,259	4,554,704

Note



	Un-audited December 31, 2016	Audited June 30, 2016
	(Rupees in '000')	
<u>Note</u>		
9.1.1 Additions to operating fixed assets		
Freehold land	-	66,402
Leasehold improvements	25,224	-
Building on leasehold land	-	29,245
Biomedical equipment	197,410	290,421
Air conditioning equipment and machinery	6,943	40,796
Electrical and other equipment	19,451	40,196
Furniture and fittings	16,360	17,067
Computer installations	34,295	37,557
Vehicles	-	17,320
	299,683	539,004
9.2 Capital work-in-progress		
Opening work-in-progress	55,245	54,515
Additions during the period / year	82,098	29,975
Transferred to operating fixed assets	(25,224)	(29,245)
Closing work-in-progress	112,119	55,245
10 TRADE DEBTS		
Considered good		
Related party - Shifa Foundation	13,520	9,020
Related party - Shifa Tameer-e-Millat University (STMU)	13,626	-
Others	510,169	336,475
Considered doubtful		
Others	61,476	47,559
	598,791	393,054
Less: provision for doubtful debts	61,476	47,559
	537,315	345,495

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

	Un-audited December 31, 2016	Audited June 30, 2016
	(Rupees in '000')	
Balance at beginning of the period / year	47,559	28,380
Provision made during the period / year	13,917	19,179
	61,476	47,559

11 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 SHL 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).ⁱⁱ

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')									
December 31, 2016 (Un-audited)									
Financial assets not measured at fair value									
Non-current assets									
Long term deposits	42,576	-	-	-	42,576	-	-	-	-
Current assets									
Trade debits - considered good	537,315	-	-	-	537,315	-	-	-	-
Loans and advances - considered good	47,559	-	-	-	47,559	-	-	-	-
Trade deposits	4,774	-	-	-	4,774	-	-	-	-
Markup accrued	1,808	-	-	-	1,808	-	-	-	-
Other financial assets	993,111	-	-	-	993,111	-	-	-	-
Cash and bank balance	441,174	-	-	-	441,174	-	-	-	-
	2,068,317	-	-	-	2,068,317	-	-	-	-



	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	-	-	-	336,122	336,122	-	-	-	-
Current liabilities									
Trade and other payables	-	-	-	1,688,115	1,688,115	-	-	-	-
Markup accrued	-	-	-	560	560	-	-	-	-
Short term borrowings	-	-	-	69,984	69,984	-	-	-	-
Current portion of long term financing	-	-	-	335,717	335,717	-	-	-	-
	-	-	-	2,430,498	2,430,498	-	-	-	-
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	-	-	-	-



	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	-	-	-	-
	-	-	-	1,423,233	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	
		December 31, 2016	December 31 2015
		(Rupees in '000')	
12	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	72,013	23,480
	Revenue from rent	202	202
	Other services provided to the SIHL	7,920	7,920
	Donation given by the SIHL	1,200	-
	Tameer-e-Millat Foundation - (Related party by virtue of common directorship)		
	Revenue from services earned by the SIHL	-	8
	Revenue from rent	155	22
	Other supplies provided to the SIHL	10,153	7,243
	Other services provided to the SIHL	3,235	1,439
	Rent paid by SIHL	1,343	897
	SIHL Employees' Gratuity Fund		
	Contributions made by the SIHL	17,745	61,499
	Shifa Tameer-e- Millat University - (Related party by virtue of common directorship)		
	Revenue from services earned by the SIHL	2,166	2,218
	Revenue from rent	12,320	11,905
	Expenses paid by and reimbursed to the SIHL	11,231	12,128
	Other supplies provided to the SIHL	-	1,300
	Donation given by the SIHL	25,000	50,000
	Advance given by the SIHL	12,500	-
	Remuneration including benefits & perquisites of key management personnel	150,730	124,784
13	CASH AND CASH EQUIVALENTS		
	Cash and bank balances	443,194	487,181
	Other financial assets	993,111	97,114
	Short term borrowings	(69,984)	-
		1,366,321	584,295
14	EARNINGS PER SHARE - BASIC AND DILUTED		
	Weighted average number of ordinary shares for the corresponding period has been restated to accommodate the bonus element as the right issue was made below the prevailing market price of shares at March 18, 2016.		

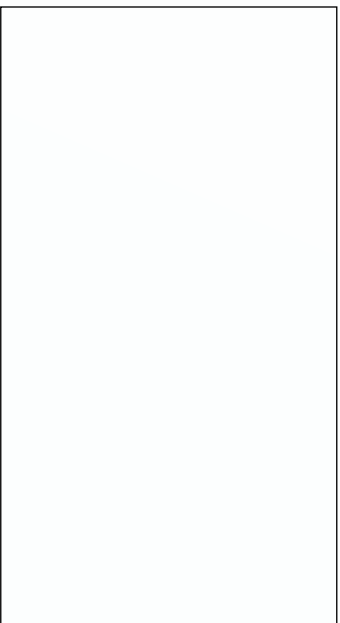
**15 GENERAL**

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

15.2 This condensed interim consolidated financial information has been authorised for issue by the Board of Directors of SIHL on January 28, 2017.

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

BOOK POST
Under Certificate of Posting



If undelivered please return to:
Shares Department



شفاء انٹرنیشنل ہسپتال اسلام آباد

Shifa International Hospitals Ltd.

Sector : H-8/4, Islamabad - Pakistan

