

Shifa
International
Hospitals Ltd.



**Condensed Interim
Financial Information**

**for the Third Quarter and Nine
Months Ended March 31, 2018**



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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 Financial Officer:	Mr. Ahmad Sana
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 Habib Bank Limited United Bank Limited Faysal Bank Limited Askari Bank Limited Dubai Islamic 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, we are pleased to present the Condensed Interim Financial Information of the Company for the nine months ended March 31, 2018. Condensed Interim Consolidated Financial Information for the nine months ended March 31, 2018 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)		
	2018	2017	Change%
Net Revenue	7,709	7,013	10
Profit before taxation	660	773	(14.6)
Profit after taxation	470	562	(16.4)
Earnings Per Share - (Rs.)	8.63	10.30	(16.2)

The above results indicate an overall revenue growth of 10.0% as compared to corresponding period of the last year. The operating cost has been increased by 11.8% from Rs. 6,289 million to Rs. 7,030 million mainly due to increase in salaries & wages, depreciation, repair & maintenance and rent etc. Finance cost has been increased by 25.3% as compared to corresponding period of last year due to availing new long term loan. Had there been no investment in land and equipment in order to expand our services geographically finance cost would have been reduced by 13.3% and would have been resulted into better earnings per share as is being reported. All these factors entailed the increase in costs and hence resulted into earnings per share of Rs. 8.63 against Rs. 10.30 in the corresponding period last year.

Due to some unforeseen circumstances, the commissioning of Block-C could not be achieved in the anticipated time period. However, we are confident that the Block-C shall be made operational during the current quarter.

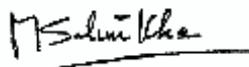
The Company appointed JCR-VIS Credit Rating Company Limited to assign credit rating as a result of which your Company has been assigned initial entity ratings of A-1 and AA- whereas Outlook on the assigned rating is 'Stable'.

The Board would like to put on record its appreciation for consultants, employees, customers and strategic partners for their dedication, commitment and contributions towards the growth of the Company. The Board also extends its gratitude to government authorities, suppliers, banks and shareholders for their unrelenting support and cooperation.

For and on behalf of the Board of Directors



DR. MANZOOR H. QAZI
Chief Executive Officer



DR. MOHAMMAD SALIM KHAN
Executive Director

Islamabad
April 26, 2018

ڈائریکٹرز رپورٹ

معزز ممبران،

بورڈ کے ڈائریکٹرز کی جانب سے ہم کمپنی کی 31 مارچ 2018ء کو ختم ہونے والی تیسری سہ ماہی کی مجموعی عبوری مالیاتی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ 31 مارچ 2018ء کو ختم ہونے والی تیسری سہ ماہی کی مجموعی 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 والی تیسری سہ ماہی (پاکستانی روپے ملین میں)			مالیاتی جھلکیاں
تبدیلی (فیصد)	2017	2018	
10	7,013	7,709	خالص آمدنی
(14.6)	773	660	منافع قبل از ٹیکس
(16.4)	562	470	منافع بعد از ٹیکس
(16.2)	10.30	8.63	آمدنی فی شیئر - (روپے)

مندرجہ بالا نتائج خالص آمدنی میں گزشتہ سال اسی مدت کے مقابلے میں 10 فیصد کا اضافہ ظاہر کرتے ہیں۔ آپریٹنگ لاگت 11.8 فیصد اضافے کے ساتھ 6,289 ملین روپے سے بڑھ کر 7,030 ملین روپے ہو گئی ہے جس کی بنیادی وجوہات تنخواہوں و اجرتوں میں اضافہ، اثاثوں کی بوسیدگی، مرمت و بحالی اور کرائے وغیرہ کے اخراجات میں اضافہ ہیں۔ فنانس کاسٹ گزشتہ سال اسی مدت کے مقابلے میں 25.3 فیصد بڑھ گئی ہے جس کی وجہ نئے طویل مدتی قرضوں کا حصول ہے۔ اگر اپنی خدمات کو جغرافیائی طور پر بڑھانے کے لئے اراضی اور ساز و سامان میں سرمایہ کاری نہ کی گئی ہوتی تو فنانس کاسٹ میں 13.3 فیصد کمی ہو گئی ہوتی اور اس کے نتیجے میں آمدنی فی شیئر کی شرح رپورٹ کردہ شرح سے بہتر ہوتی۔ یہ تمام عوامل اخراجات میں اضافے کا باعث بنے لہذا اس کے نتیجے میں آمدنی فی شیئر 8.63 روپے رہی جو کہ گزشتہ سال اسی عرصے کے مقابلے میں 10.30 روپے تھی۔

ناگزیر حالات کی وجہ سے بلاک-C کی تکمیل متوقع وقت کے اندر نہ ہو سکی۔ البتہ ہم پر اعتماد ہیں کہ موجودہ سہ ماہی کے دوران بلاک-C آپریشنل ہو جائے گا۔

کمپنی نے کریڈٹ ریٹنگ کی تفویض کے لئے JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ کو مقرر کیا جس کے نتیجے میں آپ کی کمپنی کو A-1 اور AA کی ابتدائی اداریاتی درجہ بندی دی گئی ہے جبکہ تفویض کردہ درجہ بندی پر آؤٹ لک ”مستحکم“ ہے۔

بورڈ کمپنی کی نشوونما کے پیش نظر اپنے کنسلٹنٹس، ملازمین، صارفین اور سٹریٹجک پارٹنرز کی لگن، عزم اور کردار کو سراہتا ہے۔ مزید یہ کہ بورڈ سرکاری حکام، سپلائرز، بینکوں اور شیئر ہولڈرز کی لگاتار حمایت اور تعاون کا بھی شکر گزار ہے۔

برائے اور بجانب بورڈ آف ڈائریکٹرز

M. Salim Khan

ڈاکٹر محمد سلیم خان
ایگزیکٹو ڈائریکٹر

M. Anwar H. Qureshi

ڈاکٹر منظور علی قاضی
چیف ایگزیکٹو آفیسر

اسلام آباد

26 اپریل 2018

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2018

		Un-audited March 31, 2018	Audited June 30, 2017
	Note	(Rupees in '000')	
SHARE CAPITAL AND RESERVES			
Share capital		545,379	545,379
Capital reserve		1,046,025	1,046,025
Unappropriated profit		2,757,788	2,553,295
		4,349,192	4,144,699
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
		720,017	726,760
NON - CURRENT LIABILITIES			
Long term financing - secured	4	1,493,484	168,228
Deferred taxation		392,546	413,646
		1,886,030	581,874
CURRENT LIABILITIES			
Trade and other payables	5	2,322,272	1,958,990
Markup accrued		11,790	398
Current portion of long term financing	4	252,129	335,764
		2,586,191	2,295,152
		9,541,430	7,748,485
CONTINGENCIES AND COMMITMENTS			
	6		

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

Danish M. Rahman

CHAIRMAN

		Un-audited March 31, 2018	Audited June 30, 2017
	Note	(Rupees in '000')	
NON-CURRENT ASSETS			
Property, plant and equipment	7	6,059,496	5,457,545
Intangible		33,262	10,585
Long term investment - at cost		18,120	18,120
Long term loans and advances	8	1,000,000	-
Long term deposits		61,781	45,273
		7,172,659	5,531,523
CURRENT ASSETS			
Stores, spare parts and loose tools		96,304	81,195
Stock-in-trade		462,752	380,052
Trade debts - considered good	9	747,488	447,770
Loans and advances - considered good		308,467	339,614
Trade deposits, short term prepayments and other receivables		50,595	38,498
Markup accrued		-	1,165
Other financial assets		-	189,451
Tax refunds due from the government (net of provision)		271,577	97,474
Cash and bank balances		431,588	641,743
		2,368,771	2,216,962
		9,541,430	7,748,485



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT [UN-AUDITED]
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2018**

	For the quarter ended		For the nine months ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	(Rupees in '000')			
Net revenue	2,564,260	2,390,066	7,708,804	7,012,823
Other income	9,885	26,537	45,501	101,121
Operating costs	(2,326,996)	(2,140,940)	(7,029,598)	(6,289,343)
Finance costs	(35,278)	(15,727)	(64,928)	(51,817)
Profit before taxation	211,871	259,936	659,779	772,784
Provision for taxation	(59,385)	(77,276)	(189,339)	(210,968)
Profit after taxation	152,486	182,660	470,440	561,816
Earnings per share basic and diluted (Rupees)	2.80	3.35	8.63	10.30

The annexed notes 1 to 13 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, 2018**

	For the quarter ended		For the nine months ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	(Rupees in '000')			
Profit after taxation	152,486	182,660	470,440	561,816
Other comprehensive income				
Realization of revaluation surplus on disposal of asset	-	3,221	-	3,221
Other comprehensive income for the period - net of tax	-	3,221	-	3,221
Total comprehensive income for the period	152,486	185,881	470,440	565,037

The annexed notes 1 to 13 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 THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2018**

Note	March 31, 2018	March 31, 2017
	(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	659,779	772,784
Adjustments for:		
Depreciation/amortization of property, plant and equipment	368,998	343,953
Amortization of intangible	3,049	-
Provision for doubtful debts	24,116	23,480
Property, plant and equipment written off	2,285	10,253
Gain on disposal of property, plant and equipment	(1,143)	(8,101)
Provision for compensated absences	30,410	29,381
Provision for gratuity	67,999	63,000
Provision for slow moving stores	318	(2,296)
Profit on investments and bank deposits	(11,185)	(52,694)
Loss/ (gain) on foreign currency translation	31	(25)
Finance cost	64,928	51,817
Operating cash flows before changes in working capital	1,209,585	1,231,552
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(16,738)	69,044
Stock-in-trade	(82,700)	(181,176)
Trade debts	(323,835)	(285,211)
Loans and advances	31,147	(199,713)
Trade deposits and short term prepayments	(12,097)	(6,652)
Increase/(decrease) in current liabilities:		
Trade and other payables	328,814	256,909
Cash generated from operations	1,134,176	884,753
Finance cost paid	(53,536)	(51,715)
Income tax paid	(384,543)	(234,800)
Payment to SIHL Employees' Gratuity Fund	(47,654)	(29,558)
Compensated absences paid	(25,565)	(22,948)
Net cash from operating activities	622,878	545,732
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(999,001)	(992,248)
Encashment of other financial assets	50,000	-
Proceeds from disposal of property, plant and equipment	2,495	19,457
Markup received	12,350	53,836
Investment in subsidiary	-	(120)
Increase in long term loans and advances	(1,000,000)	-
Increase in long term deposits	(16,508)	(3,983)
Net cash used in investing activities	(1,950,664)	(923,058)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - repayments	(251,814)	(251,701)
Long term financing - proceeds	1,493,435	-
Dividend paid	(263,410)	(174,235)
Net cash generated from/ (used in) financing activities	978,211	(425,936)
Net decrease in cash and cash equivalents	(349,575)	(803,262)
Cash and cash equivalents at beginning of period	781,194	1,582,690
Effect of exchange rate changes on cash and cash equivalents	(31)	25
Cash and cash equivalents at end of period	431,588	779,453

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

Dasir m Rahman

CHAIRMAN

Marjuna Singh

CHIEF EXECUTIVE

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CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY [UN-AUDITED]
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2018**

	Share capital	Capital reserve	Unappro- priated profit	Surplus on revaluation of property, plant and equipment	Total
	(Rupees in '000')				
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>
Balance at July 01, 2017	545,379	1,046,025	2,553,295	726,760	4,871,459
Total comprehensive income for the period					
Profit for the period	-	-	470,440	-	470,440
Other comprehensive income - net of tax	-	-	-	-	-
	-	-	470,440	-	470,440
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 2017: Rs. 5 per share	-	-	(272,690)	-	(272,690)
Balance at March 31, 2018	<u>545,379</u>	<u>1,046,025</u>	<u>2,757,788</u>	<u>720,017</u>	<u>5,069,209</u>

The annexed notes 1 to 13 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, 2018**

1 LEGAL STATUS AND NATURE OF BUSINESS

Shifa International Hospitals Limited ("the Company") was incorporated in Pakistan on September 29, 1987 as a private limited company under the Companies Ordinance, 1984 and converted into a public limited company on October 12, 1989. The Company is listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at Sector H-8/4, Islamabad.

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

2 BASIS OF PREPARATION

- 2.1** The Companies Act, 2017 was enacted on 30 May 2017 and SECP vide its circular 23 of 2017 has clarified that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. However the Companies whose financial year closes after December 31, 2017 shall prepare financial statements in accordance with the provision of the Companies Act, 2017.
- 2.2** This condensed interim financial information of the Company for the nine months ended March 31, 2018 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 Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.
- 2.3** This condensed interim financial information is un-audited and is being submitted to the shareholders in accordance with the requirements of Section 237 of the Companies Act 2017. This condensed interim financial information do not include all of the information required for annual financial statements, and should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2017. Comparative condensed interim balance sheet is extracted from annual financial statements as of June 30, 2017, whereas comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from un-audited condensed interim financial information for the nine months ended March 31, 2017.

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, 2017.

	<u>Note</u>	Un-audited March 31, 2018	Audited June 30, 2017
(Rupees in '000')			
4 LONG TERM FINANCING - SECURED			
From banking companies:			
Syndicated Islamic Finance Facility - 1	4.1	250,000	500,000
Syndicated Islamic Finance Facility - 2	4.2	1,493,435	-
Diminishing Musharakah facility	4.3	2,178	3,992
		1,745,613	503,992
Less: current portion		252,129	335,764
		1,493,484	168,228

- 4.1** This represents syndicated Islamic finance facility, arranged and lead by Meezan Bank Limited, obtained on markup basis at 3 months KIBOR plus 1% (June 2017: 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 2017: Rs. 1,500 million) which shall be repaid by December 28, 2018. The financing is secured by ranking charge upgraded into first pari passu charge on all present and future fixed assets of the Company (excluding plot No.5, F-11 Markaz, Islamabad) amounting to Rs. 2,000 million. Meezan Bank Limited has the custody of original ownership documents of the Company's land located at sector H-8/4 Islamabad.
- 4.2** During the nine months ended March 31, 2018, the Company availed another syndicated Islamic finance facility, arranged and lead by Meezan Bank Limited, obtained on markup basis at 3 months KIBOR plus 0.85% per annum, repayable in 14 equal quarterly installments. During the period ended March 31, 2018 the Company availed Rs. 1,500 million out of the total sanction limit of facility Rs. 2,000 million which shall be repaid by November 22, 2023. The financing is secured by ranking charge upgraded into first pari passu charge on all present and future movable fixed assets and land / building located at H-8/4, Islamabad to Rs. 2,667 million.
- 4.3** This represents a long term Islamic finance facility obtained under the Diminishing Musharakah basis from Al Baraka Bank (Pakistan) Limited to finance purchase of brand new vehicles. Principal amount is repayable in 36 equal monthly installments carrying markup at 3 months KIBOR plus 1.25% (June 2017: 3 months KIBOR plus 1.25%).

	Un audited March 31, 2018	Audited June 30, 2017
	(Rupees in '000')	
4.4 Movement during the period / year		
Opening Balance	503,992	839,655
Proceeds during the period / year	1,493,435	-
Repayment during the period / year	(251,814)	(335,663)
Closing Balance	1,745,613	503,992
5 TRADE AND OTHER PAYABLES		
This also includes payables to following related parties:		
Tameer-e-Millat Foundation	9,676	5,336
Shifa Tameer-e-Millat University	23,572	22,949
Shifa Consulting Services (Private) Limited	-	885
Shifa International Hospitals Limited (SIHL)		
Employees' Gratuity Fund	55,652	35,308
	88,900	64,478
6 CONTINGENCIES AND COMMITMENTS		
6.1 Contingencies		
Claims against the Company not acknowledged as debt		
Patients	111,000	111,000
Others	20,000	20,000
Letter of guarantee	34,600	34,600
6.2 Commitments		
Capital expenditure	583,016	96,548
Letter of credit	50,548	59,055

- 6.3** The tax authority amended the assessment for tax year 2016 under section 122 (5A) of the Income Tax Ordinance, 2001 and raised tax demand of Rs. 566.2 million. Being aggrieved, the Company agitated the assessment in appeal before the Commissioner (Appeal) which was decided unfavorably and against which the Company filed second appeal before the Appellate Tribunal Inland Revenue [ATIR], which is pending for adjudication. The Company is confident for a favorable outcome and therefore, no provision in respect of this matter has been recorded in this condensed interim financial information.
- 6.4** The tax authority levied tax of Rs. 178.4 million under section 161/205 of the Income Tax Ordinance, 2001 for tax year 2014 on the alleged non deduction of tax on payments. Being aggrieved, the Company agitated the assessment in appeal before the Commissioner (Appeal) which is pending for adjudication. The Company is confident for a favorable outcome and therefore, no provision in respect of this matter has been recorded in this condensed interim financial information.

		Un audited March 31, 2018	Audited June 30, 2017
		(Rupees in '000')	
7	PROPERTY, PLANT AND EQUIPMENT		
		Note	
	Operating fixed assets	7.1	
	Capital work in progress (CWIP)	7.2	
		5,448,136	5,293,984
		611,360	163,561
		6,059,496	5,457,545
7.1	Operating fixed assets		
	Written down value (WDV) at the beginning of the period/year		
	Additions	7.1.1	
		5,293,984	4,551,370
		526,786	1,241,570
		5,820,770	5,792,940
	WDV of disposals	(1,351)	(22,563)
	WDV of assets written off	(2,285)	(13,189)
	Depreciation for the period/year	(368,998)	(463,204)
	WDV at the end of the period/year	5,448,136	5,293,984
7.1.1	Additions to operating fixed assets		
	Freehold land	136,727	565,777
	Building on leasehold land	-	102,941
	Biomedical equipment	146,902	387,034
	Air conditioning equipment and machinery	49,926	20,945
	Electrical and other equipment	143,947	34,015
	Leasehold improvements	-	35,295
	Furniture and fittings	11,789	25,353
	Computer installations	35,329	62,097
	Construction equipment	500	830
	Vehicles	1,666	7,283
		526,786	1,241,570

		Un-audited March 31, 2018	Audited June 30, 2017
	(Rupees in '000')		
	Note		
7.2 Capital work in progress			
Opening capital work in progress		163,561	55,245
Additions during the period/year		485,159	246,552
Transferred to operating fixed assets		(37,360)	(138,236)
Closing capital work in progress	7.2.1	611,360	163,561
7.2.1 Capital work in progress			
Construction work-in-progress - at cost		270,685	68,932
Stores held for capital expenditure		3,207	47,286
Installation of equipment in progress		158,672	47,343
Advance for acquisition of land		178,796	-
		611,360	163,561

8. Long term Loans and Advances

It represents advance paid for acquisition of land and building for future neuro sciences project.

		Un-audited March 31, 2018	Audited June 30, 2017
	(Rupees in '000')		
	Note		
9 TRADE DEBTS			
Considered good - unsecured			
Related party - Shifa Foundation		31,371	12,979
Others		716,117	434,791
Considered doubtful			
Others		62,347	55,078
Considered bad			
Others		16,847	29,130
		826,682	531,978
Less: provision for doubtful debts	9.1	62,347	55,078
Less: bad debts written off		16,847	29,130
		747,488	447,770

9.1 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 follow:

	Un-audited March 31, 2018	Audited June 30, 2017
	(Rupees in '000')	
Balance at beginning of the period / year	55,078	47,559
Provision made during the period / year	24,116	36,649
Less: bad debts written off	16,847	29,130
	62,347	55,078

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 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	Other financial instruments	Total	Level 1	Level 2	Level 3	Total
	42,353	-	-	-	42,353	-	-	-	-
	747,488	-	-	-	747,488	-	-	-	-
	21,256	-	-	-	21,256	-	-	-	-
	428,384	-	-	-	428,384	-	-	-	-
	1,239,481	-	-	-	1,239,481	-	-	-	-

(Rupees in '000')

**March 31, 2018 (Un-audited)
Financial assets not measured at fair value**

Non-current assets
Long term deposits

Current assets
Trade debts - considered good
Trade deposits
Cash and bank balances

11 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. Significant transactions with related parties executed during the current period were as follows:

	Un-audited	
	March 31, 2018	March 31, 2017
	(Rupees in '000')	
Shifa Foundation: (Related party by virtue of common directorship)		
Revenue from services earned by the Company	111,580	92,015
Revenue from rent	33	33
Expenses paid by and reimbursed to the Company	1,120	812
Other services provided to the Company	11,880	11,880
Donation paid by the Company	-	1,800
Tameer-e-Millat Foundation: (Related party by virtue of common directorship)		
Revenue from rent	233	233
Other supplies provided to the Company	9,060	16,406
Other services provided to the Company	11,750	3,827
Expenses paid by and reimbursed to the Company	-	169
Rent paid by the Company	1,676	1,816
SIHL Employees' Gratuity Fund		
Payments made by the Company	47,654	29,558
Shifa Tameer-e-Millat University (Related party by virtue of common directorship)		
Revenue from services earned by the Company	31,132	20,006
Revenue from rent	1,539	13,086
Expenses paid by and reimbursed to the Company	1,491	13,162
Donation paid by the Company	25,000	37,500
Shifa Consulting Services (Private) Limited (A wholly owned subsidiary)		
Revenue from services earned by the Company	-	21
Expenses paid by and reimbursed to the Company	469	299
Other supplies provided to the Company	-	360
Consultancy services provided to the Company	-	13,500
12 CASH AND CASH EQUIVALENTS		
Cash and bank balances	431,588	476,954
Other financial assets	-	392,395
Short term borrowings	-	(89,896)
	431,588	779,453

13 GENERAL

- 13.1** Figures have been rounded off to the nearest one thousand Pak Rupees.
- 13.2** Corresponding figures where necessary have been rearranged and reclassified for the purpose of comparison and better presentation. However, these are not considered material enough to be disclosed separately.
- 13.3** This condensed interim financial information has been authorized for issue by the Board of Directors of the Company on April 26, 2018.

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



SHIFA INTERNATIONAL HOSPITALS LIMITED

**Condensed Interim Consolidated
Financial Information for the
third Quarter and Nine months ended
March 31, 2018**

**CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2018**

		Un-audited March 31, 2018	Audited June 30, 2017
	Note	(Rupees in '000')	
SHARE CAPITAL AND RESERVES			
Share capital		545,379	545,379
Capital reserve		1,046,025	1,046,025
Unappropriated profit		2,742,899	2,539,594
		4,334,303	4,130,998
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
		720,017	726,760
NON - CURRENT LIABILITIES			
Long term financing - secured	4	1,493,484	168,228
Deferred taxation		392,546	413,646
		1,886,030	581,874
CURRENT LIABILITIES			
Trade and other payables	5	2,324,239	1,959,884
Markup accrued		11,790	398
Current portion of long term financing	4	252,129	335,764
		2,588,158	2,296,046
		9,528,508	7,735,678
CONTINGENCIES AND COMMITMENTS			
	6		

The annexed notes 1 to 13 form an integral part of this condensed interim consolidated financial information.

Dawood M. Rahman

CHAIRMAN

		Un-audited March 31, 2018	Audited June 30, 2017
	Note	(Rupees in '000')	
NON-CURRENT ASSETS			
Property, plant and equipment	7	6,060,062	5,458,261
Intangible		33,262	10,585
Long term loans and advances	8	1,000,000	-
Long term deposits		61,781	45,273
		7,155,105	5,514,119
CURRENT ASSETS			
Stores, spare parts and loose tools		96,304	81,195
Stock-in-trade		462,752	380,052
Trade debts - considered good	9	749,256	450,056
Loans and advances - considered good		308,512	339,628
Trade deposits, short term prepayments and other receivables		50,526	39,334
Markup accrued		-	1,165
Other financial assets		-	189,451
Tax refunds due from the government (net of provision)		271,646	97,543
Cash and bank balances		434,407	643,135
		2,373,403	2,221,559
		9,528,508	7,735,678



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM CONSOLIDATED
PROFIT AND LOSS ACCOUNT [UN-AUDITED]
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2018**

	For the quarter ended		For the nine months ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
			(Rupees in '000')	
Net revenue	2,568,196	2,392,190	7,716,952	7,017,728
Other income	9,886	25,851	45,501	100,436
Operating costs	(2,330,036)	(2,139,361)	(7,038,231)	(6,291,146)
Finance costs	(35,285)	(15,727)	(64,944)	(51,819)
Profit before taxation	212,761	262,953	659,278	775,199
Provision for taxation	(59,737)	(78,458)	(190,026)	(212,965)
Profit after taxation	153,024	184,495	469,252	562,234
Attributable to:				
Equity holders of SIHL	153,024	184,495	469,252	562,339
Non-Controlling interest	-	-	-	(105)
	153,024	184,495	469,252	562,234
Earnings per share basic and diluted (Rupees)	2.81	3.38	8.60	10.31

The annexed notes 1 to 13 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, 2018**

	For the quarter ended		For the nine months ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	(Rupees in '000')			
Profit after taxation	153,024	184,495	469,252	562,234
Other comprehensive income				
Realization of revaluation surplus on disposal of asset	-	3,221	-	3,221
Other comprehensive income for the period - net of tax	-	3,221	-	3,221
Total comprehensive income for the period	153,024	187,716	469,252	565,455
Attributable to:				
Equity holders of SIHL	153,024	187,716	469,252	565,560
Non-Controlling interest	-	-	-	(105)
	153,024	187,716	469,252	565,455

The annexed notes 1 to 13 form an integral part of this condensed interim consolidated financial information.



CHAIRMAN



CHIEF EXECUTIVE



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, 2018 (Rupees in '000')	March 31, 2017 (Rupees in '000')
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	659,278	775,199
Adjustments for:		
Depreciation/amortization of property, plant and equipment	369,148	344,664
Amortization of intangible	3,049	-
Provision for doubtful debts	26,202	25,232
Property, plant and equipment written off	2,285	10,253
Gain on disposal of property, plant and equipment	(1,143)	(7,415)
Provision for compensated absences	30,410	29,381
Provision for gratuity	67,999	63,000
Provision for slow moving stores	318	(2,296)
Profit on investments and bank deposits	(11,185)	(52,694)
Loss/ (gain) on foreign currency translation	31	(25)
Finance cost	64,944	51,819
Operating cash flows before changes in working capital	1,211,336	1,237,118
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(16,738)	69,044
Stock-in-trade	(82,700)	(181,176)
Trade debts	(325,406)	(285,211)
Loans and advances	31,116	(198,771)
Trade deposits and short term prepayments	(11,192)	(7,247)
Increase/(decrease) in current liabilities:		
Trade and other payables	329,889	255,156
Cash generated from operations	1,136,305	888,913
Finance cost paid	(53,552)	(51,717)
Income tax paid	(385,229)	(236,108)
Payment to SIHL Employees' Gratuity Fund	(47,654)	(29,558)
Compensated absences paid	(25,565)	(22,948)
Net cash from operating activities	624,305	548,582
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(999,001)	(991,885)
Encashment of other financial assets	50,000	-
Proceeds from disposal of property, plant and equipment	2,495	20,468
Markup received	12,350	53,836
Investment in subsidiary	-	(120)
Increase in long term loans and advances	(1,000,000)	-
Increase in long term deposits	(16,508)	(3,673)
Net cash used in investing activities	(1,950,664)	(921,374)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - repayments	(251,814)	(251,701)
Long term financing - proceeds	1,493,435	-
Dividend paid	(263,410)	(174,235)
Net cash generated from/ (used in) financing activities	978,211	(425,936)
Net decrease in cash and cash equivalents	(348,148)	(798,728)
Cash and cash equivalents at beginning of period	782,586	1,582,942
Effect of exchange rate changes on cash and cash equivalents	(31)	25
Cash and cash equivalents at end of period	434,407	784,239

The annexed notes 1 to 13 form an integral part of this condensed interim consolidated financial information.

Davide M. Rahman

CHAIRMAN

Margaret M. Singh

CHIEF EXECUTIVE

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CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM CONSOLIDATED
 STATEMENT OF CHANGES IN EQUITY [UN-AUDITED]
 FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2018**

	Share capital	Capital reserve	Unappropri- ated profit	Surplus on revaluation of property, plant and equipment	Non- Controlling Interest	Total
	(Rupees in '000')					
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)	-	-
	-	-	565,560	(3,221)	(105)	562,234
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)
Changes in ownership interests						
Acquisition of NCI without a change in control	-	-	2,416	-	(2,536)	(120)
Balance at March 31, 2017	545,379	1,046,025	2,487,359	732,228	-	4,810,991
Balance at July 01, 2017	545,379	1,046,025	2,539,594	726,760	-	4,857,758
Total comprehensive income for the period						
Profit for the period	-	-	469,252	-	-	469,252
Other comprehensive income - net of tax	-	-	-	-	-	-
	-	-	469,252	-	-	469,252
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 2017: Rs. 5 per share	-	-	(272,690)	-	-	(272,690)
Balance at March 31, 2018	545,379	1,046,025	2,742,899	720,017	-	5,054,320

The annexed notes 1 to 13 form an integral part of this condensed interim consolidated financial information.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2018

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 repealed Companies Ordinance, 1984 and converted into a public limited company on October 12, 1989. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The registered office of the SIHL is situated at Sector H-8/4, Islamabad.

- 1.1 The principal activity of the SIHL is to establish and run medical centers 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. The SIHL is also running medical center, pharmacies in Islamabad and franchise pharmacies and Lab collection points in different cities of Pakistan.
- 1.2 Shifa Consulting Services (Private) Limited (SCSPL) 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 The Companies Act, 2017 was enacted on 30 May 2017 and SECP vide its circular 23 of 2017 has clarified that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. However the Companies whose financial year closes after December 31, 2017 shall prepare financial statements in accordance with the provision of the Companies Act, 2017. This condensed interim consolidated financial information of the Company for the nine months ended March 31, 2018 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 Act 2017 (the Act) and the listing regulations of Pakistan Stock Exchange Limited. In case where requirements differ, the provisions of or directives issued under the Companies Act 2017 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 237 of the Companies Act 2017 (the Act). This condensed interim consolidated financial information do 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 Company for the year ended June 30, 2017. Comparative condensed interim consolidated balance sheet is extracted from annual consolidated financial statements as of June 30, 2017, 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 nine months ended March 31, 2017.
- 2.3 During the current nine months, the SCSPL has incurred a net loss of Rs. 1.3 million. Moreover, during the current quarter ended March 31, 2018, the SCSPL has earned a net profit of Rs. 0.5 million showing earnings per share of Rs. 0.17. Moreover, the management of the SCSPL is hopeful to materialize few more projects in near future. In view of above the SCSPL's management is of the firm view that the SCSPL is a viable business venture and fully capable to finance its operations necessary to continue as a going concern and therefore the condensed interim financial information of SCSPL have been prepared under a going concern assumption.

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 2017: 100% 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. There is no non-controlling interest in the consolidated balance sheet of Shifa International Hospitals Limited as Shifa Consulting Services (Private) Limited is the wholly owned (100% owned) subsidiary of SIHL.

		Un-audited March 31, 2018	Audited June 30, 2017
	Note	(Rupees in '000')	
4 LONG TERM FINANCING - SECURED			
From banking companies:			
Syndicated Islamic Finance Facility - 1	4.1	250,000	500,000
Syndicated Islamic Finance Facility - 2	4.2	1,493,435	-
Diminishing Musharakah facility	4.3	2,178	3,992
		1,745,613	503,992
Less: Current portion		252,129	335,764
		1,493,484	168,228

- 4.1** This represents syndicated Islamic finance facility, arranged and lead by Meezan Bank Limited, obtained on markup basis at 3 months KIBOR plus 1% (June 2017: 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 2017: Rs. 1,500 million) which shall be repaid by December 28, 2018. The financing is secured by ranking charge upgraded into first pari passu charge on all present and future fixed assets of the SIHL (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 SIHL's land located at sector H-8/4 Islamabad.
- 4.2** During the nine months ended March 31, 2018, the SIHL availed another syndicated Islamic finance facility, arranged and lead by Meezan Bank Limited, obtained on markup basis at 3 months KIBOR plus 0.85% per annum, repayable in 14 equal quarterly installments. During the period ended March 31, 2018 the SIHL availed Rs. 1,500 million out of the total sanction limit of facility Rs. 2,000 million which shall be repaid by November 22, 2023. The financing is secured by ranking charge upgraded into first pari passu charge on all present and future movable fixed assets and land / building located at H-8/4, Islamabad to Rs. 2,667 million.
- 4.3** This represents a long term Islamic finance facility obtained under the Diminishing Musharakah basis from Al Baraka Bank (Pakistan) Limited to finance purchase of brand new vehicles. Principal amount is repayable in 36 equal monthly installments carrying markup at 3 months KIBOR plus 1.25% (June 2017: 3 months KIBOR plus 1.25%).

	Un-audited March 31, 2018	Audited June 30, 2017
	(Rupees in '000')	
4.4 Movement during the period / year		
Opening Balance	503,992	839,655
Proceeds during the period / year	1,493,435	-
Repayment during the period / year	(251,814)	(335,663)
Closing Balance	1,745,613	503,992

		Un-audited March 31, 2018	Audited June 30, 2017
		(Rupees in '000')	
5	TRADE AND OTHER PAYABLES		
	This also includes payables to following related parties:		
	Tameer-e-Millat Foundation	9,676	5,336
	Shifa Tameer-e-Millat University	23,572	22,949
	Shifa International Hospitals Limited (SIHL)		
	Employees' Gratuity Fund	55,652	35,308
		88,900	63,593
6	CONTINGENCIES AND COMMITMENTS		
6.1	Contingencies		
	Claims against the SIHL not acknowledged as debt		
	Patients	111,000	111,000
	Others	20,000	20,000
	Letter of guarantee	34,600	34,600
6.2	Commitments		
	Capital expenditure	583,016	96,548
	Letter of credit	50,548	59,055
6.3	The tax authority amended the assessment of SIHL for tax year 2016 under section 122 (5A) of the Income Tax Ordinance, 2001 and raised tax demand of Rs. 566.2 million. Being aggrieved, the SIHL agitated the assessment in appeal before the Commissioner (Appeal) which was decided unfavorably and against which the SIHL filed second appeal before the Appellate Tribunal Inland Revenue [ATIR], which is pending for adjudication. The SIHL is confident for a favorable outcome and therefore, no provision in respect of this matter has been recorded in this condensed interim financial information.		
6.4	The tax authority levied tax of Rs. 178.4 million under section 161/205 of the Income Tax Ordinance, 2001 for tax year 2014 on the alleged non deduction of tax on payments. Being aggrieved, the SIHL agitated the assessment in appeal before the Commissioner (Appeal) which is pending for adjudication. The SIHL is confident for a favorable outcome and therefore, no provision in respect of this matter has been recorded in this condensed interim financial information.		

		Un-audited March 31, 2018	Audited June 30, 2017
		(Rupees in '000')	
7	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	5,448,702	5,294,700
	Capital work in progress (CWIP)	611,360	163,561
		6,060,062	5,458,261

Note

		Un-audited March 31, 2018	Audited June 30, 2017
	Note	(Rupees in '000')	
7.1 Operating fixed assets			
Written down value (WDV) at the beginning of the period/year		5,294,700	4,554,704
Additions	7.1.1	526,786	1,241,631
		5,821,486	5,796,335
WDV of disposals		(1,351)	(24,726)
WDV of assets written off		(2,285)	(13,189)
Depreciation for the period/year		(369,148)	(463,720)
WDV at the end of the period/year		5,448,702	5,294,700
7.1.1 Additions to operating fixed assets			
Freehold land		136,727	565,777
Building on leasehold land		-	102,941
Biomedical equipment		146,902	387,034
Air conditioning equipment and machinery		49,926	20,969
Electrical and other equipment		143,947	34,015
Leasehold improvements		-	35,295
Furniture and fittings		11,789	25,353
Computer installations		35,329	62,097
Construction equipment		500	830
Vehicles		1,666	7,320
		526,786	1,241,631
7.2 Capital work in progress			
Opening capital work in progress		163,561	55,245
Additions during the period/year		485,159	246,552
Transferred to operating fixed assets		(37,360)	(138,236)
Closing capital work in progress	7.2.1	611,360	163,561
7.2.1 Capital work in progress			
Construction work-in-progress - at cost		270,685	68,932
Stores held for capital expenditure		3,207	47,286
Installation of equipment in progress		158,672	47,343
Advance for acquisition of land		178,796	-
		611,360	163,561
8. Long term loans and Advances			
It represents advance paid for acquisition of land and building for future neuro sciences project.			

		Un-audited March 31, 2018	Audited June 30, 2017
	Note	(Rupees in '000')	
9 TRADE DEBTS			
Considered good - unsecured			
Related party - Shifa Foundation		31,371	12,979
Others		717,885	437,077
Considered doubtful			
Others		62,347	55,078
Considered bad			
Others		18,933	33,630
		830,536	538,764
Less: provision for doubtful debts	9.1	62,347	55,078
Less: bad debts written off		18,933	33,630
		749,256	450,056

- 9.1** Trade debts are provided on estimated irrecoverable amounts, on the basis of past experience of the management of the Group. The movement in the allowance for impairment in respect of trade debts during the period / year was as follow:

		Un-audited March 31, 2018	Audited June 30, 2017
	Note	(Rupees in '000')	
Balance at beginning of the period		55,078	47,559
Provision made during the period		26,202	41,149
Less: bad debts written off		18,933	33,630
		62,347	55,078

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 Group 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 Group 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
	42,353	-	-	-	42,353	-	-	-	-
	749,256	-	-	-	749,256	-	-	-	-
	21,187	-	-	-	21,187	-	-	-	-
	431,190	-	-	-	431,190	-	-	-	-
	1,243,986	-	-	-	1,243,986	-	-	-	-

March 31, 2018 (Un-audited)
Financial assets not measured at fair value

Non-current assets
Long term deposits

Current assets
Trade debts - considered good
Trade deposits
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	-	-	-	1,493,484	1,493,484	-	-	-	-
Current liabilities									
Trade and other payables	-	-	-	2,114,057	2,114,057	-	-	-	-
Markup accrued	-	-	-	11,790	11,790	-	-	-	-
Current portion of long term financing	-	-	-	252,129	252,129	-	-	-	-
	-	-	-	3,871,460	3,871,460	-	-	-	-
June 30, 2017 (Audited)									
Financial assets not measured at fair value									
Non-current assets									
Long term deposits	41,729	-	-	-	41,729	-	-	-	-
Current assets									
Trade debts - considered good	450,056	-	-	-	450,056	-	-	-	-
Trade deposits	22,023	-	-	-	22,023	-	-	-	-
Markup accrued	1,165	-	-	-	1,165	-	-	-	-
Other financial assets	189,451	-	-	-	189,451	-	-	-	-
Cash and bank balances	634,002	-	-	-	634,002	-	-	-	-
	1,338,426	-	-	-	1,338,426	-	-	-	-

Financial liabilities not measured at fair value

Non-current liabilities

Long term financing - secured

Current liabilities

Trade and other payables

Markup accrued

Current portion of long term financing

June 30, 2017 (Audited)

Financial assets not measured at fair value

Non-current assets

Long term deposits

Current assets

Trade debts - considered good

Trade deposits

Markup accrued

Other financial assets

Cash and bank balances

		Un-audited	
		March 31, 2018	March 31, 2017
		(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	111,580	92,015
	Revenue from rent	33	33
	Expenses paid by and reimbursed to the SIHL	1,120	812
	Other services provided to the SIHL	11,880	11,880
	Donation paid by the SIHL	-	1,800
	Tameer-e-Millat Foundation: (Related party by virtue of common directorship)		
	Revenue from rent	233	233
	Other supplies provided to the SIHL	9,060	16,406
	Other services provided to the SIHL	11,750	3,827
	Expenses paid by and reimbursed to the SIHL	-	169
	Rent paid by the SIHL	1,676	1,816
	SIHL Employees' Gratuity Fund		
	Payments made by the SIHL during the period / year	47,654	29,558
	Shifa Tameer-e-Millat University (Related party by virtue of common directorship)		
	Revenue from services earned by the SIHL	31,132	20,006
	Revenue from rent	1,539	13,086
	Expenses paid by and reimbursed to the SIHL	1,491	13,162
	Donation paid by the SIHL	25,000	37,500
12	CASH AND CASH EQUIVALENTS		
	Cash and bank balances	434,407	481,740
	Other financial assets	-	392,395
	Short term borrowings	-	(89,896)
		434,407	784,239

13 GENERAL

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

13.2 Corresponding figures where necessary have been rearranged and reclassified for the purpose of comparison and better presentation. However, these are not considered material enough to be disclosed separately.

13.3 This condensed interim consolidated financial information has been authorized for issue by the Board of Directors of the SIHL on April 26, 2018.



CHAIRMAN

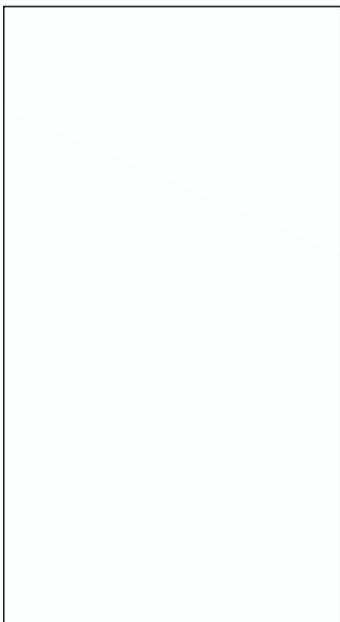


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