



Shifa
International
Hospitals Ltd.

Condensed Interim Financial Information



For The
Third Quarter
and Nine Months
ended
March 31, 2016

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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. Mohammad Salim Khan Mr. Muhammad Zahid Dr. Samea Kauser Ahmad
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,

The Board of Directors of Shifa International Hospitals Limited takes pleasure in presenting the report on the operational and financial performance of the Company for the third quarter and nine months ended March 31, 2016.

This condensed interim financial information also incorporates the financial results of the subsidiary i.e. Shifa Consulting Services (Private) Limited.

The financial performance of the period under review is summarized below:

	July 2015-March 2016 PKR Million	July 2014-March 2015 PKR Million	Change %
Net Revenue	6,501	5,405	+20
Profit before taxation	794	536	+48
Profit after taxation	563	361	+56
Earnings Per Share-(Rs.)	11.08	7.12	+56

Net Revenue:

The net revenue stood at PKR 6,501 million and yielded a growth of +20% as compared to same period last year. Although in last year our revenue was low because of political situation in Islamabad.

Profit before taxation:

Profit before taxation increased to PKR 794 million, registering a growth of +48% vs. same period last year, this was achieved through improved services and effective cost management.

Profit after taxation:

Our net profit after tax stood at PKR 563 million, registering a growth of +56% vs. same period last year.

Earnings per share:

Our earnings per share stood at Rs. 11.08 registering a growth of +56% vs. same period last year.

Interim cash dividend:

The Board of Directors are pleased to declare Interim Cash Dividend @ Rs. 2.00 per share i.e. 20%.

Further issue of capital:

During the third quarter ended March 31, 2016 the Company issued 4,024,100 right shares against the consideration of Rs. 1,046.3 million at Rs. 260 per share (including premium of Rs. 250 per share). Consequently the issued, subscribed and paid up capital of the Company has increased to Rs. 545.4 million from Rs. 505.1 million.

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 financial health of the Company. We are confident that we can generate increased value for shareholders as well as deliver better services to our customers.

Acknowledgement

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

For and on behalf of the Board of Directors



DR. MANZOOR H. QAZI

Chief Executive Officer

Islamabad

April 25, 2016

ڈائریکٹرز ریویو

معزز ممبران

شفا انٹرنیشنل ہسپتالز لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 مارچ 2016 کو ختم ہونے والی تیسری سہ ماہی اور 9 ماہ کی آپریشنل اور مالی کارکردگی کی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ اس عبوری مالیاتی رپورٹ میں کمپنی کے ذیلی ادارے یعنی شفا کنسلٹنگ سروسز (پرائیویٹ) لمیٹڈ کے مالیاتی نتائج بھی شامل ہیں۔

ذکورہ مدت کے دوران مالیاتی کارکردگی کا خلاصہ درج ذیل میزائے میں کیا گیا ہے۔

تبدیلی %	جولائی 2014 - مارچ 2015 ملین روپے	جولائی 2015 - مارچ 2016 ملین روپے	
+20	5,405	6,501	خالص آمدنی
+48	536	794	منافع قبل از ٹیکس
+56	361	563	منافع بعد از ٹیکس
+56	7.12	11.08	منافع فی شیئر (روپے)

خالص آمدنی

گزشتہ سال کی اسی مدت کے مقابلے میں خالص آمدنی 20 فیصد اضافے کے ساتھ 6,501 ملین روپے رہی۔ جبکہ گزشتہ سال اسلام آباد میں سیاسی صورتحال کے سبب ہماری آمدنی کم رہی۔

منافع قبل از ٹیکس

گزشتہ سال اسی مدت کے مقابلے میں منافع قبل از ٹیکس 48 فیصد قبل زیادہ ہوا اور کل منافع 794 ملین ریکارڈ کیا گیا۔ یہ کامیابی بہتر خدمات اور لاگت میں کمی کے موثر اقدامات سے ممکن ہوئی۔

منافع بعد از ٹیکس

گزشتہ سال اسی مدت کے مقابلے میں اس سال ٹیکسوں کی ادائیگی کے بعد ہمارا خالص منافع 56 فیصد اضافے کے ساتھ 563 ملین روپے ریکارڈ کیا گیا۔

منافع فی شیئر

گزشتہ سال اسی مدت کے مقابلے میں اس سال منافع فی شیئر 56 فیصد اضافے کے ساتھ 11.08 روپے فی شیئر ریکارڈ کیا گیا۔

عبوری نقد منافع

بورڈ آف ڈائریکٹرز نے 2.00 روپے فی شیئر یعنی 20 فیصد کی شرح سے عبوری نقد منافع کا اعلان کرتے ہوئے خوشی محسوس کرتے ہیں۔

رائٹ شیئرز کا اجراء

31 مارچ 2016 کو ختم ہونے والی تیسری سہ ماہی کے دوران کمپنی نے 4,024,100 رائٹ شیئرز بحساب 260 روپے فی شیئر (بشمول 250 روپے فی شیئر پر ایم) 1,046.3 ملین کے مجوزہ ہدف کے حصول کیلئے جاری کئے۔ جس کے نتیجے میں کمپنی کا کل Paid-up Capital 505.1 ملین روپے سے بڑھ کر 545.4 ملین روپے ہو گیا ہے۔

مستقبل کا منظر نامہ

انتظامیہ مستقبل میں بھی شاندار مالیاتی نتائج برقرار رکھنے کیلئے پرامید ہے جیسا کہ ہم نے مریضوں کی خدمات وسیع کرنے کی منصوبہ بندی کی ہے جس کے نتیجے میں کمپنی کو مالی طور پر مزید بہتر ہو جانے کی امید ہے۔ ہم پرامید ہیں کہ نہ صرف ہم اپنے شیئر ہولڈرز کیلئے بہتر وسائل مہیا کریں گے بلکہ اپنے معزز کسٹمرز کو بھی بہتر خدمات فراہم کریں گے۔

تسلیمات

بورڈ کمپنی کے ملازمین، کسٹمرز اور اسٹریٹیجک شراکت داروں کا شکریہ ادا کرتے ہیں اور ان کی مشکل حالات میں پوری لگن اور بہترین خدمات کو خراج تحسین پیش کرتا ہے۔ بورڈ سرکاری اداروں، سپلائرز اور شیئر ہولڈرز کی غیر متزلزل حمایت اور معاونت کو بھی سراہتا ہے۔

برائے اور بجانب بورڈ آف ڈائریکٹرز

Marquess Hayat

ڈاکٹر منظور ایچ قاضی

چیف ایگزیکٹو آفیسر

اسلام آباد

25 اپریل 2016

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2016

		Un-audited March 31, 2016	Audited June 30, 2015
	Note	(Rupees in '000')	
SHARE CAPITAL AND RESERVES			
Share capital	4	545,379	505,138
Capital reserve - premium on issue of ordinary shares	5	1,046,025	40,000
Unappropriated profit		2,051,989	1,709,813
		3,643,393	2,254,951
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
		744,439	751,182
NON - CURRENT LIABILITIES			
Long term financing - secured	6	586,075	833,333
Deferred taxation		443,105	457,400
		1,029,180	1,290,733
CURRENT LIABILITIES			
Trade and other payables		1,502,563	1,488,297
Markup accrued		736	793
Current portion of long term financing		334,768	333,333
Provision for taxation		18,143	-
		1,856,210	1,822,423
		7,273,222	6,119,289
CONTINGENCIES AND COMMITMENTS			
	7		

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

Daniel M. Rahman

CHAIRMAN

		Un-audited March 31, 2016	Audited June 30, 2015
	Note	(Rupees in '000')	
NON - CURRENT ASSETS			
Property, plant and equipment	8	4,498,315	4,485,977
Long term investment - at cost		18,000	18,000
Long term deposits		41,605	38,129
		4,557,920	4,542,106
CURRENT ASSETS			
Stores, spare parts and loose tools		185,606	186,285
Stock-in-trade		210,319	202,463
Trade debts	9	469,876	334,242
Loans and advances		192,229	125,594
Trade deposits and short term prepayments		58,864	24,926
Markup accrued		1,200	1,908
Other financial assets		135,484	125,305
Tax refunds due from the government (net of provision)		-	52,063
Cash and bank balances		1,461,724	524,397
		2,715,302	1,577,183
		7,273,222	6,119,289



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT [UN-AUDITED]
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2016**

	For the quarter ended		For the nine months ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Note	(Rupees in '000')			
Net revenue	2,261,872	1,969,624	6,501,495	5,405,025
Other income	14,563	9,111	46,906	35,421
Operating costs	(1,971,079)	(1,677,298)	(5,666,340)	(4,776,651)
Finance costs	(35,207)	(38,293)	(87,138)	(127,363)
Profit before taxation	270,149	263,144	794,923	536,432
Provision for taxation	(81,921)	(92,343)	(232,178)	(175,924)
Profit for the period	188,228	170,801	562,745	360,508
Earnings per share - basic and diluted - (Rupees) 10	3.71	3.37	11.08	7.12

The annexed notes 1 to 12 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, 2016**

	For the quarter ended		For the nine months ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Rupees in '000')			
Profit after taxation	188,228	170,801	562,745	360,508
Other comprehensive income for the period - net of tax	-	-	-	-
Total comprehensive income for the period	188,228	170,801	562,745	360,508

The annexed notes 1 to 12 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, 2016**

Note	March 31, 2016 (Rupees in '000')	March 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	794,923	536,432
Adjustments for:		
Depreciation / amortization of property, plant and equipment	306,657	280,321
Provision for doubtful debts	25,514	34,751
Property, plant and equipment written off	567	1,560
(Gain)/ loss on disposal of property, plant and equipment	(1,530)	379
Provision for compensated absences	29,623	18,954
Provision for gratuity	48,000	45,910
Provision for slow moving stores	6,764	3,424
Profit on investments and bank deposits	(16,828)	(19,333)
Loss/(gain) on foreign currency translation	488	(6)
Finance costs	87,138	127,363
Operating cash flows before changes in working capital	1,281,316	1,029,755
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(5,231)	(32,339)
Stock-in-trade	(7,856)	(22,389)
Trade debts	(161,148)	(96,937)
Loans and advances	(66,635)	25,802
Trade deposits and short term prepayments	(23,185)	(3,396)
Increase in current liabilities:		
Trade and other payables	17,686	116,173
Cash generated from operations	1,034,947	1,016,669
Finance cost paid	(87,195)	(127,448)
Income tax paid	(176,266)	(171,862)
Payment to gratuity fund	(91,057)	(31,457)
Compensated absences paid	(20,841)	(17,457)
Net cash from operating activities	659,588	668,445
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(321,206)	(461,890)
Proceeds from disposal of property, plant and equipment	2,319	12,979
Profit received	17,536	19,663
Investment in subsidiary	-	(12,479)
Increase in long term deposits	(3,476)	(574)
Net cash used in investing activities	(304,827)	(442,301)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - repayments	(245,823)	(254,500)
Proceeds from issue of right shares	1,046,266	-
Dividend paid	(207,210)	(147,167)
Net cash from/ (used in) financing activities	593,233	(401,667)
Net increase/ (decrease) in cash and cash equivalents	947,994	(175,523)
Cash and cash equivalents at beginning of period	649,702	510,612
Effect of exchange rate changes on cash and cash equivalents	(488)	6
Cash and cash equivalents at end of period	1,597,208	335,095

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY [UN-AUDITED]
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2016**

Note	Share capital	Capital reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment	Total
	(Rupees in '000')				
Balance at July 01, 2014	505,138	40,000	1,344,260	760,176	2,649,574
Total comprehensive income for the period					
Profit for the period	-	-	360,508	-	360,508
Other comprehensive income	-	-	-	-	-
	-	-	360,508	-	360,508
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 2014: Rs. 3 per share	-	-	(151,541)	-	(151,541)
Total transactions with owners	-	-	(151,541)	-	(151,541)
Balance at March 31, 2015	505,138	40,000	1,559,970	753,433	2,858,541
Balance at July 01, 2015	505,138	40,000	1,709,813	751,182	3,006,133
Issue of further share capital - right issue 4	40,241	-	-	-	40,241
Share premium on issue of right shares 5	-	1,006,025	-	-	1,006,025
Total comprehensive income for the period					
Profit for the period	-	-	562,745	-	562,745
Other comprehensive income	-	-	-	-	-
	-	-	562,745	-	562,745
Transfer of depreciation / amortization on incremental value arising on revaluation of property, plant and equipment attributed to current period	-	-	6,743	(6,743)	-
Distribution to owners					
Final dividend 2015: Rs. 4.5 per share	-	-	(227,312)	-	(227,312)
Total transactions with owners	-	-	(227,312)	-	(227,312)
Balance at March 31, 2016	545,379	1,046,025	2,051,989	744,439	4,387,832

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

Casim M Rahman

CHAIRMAN

Maryam Ali

CHIEF EXECUTIVE

Muneer Anwar

CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 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. 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 centres and hospitals in Pakistan. The Company has established its first hospital in 1993 in H-8/4, Islamabad, second hospital in 2011 in Faisalabad and another in 2014 in G-10/4, Islamabad. Besides this, the Company is running medical centre and pharmacies in Islamabad.
- 1.2 This condensed interim financial information is separate financial information of the Company where in investment in subsidiary is recognised 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 This condensed interim financial information of the Company for the nine months ended March 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 Islamabad, Karachi & Lahore stock exchanges. 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 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, 2015. Comparative condensed interim balance sheet is extracted from annual financial statements as of June 30, 2015, whereas comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from unaudited condensed interim financial information for the nine months ended March 31, 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, 2015.

4 SHARE CAPITAL

Issued, subscribed and paid up capital

March 2016	June 2015		Un-audited March 31, 2016	Audited June 30, 2015
Number			(Rupees in '000')	
<u>54,537,900</u>	<u>50,513,800</u>	Ordinary shares of Rs. 10 each fully paid in cash	<u>545,379</u>	<u>505,138</u>

The Company has only one class of ordinary shares which carries no right to fixed income. The shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

In line with the Company's decision to raise capital through issue of further shares, the Company has issued 4,024,100 right shares @ Rs. 260 per share to the members which have been fully subscribed and allotted as on March 18, 2016. This issue price includes premium of Rs. 250 per share.

Authorized capital

This represents 54,537,900 (June 2015: 54,537,900) ordinary shares of Rs. 10 each amounting to Rs. 545,379 thousand (June 2015: Rs. 545,379 thousand).

5 CAPITAL RESERVE - PREMIUM ON ISSUE OF ORDINARY SHARES

This represents premium received on issue of ordinary shares. The detail is as follows;

Year	No of shares (in '000')	Premium per share (Rs)	Total	
			(Rs in '000')	(Rs in '000')
1994	8,000	5	40,000	40,000
2016	4,024	250	1,006,025	-
			1,046,025	40,000

6 LONG TERM FINANCING - SECURED

Note

(Rupees in '000')

From banking and non-banking companies

Syndicated Islamic finance facility

6.1

916,667

1,166,666

Others

4,176

-

920,843

1,166,666

Less: Current portion

334,768

333,333

586,075

833,333

- 6.1** This represents syndicated Islamic finance facility, arranged and lead by Meezan Bank Limited, obtained on mark-up basis at 3 months KIBOR plus 1.25% (June 2015: 3 months KIBOR plus 1.25%) per annum, repayable in 18 equal quarterly installments. The sanction limit of this facility is Rs. 1,500 million (June 2015: Rs1,500 million) which shall be repaid by December 28, 2018. The financing is secured by ranking charge upgraded into first pari passu charge on all present and future fixed assets of the Company (excluding plot No.5, F-11 Markaz, Islamabad) amounting to Rs. 2,000 million. Meezan Bank Limited has the custody of original ownership documents of the Company's land located at sector H-8/4 Islamabad.

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

Claims against the Company not acknowledged as debt

Patients

121,799

122,504

Others

20,000

20,000

Guarantees issued by bank on behalf of the Company

34,527

34,485

7.2 Commitments

Capital expenditure contracted

72,722

16,240

Letter of credit

8,515

30,379

8 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

8.1

4,438,388

4,431,462

Capital work- in- progress (CWIP)

8.2

59,927

54,515

4,498,315

4,485,977

Note

(Rupees in '000')

	Note	Un-audited March 31, 2016 (Rupees in '000')	Audited June 30, 2015
8.1 Operating fixed assets			
Written down value (WDV) at the beginning of the period / year		4,431,462	3,818,702
Additions during the period/ year	8.1.1	314,939	727,711
		4,746,401	4,546,413
WDV of disposals		(789)	(14,686)
WDV of assets written off		(567)	(18,049)
WDV of leasehold land no longer reclassified as held for sale		-	287,878
Depreciation for the period / year		(306,657)	(370,094)
WDV at the end of the period / year		4,438,388	4,431,462
8.1.1 Additions to operating fixed assets			
Freehold land		66,402	6,500
Building on leasehold land		29,245	137,829
Biomedical equipment		135,978	494,449
Air conditioning equipment and machinery		9,841	3,947
Electrical and other equipment		16,960	43,945
Furniture and fittings		11,652	16,062
Computer installations		30,903	23,129
Vehicles		13,958	1,850
		314,939	727,711
8.2 Capital work-in-progress			
Opening balance		54,515	215,388
Additions during the period / year		34,657	85,853
Transferred to operating fixed assets		(29,245)	(246,726)
Closing balance		59,927	54,515
9 TRADE DEBTS			
Considered good			
Related party - Shifa Foundation		18,787	3,398
Related party - Shifa Tameer-e-Millat University (STMU)		10,678	1,433
Others		440,411	329,411
Considered doubtful			
Others		53,894	28,380
Considered bad			
Others		-	95,409
		523,770	458,031
Less: Provision for doubtful debts	9.1	53,894	28,380
Bad debts written off		-	95,409
		469,876	334,242

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

	Note	For the quarter ended		For the nine months ended	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
(Rupees in '000')					
10 EARNINGS PER SHARE - BASIC AND DILUTED					
Profit for the period-(Rupees in '000')		188,228	170,801	562,745	360,508
Weighted average number of shares-(Numbers in '000')	10.1	50,773	50,634	50,773	50,634
Earning per share - basic and diluted (Rupees)		3.71	3.37	11.08	7.12

10.1 Weighted average number of ordinary shares includes the impact of bonus element in the corresponding period due to issue of right shares during the third quarter ended March 31, 2016. (refer note 4 and 5).

11 RELATED PARTY TRANSACTIONS

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

	Un-audited	
	March 31, 2016	March 31, 2015
(Rupees in '000')		
Shifa Foundation - (Related party by virtue of common directorship)		
Revenue from services earned by the Company	53,713	27,443
Revenue from rent earned by the Company	303	303
Expenses paid by and reimbursed to the Company	-	1,362
Other services provided to the Company	11,880	-
Tameer-e-Millat Foundation - (Related party by virtue of common directorship)		
Revenue from services earned by the Company	8	-
Revenue from rent earned by the company	100	33
Other supplies provided to the Company	11,624	12,166
Other services provided to the Company	4,074	2,635
Rent paid by the Company	1,491	1,035
SIHL Employees' Gratuity Fund		
Contributions made by the Company	91,057	31,457

	Un-audited	
	March 31, 2016	March 31, 2015
	(Rupees in '000')	
Shifa Tameer-e- Millat University - (Related party by virtue of common directorship)		
Revenue from services earned by the Company	<u>2,619</u>	<u>1,121</u>
Revenue from rent earned by the company	<u>17,937</u>	<u>17,267</u>
Expenses paid by and reimbursed to the Company	<u>18,927</u>	<u>14,911</u>
Other assets transferred to the Company	<u>1,300</u>	<u>-</u>
Donation given by the Company	<u>50,000</u>	<u>-</u>
Shifa Consulting Services (Private) Limited - (Subsidiary Company)		
Amount paid against issuance of shares	<u>-</u>	<u>12,479</u>
Commitment against issuance of shares	<u>-</u>	<u>5,521</u>

12 GENERAL

- 12.1** Figures have been rounded off to the nearest one thousand Pak Rupees.
- 12.2** The Board of Directors in their meeting held on April 25, 2016 have proposed an interim dividend of Rs. 2 per share.
- 12.3** This condensed interim financial information has been authorized for issue by the Board of Directors of the Company on April 25, 2016.

Qasim M Rahman

CHAIRMAN

Margumunah Byj

CHIEF EXECUTIVE

Muneez Anbhan

CHIEF FINANCIAL OFFICER



SHIFA INTERNATIONAL HOSPITALS LTD.

**Condensed Interim Consolidated
Financial Information For The
Third Quarter and Nine Months ended
March 31, 2016**

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

		Un-audited March 31, 2016	Audited June 30, 2015
	Note	(Rupees in '000')	
SHARE CAPITAL AND RESERVES			
Share capital	4	545,379	505,138
Capital reserve - premium on issue of ordinary shares	5	1,046,025	40,000
Unappropriated profit		2,039,309	1,703,323
		3,630,713	2,248,461
NON - CONTROLLING INTEREST			
		3,546	7,675
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
		744,439	751,182
NON - CURRENT LIABILITIES			
Long term financing - secured	6	586,075	833,333
Deferred taxation		443,105	457,400
		1,029,180	1,290,733
CURRENT LIABILITIES			
Trade and other payables		1,503,066	1,488,746
Markup accrued		736	793
Provision for taxation		17,638	-
Current portion of long term financing		334,768	333,333
		1,856,208	1,822,872
		7,264,086	6,120,923
CONTINGENCIES AND COMMITMENTS			
	7		

The annexed notes 1 to 12 form an integral part of this condensed interim consolidated financial information.

Daniel M. Rahman

CHAIRMAN

	Note	Un-audited March 31, 2016	Audited June 30, 2015
(Rupees in '000')			
NON - CURRENT ASSETS			
Property, plant and equipment	8	4,500,465	4,488,219
Long term deposits		41,915	38,439
		4,542,380	4,526,658
CURRENT ASSETS			
Stores, spare parts and loose tools		185,606	186,285
Stock-in-trade		210,319	202,463
Trade debts	9	474,626	337,005
Loans and advances		193,702	126,690
Trade deposits and short term prepayments		58,946	25,468
Markup accrued		1,200	1,908
Other financial assets		135,484	125,305
Tax refunds due from the government (net of provision)		-	52,154
Cash and bank balances		1,461,823	536,987
		2,721,706	1,594,265
		7,264,086	6,120,923

Margamul Haq Buzi

CHIEF EXECUTIVE

Muneez Ishaq

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM CONSOLIDATED
PROFIT AND LOSS ACCOUNT [UN-AUDITED]
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2016**

	For the quarter ended		For the nine months ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Note	(Rupees in '000')			
Net revenue	2,267,172	1,971,557	6,510,950	5,406,958
Other income	14,563	9,111	46,941	35,421
Operating costs	(1,977,911)	(1,683,541)	(5,686,045)	(4,786,608)
Finance costs	(35,207)	(38,294)	(87,138)	(127,364)
Profit before taxation	268,617	258,833	784,708	528,407
Provision for taxation	(81,977)	(92,343)	(232,282)	(175,924)
Profit after taxation	186,640	166,490	552,426	352,483
Attributable to:				
Equity holders of SIHL	187,276	168,214	556,555	355,693
Non- controlling interest	(636)	(1,724)	(4,129)	(3,210)
	186,640	166,490	552,426	352,483
Earnings per share - basic and diluted (Rupees)	3.68	3.29	10.88	6.96

The annexed notes 1 to 12 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, 2016**

	For the quarter ended		For the nine months ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Rupees in '000')			
Profit after taxation	186,640	166,490	552,426	352,483
Other comprehensive income for the period - net of tax	-	-	-	-
Total comprehensive income for the period	186,640	166,490	552,426	352,483
Attributable to:				
Equity holders of SIHL	187,276	168,214	556,555	355,693
Non- controlling interest	(636)	(1,724)	(4,129)	(3,210)
	186,640	166,490	552,426	352,483
Earnings per share - basic and diluted (Rupees)	3.68	3.29	10.88	6.96

The annexed notes 1 to 12 form an integral part of this condensed interim consolidated financial information.

Dawood M. Rahman

CHAIRMAN

Margamulya Biji

CHIEF EXECUTIVE

Muneez Lubiani

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM CONSOLIDATED
CASH FLOW STATEMENT [UN-AUDITED]
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2016**

Note	March 31, 2016 (Rupees in '000')	March 31, 2015 (Rupees in '000')
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	784,708	528,407
Adjustments for:		
Depreciation / amortization of property, plant and equipment	306,956	280,468
Provision for doubtful debts	25,514	34,751
Property, plant and equipment written off	567	1,560
(Gain)/ loss on disposal of property, plant and equipment	(1,530)	379
Provision for compensated absences	29,623	18,954
Provision for gratuity	48,000	45,910
Provision for slow moving stores	6,764	3,424
Profit on investments and bank deposits	(16,828)	(19,333)
Loss/(gain) on foreign currency translation	488	(6)
Finance costs	87,138	127,364
Operating cash flows before changes in working capital	1,271,400	1,021,878
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(5,231)	(32,339)
Stock-in-trade	(7,856)	(22,389)
Trade debts	(163,135)	(96,937)
Loans and advances	(67,012)	25,802
Trade deposits and short term prepayments	(22,725)	(5,236)
Increase in current liabilities:		
Trade and other payables	17,740	116,706
Cash generated from operations	1,023,181	1,007,485
Finance cost paid	(87,195)	(127,449)
Income tax paid	(176,784)	(171,862)
Payment to gratuity fund	(91,057)	(31,457)
Compensated absences paid	(20,841)	(17,457)
Net cash from operating activities	647,304	659,260
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(321,413)	(463,926)
Proceeds from disposal of property, plant and equipment	2,319	12,979
Profit received	17,536	19,663
Investment in subsidiary	-	(41,225)
Increase in long term deposits	(3,476)	(574)
Net cash used in investing activities	(305,034)	(473,083)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - repayments	(245,823)	(254,500)
Proceeds from issue of right shares	1,046,266	-
Dividend paid	(207,210)	(147,167)
Net cash from/ (used in) financing activities	593,233	(401,667)
Net increase/ (decrease) in cash and cash equivalents	935,503	(215,490)
Cash and cash equivalents at beginning of period	662,292	510,612
Effect of exchange rate changes on cash and cash equivalents	(488)	6
Cash and cash equivalents at end of period	1,597,307	295,128

The annexed notes 1 to 12 form an integral part of this condensed interim consolidated financial information.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY [UN-AUDITED]
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2016**

	Share capital	Capital reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment	Non-controlling interest	Total
Note	(Rupees in '000')					
Balance at July 01, 2014	505,138	40,000	1,344,260	760,176	-	2,649,574
Total comprehensive income for the period						
Profit for the period	-	-	352,483	-	(3,210)	349,273
Other comprehensive income	-	-	-	-	-	-
	-	-	352,483	-	(3,210)	349,273
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 2014: Rs. 3 per share -	-	-	(151,541)	-	-	(151,541)
Total transactions with owners	-	-	(151,541)	-	-	(151,541)
Balance at March 31, 2015	505,138	40,000	1,551,945	753,433	(3,210)	2,847,306
Balance at July 01, 2015	505,138	40,000	1,703,323	751,182	(4,325)	2,995,318
Issue of further share capital - right issue	40,241	-	-	-	-	40,241
Share premium on issue of right shares	-	1,006,025	-	-	-	1,006,025
Total comprehensive income for the period						
Profit for the period	-	-	556,555	-	(4,129)	552,426
Other comprehensive income	-	-	-	-	-	-
	-	-	556,555	-	(4,129)	552,426
Transfer of depreciation / amortization on incremental value arising on revaluation of property, plant and equipment attributed to current period	-	-	6,743	(6,743)	-	-
Distribution to owners						
Final dividend 2015: Rs. 4.5 per share	-	-	(227,312)	-	-	(227,312)
Total transactions with owners	-	-	(227,312)	-	-	(227,312)
Balance at March 31, 2016	545,379	1,046,025	2,039,309	744,439	(8,454)	4,366,698

The annexed notes 1 to 12 form an integral part of this condensed interim consolidated financial information.

Casim M Rahman

CHAIRMAN

Maryam H. Khan

CHIEF EXECUTIVE

Muneer Anwar

CHIEF FINANCIAL OFFICER

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

- 1.1** 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. Besides this, the SIHL is running medical centre and pharmacies in Islamabad.
- 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 nine months ended March 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 Islamabad, Karachi & Lahore stock exchanges. 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 unaudited 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 do not include all of the information required for annual financial statements, and should be read in conjunction with the annual consolidated financial statements of the SIHL for the year ended June 30, 2015. Comparative condensed interim consolidated balance sheet is extracted from annual consolidated financial statements as of June 30, 2015, 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 unaudited condensed interim consolidated financial information for the nine months ended March 31, 2015.

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 60% owned.

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

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

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

4 SHARE CAPITAL

Issued, subscribed and paid up capital

March 2016	June 2015		Un-audited March 31, 2016	Audited June 30, 2015
Number			(Rupees in '000')	
54,537,900	50,513,800	Ordinary shares of Rs. 10 each fully paid in cash	545,379	505,138

SIHL has only one class of ordinary shares which carries no right to fixed income. The shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the SIHL's residual assets.

In line with the SIHL's decision to raise capital through issue of further shares, SIHL has issued 4,024,100 right shares @ Rs. 260 per share to the members which have been fully subscribed and allotted as on March 18, 2016. This issue price includes premium of Rs. 250 per share.

Authorized capital

This represents 54,537,900 (June 2015: 54,537,900) ordinary shares of Rs. 10 each amounting to Rs. 545,379 thousand (June 2015: Rs. 545,379 thousand).

5 CAPITAL RESERVE - PREMIUM ON ISSUE OF ORDINARY SHARES

This represents premium received on issue of ordinary shares of SIHL. The detail is as follows;

Year	No of shares (in '000')	Premium per share (Rs)	Total (Rs in '000')	Total (Rs in '000')
1994	8,000	5	40,000	40,000
2016	4,024	250	1,006,025	-
			1,046,025	40,000

6 LONG TERM FINANCING - SECURED

From banking and non-banking companies

Note	Un-audited March 31, 2016	Audited June 30, 2015
	(Rupees in '000')	
Syndicated Islamic finance facility	916,667	1,166,666
Others	4,176	-
	920,843	1,166,666
Less: Current portion	334,768	333,333
	586,075	833,333

6.1 This represents syndicated Islamic finance facility, arranged and lead by Meezan Bank Limited, obtained on mark-up basis at 3 months KIBOR plus 1.25% (June 2015: 3 months KIBOR plus 1.25%) per annum, repayable in 18 equal quarterly installments. The sanction limit of this facility is Rs. 1,500 million (June 2015: Rs1,500 million) which shall be repaid by December 28, 2018. The financing is secured by ranking charge upgraded into first pari passu charge on all present and future fixed assets of the 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.

		Un-audited March 31, 2016	Audited June 30, 2015
	Note	(Rupees in '000')	
7 CONTINGENCIES AND COMMITMENTS			
7.1 Contingencies			
Claims against the SIHL not acknowledged as debt			
Patients		121,799	122,504
Others		20,000	20,000
Guarantees issued by bank on behalf of the SIHL		34,527	34,485
7.2 Commitments			
Capital expenditure		72,722	16,240
Letter of credit		8,515	30,379
8 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	8.1	4,440,538	4,433,704
Capital work- in- progress (CWIP)	8.2	59,927	54,515
		4,500,465	4,488,219
8.1 Operating fixed assets			
Written down value (WDV) at the beginning of the period / year		4,433,704	3,818,702
Additions	8.1.1	315,147	730,171
		4,748,851	4,548,873
WDV of disposals		(789)	(14,687)
WDV of assets written off		(567)	(18,048)
WDV of leasehold land no longer reclassified as held for sale		-	287,878
Depreciation for the period / year		(306,957)	(370,312)
WDV at the end of the period / year		4,440,538	4,433,704
8.1.1 Additions to operating fixed assets			
Freehold land		66,402	6,500
Building on leasehold land		29,245	137,829
Biomedical equipment		135,978	494,449
Air conditioning equipment and machinery		9,841	3,947
Electrical and other equipment		16,965	44,564
Furniture and fittings		11,711	17,186
Computer installations		31,047	23,793
Vehicles		13,958	1,903
		315,147	730,171
8.2 Capital work-in-progress			
Opening work-in-progress		54,515	215,388
Additions during the period / year		34,657	85,853
Transferred to operating fixed assets		(29,245)	(246,726)
Closing work-in-progress		59,927	54,515
9 TRADE DEBTS			
Considered good - unsecured			
Related party - Shifa Foundation		18,787	3,398
Related party - Shifa Tameer-e-Millat University (STMU)		10,678	1,433
Others		445,161	332,174
Considered doubtful			
Others		53,894	28,380
Considered bad			
Others		-	95,409
		528,520	460,794
Less: Provision for doubtful debts	9.1	53,894	28,380
Bad debts written off		-	95,409
		474,626	337,005

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

	Note	For the quarter ended		For the nine months ended	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
10 EARNINGS PER SHARE - BASIC AND DILUTED		(Rupees in '000')			
Profit for the period - (Rupees in '000')		186,640	166,490	552,426	352,483
Weighted average number of shares - (Numbers in '000')	10.1	50,773	50,634	50,773	50,634
Earning per share - basic and diluted (Rupees)		3.68	3.29	10.88	6.96

10.1 Weighted average number of ordinary shares of SIHL includes the impact of bonus element in the corresponding period due to issue of right shares during the third quarter ended March 31, 2016. (refer note 4 and 5).

	Unaudited	
	March 31, 2016	March 31, 2015
	(Rupees in '000')	
11. RELATED PARTY TRANSACTIONS		
Significant transactions with related parties are as follows:		
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Revenue from services earned by the SIHL	53,713	27,443
Revenue from rent earned by the SIHL	303	303
Expenses paid by and reimbursed to the SIHL	-	1,362
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Tameer-e-Millat Foundation - (Related party by virtue of common directorship)		
Revenue from services earned by the SIHL	8	-
Revenue from rent earned by the SIHL	100	33
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Other services provided to the SIHL	4,074	2,635
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Shifa Tameer-e- Millat University - (Related party by virtue of common directorship)		
Revenue from services earned by the SIHL	2,619	1,121
Revenue from rent earned by the SIHL	17,937	17,267
Expenses paid by and reimbursed to the SIHL	18,927	14,911
Other assets transferred to the SIHL	1,300	-
Donation given by the SIHL	50,000	-

12 GENERAL

- 12.1** Figures have been rounded off to the nearest one thousand Pak Rupees.
- 12.2** The Board of Directors of SIHL in their meeting held on April 25, 2016 have proposed an interim dividend of Rs. 2 per share.
- 12.3** This condensed interim consolidated financial information has been authorized for issue by the Board of Directors of the SIHL on April 25, 2016.



CHAIRMAN

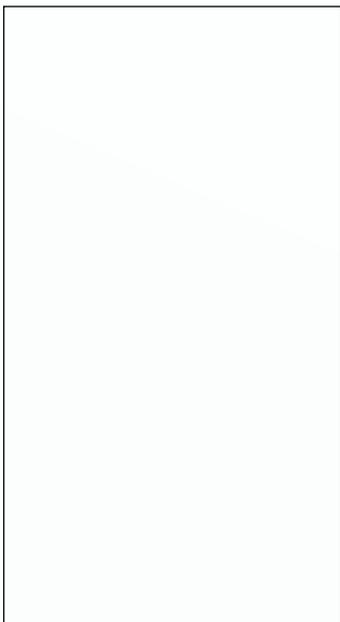


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Shifa International Hospitals Ltd.

Sector : H-8/4, Islamabad - Pakistan

