



Shifa
International
Hospitals Ltd.



Condensed Interim Financial
Information for the First Quarter Ended
September 30, 2015

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COMPANY INFORMATION

Board of Directors:	<p>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</p>
Audit Committee:	<p>Shah Naveed Saeed Chairman Dr. Habib-Ur-Rahman Dr. Mohammad Salim Khan Mr. Muhammad Zahid Dr. Samea Kauser Ahmad</p>
H R & R Committee:	<p>Dr. Habib-Ur-Rahman Chairman Dr. Manzoor H. Qazi Shah Naveed Saeed</p>
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 Adviser:	M/s Bashir Ahmad Ansari & Company
Bankers:	<p>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</p>
Registered Office:	Sector H-8/4, Islamabad
Share Registrar:	M/s Corplink (Private) Limited Wings Arcade, 1-K, Commercial, Model Town, Lahore.

DIRECTORS' REVIEW

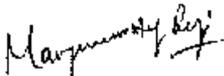
Your directors are immensely pleased in presenting the Condensed Interim Financial Information of the Company for the 1st Quarter ended September 30, 2015. Condensed Interim Consolidated Financial Information for the 1st Quarter ended September 30, 2015 incorporating the financial results of subsidiary of Shifa International Hospitals Limited i.e. Shifa Consulting Services (Private) Limited is also annexed herewith.

During the period under review the net revenues of the Company stood at Rs. 1,975.4 million as compared to Rs. 1,632.2 million in the last corresponding period depicting an increase of 21.03%. Operating costs also increased to Rs. 1,762.1 million against 1,522.8 million in the last corresponding period owing to increase in cost of utilities, repair & maintenance, salaries, wages and benefits, supplies consumed and medicine. However, net profit after taxation worked out to be Rs. 150.8 million versus Rs. 52.9 million in the 1st quarter September 30, 2014 which translated into earnings per share of Rs. 2.98 against Rs. 1.05 in the corresponding period last year.

Besides expansion of existing facilities and renovations in accordance with the need your Company is also in the process of exploring opportunities to expand geographically.

We feel obliged to put on record the appreciation for our staff, management and consultants for their relentless effort in providing the best services to the patients with unmatched quality and for the vendors, bankers and shareholders for their unremitting patronage.

For and on behalf of the Board



DR. MANZOOR H. QAZI

Chief Executive Officer

Islamabad

October 27, 2015

CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2015

		Un-audited September 30, 2015	Audited June 30, 2015
	Note	(Rupees in '000')	
SHARE CAPITAL AND RESERVES			
Share capital		505,138	505,138
Capital reserve		40,000	40,000
Unappropriated profit		1,862,834	1,709,813
		2,407,972	2,254,951
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
		748,934	751,182
NON - CURRENT LIABILITIES			
Long term financing - secured	4	750,000	833,333
Deferred taxation		430,021	457,400
		1,180,021	1,290,733
CURRENT LIABILITIES			
Trade and other payables		1,406,942	1,488,297
Markup accrued		691	793
Current portion of long term financing		333,333	333,333
		1,740,966	1,822,423
		6,077,893	6,119,289
CONTINGENCIES AND COMMITMENTS			
	5		



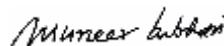
CHAIRMAN

		Un-audited September 30, 2015	Audited June 30, 2015
	Note	(Rupees in '000')	
NON - CURRENT ASSETS			
Property, plant and equipment	6	4,482,082	4,485,977
Long term investment - at cost		18,000	18,000
Long term deposits		38,129	38,129
		4,538,211	4,542,106
CURRENT ASSETS			
Stores, spare parts and loose tools		191,249	186,285
Stock-in-trade		183,945	202,463
Trade debts	7	475,796	334,242
Loans and advances		123,699	125,594
Trade deposits and short term prepayments		35,024	24,926
Markup accrued		693	1,908
Other financial assets		125,355	125,305
Tax refunds due from the government (net of provision)		28,220	52,063
Cash and bank balances		375,701	524,397
		1,539,682	1,577,183
		6,077,893	6,119,289

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



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**CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT [UN-AUDITED]
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015**

	September 30, 2015	September 30, 2014
	(Rupees in '000')	
Net revenue	1,975,378	1,632,223
Other income	13,430	11,645
Operating costs	(1,762,146)	(1,522,799)
Finance costs	(26,883)	(45,563)
Profit before taxation	199,779	75,506
Provision for taxation	(49,006)	(22,652)
Profit after taxation	150,773	52,854
Earnings per share - basic and diluted - (Rupees)	2.98	1.05

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



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**CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME [UN-AUDITED]
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015**

	September 30, 2015	September 30, 2014
	(Rupees in '000')	
Profit after taxation	150,773	52,854
Other comprehensive income for the period - net of tax	-	-
Total comprehensive income for the period	<u>150,773</u>	<u>52,854</u>

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



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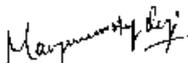
**CONDENSED INTERIM
CASH FLOW STATEMENT [UN-AUDITED]
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015**

	September 30, 2015	September 30, 2014
	(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	199,779	75,506
Adjustments for:		
Depreciation / amortization of property, plant and equipment	99,759	86,928
Provision for doubtful debts	12,894	14,586
Property, plant and equipment written off	39	533
Gain on disposal of property, plant and equipment	(149)	(962)
Provision for compensated absences	7,500	7,398
Provision for gratuity	15,000	14,878
Provision for slow moving stores	1,463	1,636
Profit on investments and bank deposits	(6,088)	(7,005)
Finance costs	26,883	45,563
Operating cash flows before changes in working capital	357,080	239,061
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(5,890)	(13,870)
Stock-in-trade	18,518	(14,595)
Trade debts	(154,448)	(41,793)
Loans and advances	1,894	(28,150)
Trade deposits and short term prepayments	(10,098)	997
Increase / (decrease) in current liabilities:		
Trade and other payables	(57,557)	7,855
Cash generated from operations	149,499	149,505
Finance cost paid	(26,985)	(45,570)
Income tax paid	(52,542)	(44,467)
Payment to gratuity fund	(37,893)	(405)
Compensated absences paid	(7,220)	(5,495)
Net cash from operating activities	24,859	53,568
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(96,591)	(137,051)
Proceeds from disposal of property, plant and equipment	301	1,785
Profit received	7,303	7,591
Increase in long term deposits	-	(669)
Net cash used in investing activities	(88,987)	(128,344)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - repayments	(83,333)	(87,084)
Dividend paid	(1,185)	(59)
Net cash used in financing activities	(84,518)	(87,143)
Net decrease in cash and cash equivalents	(148,646)	(161,919)
Cash and cash equivalents at beginning of period	649,702	510,612
Cash and cash equivalents at end of period	501,056	348,693

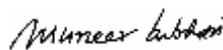
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**CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY [UN-AUDITED]
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015**

	Share capital	Capital reserve	Unappro- priated profit	Surplus on revaluation of property, plant & 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	-	-	52,854	-	52,854
Other comprehensive income	-	-	-	-	-
	-	-	52,854	-	52,854
Transfer of depreciation / amortization on incremental value arising on revaluation of property, plant and equipment attributed to current period	-	-	2,251	(2,251)	-
Balance at September 30, 2014	505,138	40,000	1,399,365	757,925	2,702,428
Balance at July 01, 2015	505,138	40,000	1,709,813	751,182	3,006,133
Total comprehensive income for the period					
Profit for the period	-	-	150,773	-	150,773
Other comprehensive income	-	-	-	-	-
	-	-	150,773	-	150,773
Transfer of depreciation / amortization on incremental value arising on revaluation of property, plant and equipment attributed to current period	-	-	2,248	(2,248)	-
Balance at September 30, 2015	505,138	40,000	1,862,834	748,934	3,156,906

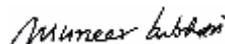
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SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED] FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015

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 all the three stock exchanges of Pakistan. 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, pharmacies in Islamabad 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 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 first quarter ended September 30, 2015 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 does not include all of the information required for annual financial statements, and should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2015. Comparative condensed interim balance sheet is extracted from annual financial statements for the year ended 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 first quarter ended September 30, 2014.

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.

		Un-audited September 30, 2015	Audited June 30, 2015
		(Rupees in '000')	
4 LONG TERM FINANCING - SECURED	Note		
	From banking and non-banking companies		
	Syndicated Islamic Finance Facility	1,083,333	1,166,666
	Less: Current portion	333,333	333,333
		750,000	833,333
4.1	Movement during the period / year is as follows:		
	Opening balance	1,166,666	1,504,500
	Repayment during the period / year	(83,333)	(337,834)
	Closing balance	1,083,333	1,166,666

- 4.2 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 was 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.

Condensed Interim Financial Information For The First Quarter Ended September 30, 2015

		Un-audited September 30, 2015	Audited June 30, 2015
		(Rupees in '000')	
5 CONTINGENCIES AND COMMITMENTS			
5.1 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		34,521	34,485
5.2 Commitments			
Capital expenditure		20,985	16,240
Letter of credit		12,009	30,379
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	4,409,114	4,431,462
Capital work- in- progress (CWIP)	6.2	72,968	54,515
		4,482,082	4,485,977
6.1 Operating fixed assets			
Written down value (WDV) at the beginning of the period / year		4,431,462	3,818,702
Additions	6.1.1	77,602	727,710
		4,509,064	4,546,412
WDV of disposals		(152)	(14,686)
WDV of assets written off		(39)	(18,048)
WDV of leasehold land no longer reclassified as held for sale		-	287,878
Depreciation for the period / year		(99,759)	(370,094)
WDV at the end of the period / year		4,409,114	4,431,462
6.1.1 Additions to operating fixed assets			
Freehold land		28,500	6,500
Building on leasehold land		-	137,829
Biomedical equipment		27,585	494,449
Air conditioning equipment and machinery		826	3,947
Electrical and other equipment		3,902	43,945
Furniture and fittings		3,102	16,061
Computer installations		10,356	23,129
Vehicles		3,331	1,850
		77,602	727,710
6.2 Capital work-in-progress			
Opening work-in-progress		54,515	215,388
Additions during the period / year		24,806	85,853
Transferred to operating fixed assets		(6,353)	(246,726)
Closing work-in-progress		72,968	54,515
7 TRADE DEBTS			
Considered good			
Related party - Shifa Foundation		6,270	3,398
Related party - Shifa Tameer-e-Millat University (STMU)		-	1,433
Others		469,526	329,411
Considered doubtful			
Others		41,274	28,380
Considered bad			
Others		-	95,409
		517,070	458,031
Less: provision for doubtful debts	7.1	41,274	28,380
Bad debts written off		-	95,409
		475,796	334,242

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

8 RELATED PARTY TRANSACTIONS

The Company entered into transactions with related parties (Shifa Foundation, Tameer-e-Millat Foundation, Shifa Tameer-e-Millat University, Shifa Consulting Services (Private) Limited and SIHL Employees' Gratuity Fund) during the period in the normal course of business on an arm's length basis. Aggregate of significant transactions with related parties are given below:

	Un-audited	
	September 30, 2015	September 30, 2014
	(Rupees in '000')	
Shifa Foundation - (Related party by virtue of common directorship)		
Revenue from services earned by the Company	11,496	7,151
Revenue from rent	101	101
Other services provided to the Company	3,960	-
Expenses paid by and reimbursed to the Company	-	166
Tameer-e-Millat Foundation - (Related party by virtue of common directorship)		
Revenue from services earned by the Company	3	-
Revenue from rent	11	11
Other supplies provided to the Company	3,268	4,153
Other services provided to the Company	934	355
Rent paid by the Company	521	345
SIHL Employees' Gratuity Fund		
Payments made by the Company during the period	37,893	405
Shifa Tameer-e-Millat University - (Related party by virtue of common directorship)		
Revenue from services earned by the Company	295	12
Revenue from rent	5,882	5,651
Expenses paid by and reimbursed to the Company	6,332	5,297
Donation by the Company	25,000	-
Shifa Consulting Services (Private) Limited - (Subsidiary Company)		
Revenue from services earned by the Company	120	-

9 GENERAL

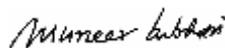
- 9.1 Figures have been rounded off to the nearest one thousand Pak Rupees.
- 9.2 This condensed interim financial information has been authorized for issue by the Board of Directors of the Company on October 27, 2015.



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Shifa International Hospitals Limited
Condensed Interim Consolidated
Financial Information For The
First Quarter Ended
September 30, 2015

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2015

	Note	Un-audited September 30, 2015	Audited June 30, 2015
(Rupees in '000')			
SHARE CAPITAL AND RESERVES			
Share capital		505,138	505,138
Capital reserve		40,000	40,000
Unappropriated profit		1,854,518	1,703,323
		2,399,656	2,248,461
NON-CONTROLLING INTEREST			
		6,457	7,675
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
		748,934	751,182
NON-CURRENT LIABILITIES			
Long term financing - secured	4	750,000	833,333
Deferred taxation		430,021	457,400
		1,180,021	1,290,733
CURRENT LIABILITIES			
Trade and other payables		1,407,378	1,488,746
Markup accrued		691	793
Current portion of long term financing		333,333	333,333
		1,741,402	1,822,872
		6,076,470	6,120,923

CONTINGENCIES AND COMMITMENTS

5

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

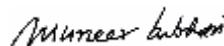


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	Note	Un-audited September 30, 2015 (Rupees in '000')	Audited June 30, 2015
NON-CURRENT ASSETS			
Property, plant and equipment	6	4,484,308	4,488,219
Long term deposits		38,439	38,439
		4,522,747	4,526,658
CURRENT ASSETS			
Stores, spare parts and loose tools		191,249	186,285
Stock-in-trade		183,945	202,463
Trade debts	7	479,979	337,005
Loans and advances		126,371	126,690
Trade deposits and short term prepayments		36,078	25,468
Markup accrued		693	1,908
Other financial assets		125,355	125,305
Tax refunds due from the government (net of provision)		28,397	52,154
Cash and bank balances		381,656	536,987
		1,553,723	1,594,265
		6,076,470	6,120,923



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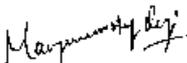
**CONDENSED INTERIM
CONSOLIDATED PROFIT AND LOSS ACCOUNT [UN-AUDITED]
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015**

	September 30, 2015 (Rupees in '000')
Net revenue	1,978,678
Other income	13,430
Operating costs	(1,768,490)
Finance costs	(26,883)
Profit before taxation	196,735
Provision for taxation	(49,006)
Profit after taxation	147,729
Attributable to:	
Equity holders of Shifa International Hospitals Limited	148,947
Non-Controlling Interest	(1,218)
	147,729
Earnings per share - basic and diluted - (Rupees)	2.92

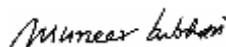
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**CONDENSED INTERIM
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME [UN-AUDITED]
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015**

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

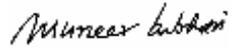
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**CONDENSED INTERIM
CONSOLIDATED CASH FLOW STATEMENT [UN-AUDITED]
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015**

	September 30, 2015 (Rupees in '000')
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	196,735
Adjustments for:	
Depreciation / amortization of property, plant and equipment	99,854
Provision for doubtful debts	12,894
Property, plant and equipment written off	39
Gain on disposal of property, plant and equipment	(149)
Provision for compensated absences	7,500
Provision for gratuity	15,000
Provision for slow moving stores	1,463
Profit on investments and bank deposits	(6,088)
Finance cost	26,883
Operating cash flows before changes in working capital	354,131
Changes in working capital:	
(Increase) / decrease in current assets:	
Stores, spare parts and loose tools	(5,890)
Stock-in-trade	18,518
Trade debts	(155,868)
Loans and advance	318
Trade deposits and short term prepayments	(10,610)
Increase / (decrease) in current liabilities:	
Trade and other payables	(57,570)
Cash generated from operations	143,029
Finance cost paid	(26,985)
Income tax paid	(52,628)
Payment to gratuity fund	(37,893)
Compensated absences paid	(7,220)
Net cash from operating activities	18,303
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property, plant and equipment	(96,670)
Proceeds from disposal of property, plant and equipment	301
Profit received	7,303
Net cash used in investing activities	(89,066)
CASH FLOWS FROM FINANCING ACTIVITIES	
Long term Financing - repayments	(83,333)
Dividend paid	(1,185)
Net cash used in financing activities	(84,518)
Net decrease in cash and cash equivalents	(155,281)
Cash and cash equivalents at beginning of period	662,292
Cash and cash equivalents at end of period	507,011

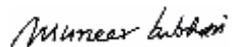
The annexed notes 1 to 9 form an integral part of this condensed interim consolidated financial information.



CHAIRMAN



CHIEF EXECUTIVE



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**CONDENSED INTERIM
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY [UN-AUDITED]
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015**

	Share capital	Capital reserve	Unappro- priated profit	Surplus on revaluation of property, plant & equipment	Non- Controlling interest	Total
	(Rupees in '000')					
Balance at July 01, 2015	505,138	40,000	1,703,323	751,182	(4,325)	2,995,318
Total comprehensive income for the period						
Profit for the period	-	-	148,947	-	(1,218)	147,729
Other comprehensive income	-	-	-	-	-	-
	-	-	148,947		(1,218)	147,729
Transfer of depreciation / amortization on incremental value arising on revaluation of property, plant and equipment attributed to current period	-	-	2,248	(2,248)		-
Balance at September 30, 2015	<u>505,138</u>	<u>40,000</u>	<u>1,854,518</u>	<u>748,934</u>	<u>(5,543)</u>	<u>3,143,047</u>

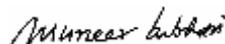
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SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED] FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015

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 all the three stock exchanges of Pakistan. 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. 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, SIHL is running medical centre, pharmacies in Islamabad and lab collection points in different cities of Pakistan.
- 1.2 Shifa Consulting Services (Private) Limited was incorporated on December 18, 2014. The principal activity of Shifa Consulting Services (Private) Limited is to provide consulting services relating to healthcare facilities, medical staff, availability of human resource and hospital quality.

2 BASIS OF PREPARATION

- 2.1 This condensed interim consolidated financial information of the Company for the first quarter ended September 30, 2015 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 does not include all of the information required for annual consolidated financial statements, and should be read in conjunction with the annual consolidated financial statements of the Company for the year ended June 30, 2015. Comparative condensed interim consolidated balance sheet is extracted from annual consolidated financial statements for the year ended June 30, 2015, whereas comparative figures of 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 not available, as Shifa Consulting Services (Private) Limited was incorporated on December 18, 2014.

3 BASIS OF CONSOLIDATION

The consolidated financial information includes the financial information of Shifa International Hospitals Limited and its subsidiary company Shifa Consulting Services (Private) Limited 60% owned (September 2014: Nil).

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 information of the subsidiary is prepared for the same reporting period as the Parent Company, using consistent accounting policies.

Material intra-group balances and transactions have been eliminated.

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

Condensed Interim Consolidated Financial Information For The First Quarter Ended September 30, 2015

		Un-audited September 30, 2015	Audited June 30, 2015
		(Rupees in '000')	
4	LONG TERM FINANCING - SECURED		
	From banking and non-banking companies		
	Syndicated Islamic Finance Facility	1,083,333	1,166,666
	Less: Current portion	333,333	333,333
		750,000	833,333
4.1	Movement during the period / year is as follows:		
	Opening balance	1,166,666	1,504,500
	Repayment during the period / year	(83,333)	(337,834)
	Closing balance	1,083,333	1,166,666
4.2	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 was 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.		
5	CONTINGENCIES AND COMMITMENTS		
5.1	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	34,521	34,485
5.2	Commitments		
	Capital expenditure	20,985	16,240
	Letter of credit	12,009	30,379
6	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	4,411,340	4,433,704
	Capital work-in-progress (CWIP)	72,968	54,515
		4,484,308	4,488,219
6.1	Operating fixed assets		
	Written down value (WDV) at the beginning of the period / year	4,433,704	3,818,702
	Additions	77,682	730,171
		4,511,386	4,548,873
	WDV of disposals	(152)	(14,686)
	WDV of assets written off	(39)	(18,048)
	WDV of leasehold land no longer reclassified as held for sale	-	287,878
	Depreciation for the period / year	(99,855)	(370,313)
	WDV at the end of the period / year	4,411,340	4,433,704

Condensed Interim Consolidated Financial Information For The First Quarter Ended September 30, 2015

		Un-audited September 30, 2015	Audited June 30, 2015
		(Rupees in '000')	
	Note		
6.1.1 Additions to operating fixed assets			
Freehold land		28,500	6,500
Building on leasehold land		-	137,829
Biomedical equipment		27,585	494,449
Air conditioning equipment and machinery		826	3,947
Electrical and other equipment		3,902	44,564
Furniture and fittings		3,125	17,186
Computer installations		10,413	23,793
Vehicles		3,331	1,903
		77,682	730,171
6.2 Capital work-in-progress			
Opening work-in-progress		54,515	215,388
Additions during the period / year		24,806	85,853
Transferred to operating fixed assets		(6,353)	(246,726)
Closing work-in-progress		72,968	54,515
7 TRADE DEBTS			
Considered good			
Related party - Shifa Foundation		6,270	3,398
Related party - Shifa Tameer-e-Millat University (STMU)		-	1,433
Others		473,709	332,174
Considered doubtful			
Others		41,274	28,380
Considered bad			
Others		-	95,409
		521,253	460,794
Less: provision for doubtful debts	7.1	41,274	28,380
Bad debts written off		-	95,409
		479,979	337,005

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

		Un-audited September 30, 2015	September 30, 2014
		(Rupees in '000')	
8 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		11,496	7,151
Revenue from rent		101	101
Other services provided to the SIHL		3,960	-
Expenses paid by and reimbursed to the SIHL		-	166

	Un-audited	
	September 30, 2015	September 30, 2014
	(Rupees in '000')	
Tameer-e-Millat Foundation - (Related party by virtue of common directorship)		
Revenue from services earned by the SIHL	3	-
Revenue from rent	11	11
Other supplies provided to the SIHL	3,268	4,153
Other services provided to the SIHL	934	355
Rent paid by the SIHL	521	345
SIHL Employees' Gratuity Fund		
Payments made by the SIHL during the period	37,893	405
Shifa Tameer-e- Millat University - (Related party by virtue of common directorship)		
Revenue from services earned by the SIHL	295	12
Revenue from rent	5,882	5,651
Expenses paid by and reimbursed to the SIHL	6,332	5,297
Donation by the SIHL	25,000	-

9 GENERAL

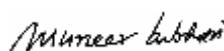
- 9.1 Figures have been rounded off to the nearest one thousand Pak Rupees.
- 9.2 This condensed interim consolidated financial information has been authorized for issue by the Board of Directors of the SIHL on October 27, 2015.



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Shifa International Hospitals Ltd.

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