



Shifa
International
Hospitals Ltd.

Condensed Interim Financial Information For The Third Quarter and Nine Months ended March 31, 2015





Contents

Company Information	2
Directors' Review	3
Condensed Interim Balance Sheet	4
Condensed Interim Profit & Loss Account	6
Condensed Interim Statement of Comprehensive Income	7
Condensed Interim Cash Flow Statement	8
Condensed Interim Statement of Changes in Equity	9
Selected Notes to the Condensed Interim Financial information	10
Condensed Interim Consolidated Balance Sheet	14
Condensed Interim Consolidated Profit & Loss Account	16
Condensed Interim Consolidated Statement of Comprehensive Income	17
Condensed Interim Consolidated Cash Flow Statement	18
Condensed Interim Consolidated Statement of Changes in Equity	19
Selected Notes to the Condensed Interim Consolidated Financial information	20

Company Information

Board of Directors:	Dr. Habib-Ur-Rahman Chairman Dr. Manzoor H. Qazi CEO Mr. Muhammad Zahid Dr. Abdul Razaq Dr. Saeed A. Bajwa Dr. Mohammad Salim Khan Mr. Shafquat Ali Chaudhary Shah Naveed Saeed Mr. Qasim Farooq Ahmad Dr. Samea Kauser Ahmad
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 Adviser:	M/s Bashir Ahmad Ansari & Company
Bankers:	Meezan Bank Limited Al Baraka Bank (Pakistan) Limited Burj Bank Limited Habib Bank Limited MCB Bank Limited Faysal Bank Limited First Habib Modaraba
Registered Office:	Sector H-8/4, Islamabad
Share Registrar:	M/s Corplink (Pvt) 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 3rd quarter and nine months ended March 31, 2015. Condensed Interim Consolidated Financial Information for the 3rd quarter and nine months ended March 31, 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. 5,405 million as compared to Rs. 4,642 million in the last corresponding period depicting an increase of 16.44 %. Operating costs also increased to Rs. 4,777 million against Rs. 4,109 million in the last corresponding period owing to increase in cost of utilities, repair & maintenance, salaries, wages and benefits, supplies consumed and medicines. The net profit of the Company increased by 19.61 % as compared to corresponding period last year and stood at Rs. 360.5 million which translated into earnings per share of Rs. 7.14 against Rs. 5.97 in the corresponding period last year. Current Ratio declined from 0.93 as at June 30, 2014 to 0.80 as at March 31, 2015 mainly due to current maturity of long term financing and seasonal trends in collection etc.

During third quarter, the political and economic situation of the country has been improved which also impacted positively on the financial results of the Company as reflected in the enclosed condensed interim financial information.

We are selectively expanding our services in the areas where it is inevitable in line with our business strategy and demands of our valued patients.

Board is appreciative of the relentless efforts of consultants, management and staff in providing best services to the patients and unremitting patronage of vendors, bankers and shareholders.

For and on behalf of the Board



DR. MANZOOR H. QAZI

Chief Executive Officer

Islamabad

April 25, 2015

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2015

		Unaudited March 31, 2015	Audited June 30, 2014
	Note	(Rupees in '000')	
SHARE CAPITAL AND RESERVES			
Share capital		505,138	505,138
Capital reserve		40,000	40,000
Unappropriated profit		1,559,970	1,344,260
		2,105,108	1,889,398
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
		753,429	760,176
NON CURRENT LIABILITIES			
Long term financing - secured	4	916,667	1,166,667
Deferred taxation		460,763	441,466
		1,377,430	1,608,133
CURRENT LIABILITIES			
Trade and other payables		1,334,725	1,197,572
Markup accrued		1,373	1,458
Short term running finance - secured		-	39,675
Current portion of long term financing		333,333	337,833
Provision for taxation - net		6,051	21,286
		1,675,482	1,597,824
		5,911,449	5,855,531
CONTINGENCIES AND COMMITMENTS			
	5		

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

Daniel M. Rahman

CHAIRMAN

		Unaudited March 31, 2015	Audited June 30, 2014
(Rupees in '000')			
NON CURRENT ASSETS	Note		
Property, plant and equipment	6	4,504,559	4,036,797
Advance for acquisition of shares	7	12,479	-
Long term deposits		41,225	40,651
		4,558,263	4,077,448
CURRENT ASSETS			
Stores, spare parts and loose tools		197,812	171,882
Stock-in-trade		234,927	212,538
Trade debts	8	405,215	343,029
Loans and advances		138,775	164,577
Trade deposits and short term prepayments		40,579	37,183
Markup accrued		783	1,113
Other financial assets		54,218	101,235
Cash and bank balances		280,877	449,052
		1,353,186	1,480,609
NON CURRENT ASSET HELD FOR SALE		-	297,474
		5,911,449	5,855,531

Maryam H. Syed

CHIEF EXECUTIVE

Muneer Lubman

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT [UNAUDITED]
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2015**

	Three months ended		Nine months ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	(Rupees in '000')			
Net revenue	1,969,624	1,645,758	5,405,025	4,641,631
Other operating income	9,111	9,814	35,421	43,451
Operating costs	(1,677,298)	(1,448,352)	(4,776,651)	(4,108,672)
Finance costs	(38,293)	(49,271)	(127,363)	(144,121)
Profit before taxation	263,144	157,949	536,432	432,289
Provision for taxation	(92,343)	(48,672)	(175,924)	(130,885)
Profit for the period	170,801	109,277	360,508	301,404
Earnings per share - basic and diluted (Rupees)	3.38	2.16	7.14	5.97

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME [UNAUDITED]
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2015**

	Three months ended		Nine months ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	(Rupees in '000')			
Profit for the period	170,801	109,277	360,508	301,404
Other comprehensive income for the period - net of tax	-	-	-	-
Total comprehensive income for the period	170,801	109,277	360,508	301,404

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM CASH FLOW STATEMENT [UNAUDITED]
FOR THE NINE MONTH ENDED MARCH 31, 2015**

	March 31, 2015	March 31, 2014
	(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	536,432	432,289
Adjustments for:		
Depreciation / amortization of property, plant and equipment	280,321	233,977
Provision for doubtful debts	34,751	45,135
Property, plant and equipment written off	1,560	5,100
Loss on disposal of property, plant and equipment	379	731
Provision for compensated absences	18,954	13,538
Provision for gratuity	45,910	26,654
Provision for slow moving stores	3,424	(2,143)
Profit on investments and bank deposits	(19,333)	(31,732)
(Gain)/ loss on foreign currency translation	(6)	174
Finance cost	127,363	144,121
Operating cash flows before changes in working capital	1,029,755	867,844
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(32,339)	(16,840)
Stock-in-trade	(22,389)	(16,349)
Trade debts	(96,937)	(84,787)
Loans and advances	25,802	(120,939)
Trade deposits and short term prepayments	(3,396)	(18,568)
Increase / (decrease) in current liabilities:		
Trade and other payables	116,173	146,797
Cash generated from operations	1,016,669	757,158
Finance cost paid	(127,448)	(144,106)
Income tax paid	(171,862)	(97,262)
Payment to gratuity fund	(31,457)	(46,155)
Compensated absences paid	(17,457)	(11,755)
Net cash from operating activities	668,445	457,880
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(461,890)	(592,630)
Proceeds from disposal of property, plant and equipment	12,979	793
Profit received	19,663	31,052
Investment in subsidiary	(12,479)	-
Increase in long term deposits	(574)	(3,455)
Net cash used in investing activities	(442,301)	(564,240)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term Financing - repayments	(254,500)	(47,917)
Dividend paid	(147,167)	(148,946)
Net cash used in financing activities	(401,667)	(196,863)
Net decrease in cash and cash equivalents	(175,523)	(303,223)
Cash and cash equivalents at beginning of period	510,612	763,546
Effect of exchange rate changes on cash and cash equivalents	6	(174)
Cash and cash equivalents at end of period	335,095	460,149

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY [UNAUDITED]
FOR THE NINE MONTH ENDED MARCH 31, 2015**

	Share capital	Capital reserve	Unappropriated profit	Total
	(Rupees in '000')			
Balance at July 01, 2013	505,138	40,000	1,042,390	1,587,528
Total comprehensive income for the period				
Profit for the period	-	-	301,404	301,404
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	301,404	301,404
Transfer of depreciation / amortization on incremental value arising on revaluation of property, plant and equipment attributed to current period	-	-	5,384	5,384
Distribution to owners				
Final dividend 2013: Rs. 3 per share	-	-	151,541	(151,541)
Total transactions with owners	-	-	(151,541)	(151,541)
Balance at March 31, 2014	505,138	40,000	1,197,637	1,742,775
Balance at July 01, 2014	505,138	40,000	1,344,260	1,889,398
Total comprehensive income for the period				
Profit for the period	-	-	360,508	360,508
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	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	2,105,108

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

Qasim M Rahman

CHAIRMAN

Maryam Ali

CHIEF EXECUTIVE

Muneer Anwar

CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED] FOR THE NINE MONTH ENDED MARCH 31, 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 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 located at Sector H-8/4, Islamabad.

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 Islamabad, second hospital in 2011 in Faisalabad and another in 2014 in G-10/4, Islamabad. Besides this, the Company is running medical centres, pharmacies and lab collection points in different cities of Pakistan.

2 BASIS OF PREPARATION

2.1 This condensed interim financial information of the Company for the nine months ended March 31, 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, 2014. Comparative condensed interim balance sheet is extracted from annual financial statements for the year ended June 30, 2014, 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, 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, 2014.

	Note	Unaudited March 31, 2015	Audited June 30, 2014
(Rupees in '000')			
4 LONG TERM FINANCING - SECURED			
From banking and non-banking companies			
First Habib Modaraba		-	4,500
Syndicated Islamic Finance Facility	4.1 & 4.2	1,250,000	1,500,000
		1,250,000	1,504,500
Less: Current portion		333,333	337,833
		916,667	1,166,667
4.1 Movement during the period/year as follows is as follows:			
Opening balance		1,504,500	1,739,500
Repayment during the period/year		(254,500)	(235,000)
Closing balance		1,250,000	1,504,500

4.2 This represents syndicated Islamic finance facility, arranged and led by Meezan Bank Limited, obtained on markup basis at 3 months KIBOR plus 1.25% (June 2014: 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 2014: 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.

			Unaudited March 31, 2015	Audited June 30, 2014			
		Note	(Rupees in '000')				
5	CONTINGENCIES AND COMMITMENTS						
5.1	Contingencies						
5.1.1	Claims against the Company not acknowledged as debt		133,303	183,303			
5.1.2	Others		20,000	20,000			
5.1.3	Guarantees issued by bank on behalf of the Company		34,470	34,443			
5.2	Commitments						
5.2.1	Capital expenditure		40,848	24,371			
5.2.2	Letter of credit		1,550	81,603			
6	PROPERTY, PLANT AND EQUIPMENT						
	Operating fixed assets	6.1	4,321,271	3,818,702			
	Capital work in progress (CWIP)	6.2	183,28	218,095			
			4,504,559	4,036,797			
6.1	Operating fixed assets						
	Written down value (WDV) at the beginning of the period/year		3,818,702	3,473,508			
	Additions	6.1.1	500,348	788,909			
			4,319,050	4,262,417			
	WDV of disposals		(13,358)	(1,626)			
	WDV of assets written off		(1,560)	(9,928)			
	Revaluation		-	184,284			
	WDV of leasehold land no longer classified as held for sale		297,474	(297,474)			
	Depreciation for the period/year		(280,335)	(318,971)			
	WDV at the end of the period/year		4,321,271	3,818,702			
6.1.1	Additions to operating fixed assets						
	Freehold land		6,500	7,800			
	Building on leasehold land		134,301	332,042			
	Biomedical equipment		298,634	229,157			
	Air conditioning equipment and machinery		1,166	54,078			
	Electrical and other equipment		31,993	43,095			
	Furniture and fittings		14,170	19,934			
	Computer installations		11,734	79,439			
	Vehicles		1,850	23,364			
			500,348	788,909			
6.2	Capital work in progress						
	Opening work in progress		218,095	143,010			
	Additions during the period/year		99,494	407,127			
	Transferred to operating fixed assets		(134,301)	(332,042)			
	Closing work in progress		183,288	218,095			
7	ADVANCE FOR ACQUISITION OF SHARES						

This represents advance given for acquisition of shares in Shifa Consulting Services (Private) Limited.

	Note	Unaudited March 31, 2015 (Rupees in '000')	Audited June 30, 2014
8 TRADE DEBTS			
Considered good - unsecured			
Related party - Shifa Foundation		6,818	4,670
Related party - Shifa Tameer-e-Millat University (STMU)		6,805	-
Others		391,592	338,359
Considered doubtful			
Others		126,019	94,655
		531,234	437,684
Less: provision for doubtful debts	8.1	126,019	94,655
		405,215	343,029

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

9 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 during nine months were as follows:

	Unaudited March 31, 2015 (Rupees in '000')	March 31, 2014
Shifa Foundation: (Related party by virtue of common directorship)		
Revenue from services earned by the Company	27,443	19,985
Revenue from rent	303	303
Expenses paid by and reimbursed to the Company	1,362	-
Donation given by the Company	-	10,000
Tameer-e-Millat Foundation: (Related party by virtue of common directorship)		
Revenue from rent	33	33
Other supplies provided to the Company	12,166	7,997
Other services provided to the Company	2,635	2,846
SIHL Employees' Gratuity Fund		
Payments made by the Company during the period	31,457	46,155
Shifa Tameer-e-Millat University		
Revenue from services earned by the Company	1,121	-
Revenue from rent	17,267	16,695
Expenses paid by and reimbursed to the Company	14,911	13,757
Donation given by the Company	-	18,000
Shifa Consulting Services (Private) Limited		
Investment made by the Company	12,479	-
Commitment against issuance of shares	5,521	-

10 GENERAL

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

10.2 This condensed interim financial information has been authorized for issue by the Board of Directors of the Company on April 25, 2015.

David M. Rahman

CHAIRMAN

Maryam Ali

CHIEF EXECUTIVE

Muneer Anwar

CHIEF FINANCIAL OFFICER



SHIFA INTERNATIONAL HOSPITALS LTD.
Condensed Interim Consolidated
Financial Information For The
Third Quarter and Nine Months ended
March 31, 2015



CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

	Note	Unaudited March 31, 2015 (Rupees in '000')
SHARE CAPITAL AND RESERVES		
Share capital		505,138
Capital reserve		40,000
Unappropriated profit		1,555,155
		2,100,293
NON CONTROLLING INTEREST		
		(3,210)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		
		753,429
NON CURRENT LIABILITIES		
Long term financing - secured	4	916,667
Deferred taxation		460,763
		1,377,430
CURRENT LIABILITIES		
Trade and other payables		1,335,258
Markup accrued		1,373
Current portion of long term financing		333,333
Provision for taxation - net		6,051
		1,676,015
		5,903,957
CONTINGENCIES AND COMMITMENTS		
	5	

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



CHAIRMAN

	Note	Unaudited March 31, 2015 (Rupees in '000')
NON CURRENT ASSETS		
Property, plant and equipment	6	4,506,448
Long term deposits		41,225
		4,547,673
 CURRENT ASSETS		
Stores, spare parts and loose tools		197,812
Stock-in-trade		234,927
Trade debts	7	405,215
Loans and advances		138,775
Trade deposits and short term prepayments		42,419
Markup accrued		783
Other financial assets		54,218
Cash and bank balances		282,135
		1,356,284
		5,903,957



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM CONSOLIDATED
PROFIT AND LOSS ACCOUNT [UNAUDITED]
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2015**

	Three months ended March 31, 2015 (Rupees in '000')	Nine months ended March 31, 2015
Net revenue	1,971,557	5,406,958
Other operating income	9,111	35,421
Operating costs	(1,683,541)	(4,786,608)
Finance costs	(38,294)	(127,364)
Profit before taxation	258,833	528,407
Provision for taxation	(92,343)	(175,924)
Profit for the period	<u>166,490</u>	<u>352,483</u>
Attributable to:		
Equity holders of Shifa International Hospitals Limited	168,214	355,693
Non- Controlling interest	(1,724)	(3,210)
	<u>166,490</u>	<u>352,483</u>

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



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME [UNAUDITED]
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2015**

	Three months ended March 31, 2015 (Rupees in '000')	Nine months ended March 31, 2015
Profit for the period	166,490	352,483
Other comprehensive income for the period - net of tax	-	-
Total comprehensive income for the period	<u>166,490</u>	<u>352,483</u>
Attributable to:		
Equity holders of Shifa International Hospitals Limited	168,214	355,693
Non- Controlling interest	<u>(1,724)</u>	<u>(3,210)</u>
	<u>166,490</u>	<u>352,483</u>

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



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM CONSOLIDATED
CASH FLOW STATEMENT [UNAUDITED]
FOR THE NINE MONTH ENDED MARCH 31, 2015**

	March 31, 2015 (Rupees in '000')
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	528,407
Adjustments for:	
Depreciation / amortization of property, plant and equipment	280,468
Provision for doubtful debts	34,751
Property, plant and equipment written off	1,560
Loss on disposal of property, plant and equipment	379
Provision for compensated absences	18,954
Provision for gratuity	45,910
Provision for slow moving stores	3,424
Profit on investments and bank deposits	(19,333)
Gain on foreign currency translation	(6)
Finance cost	127,364
Operating cash flows before changes in working capital	1,021,878
Changes in working capital:	
(Increase) / decrease in current assets:	
Stores, spare parts and loose tools	(32,339)
Stock-in-trade	(22,389)
Trade debts	(96,937)
Loans and advances	25,802
Trade deposits and short term prepayments	(5,236)
Increase / (decrease) in current liabilities:	
Trade and other payables	116,706
Cash generated from operations	1,007,485
Finance cost paid	(127,449)
Income tax paid	(171,862)
Payment to gratuity fund	(31,457)
Compensated absences paid	(17,457)
Net cash from operating activities	659,260
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property, plant and equipment	(463,926)
Proceeds from disposal of property, plant and equipment	12,979
Profit received	19,663
Increase in long term deposits	(574)
Net cash used in investing activities	(431,858)
CASH FLOWS FROM FINANCING ACTIVITIES	
Long term Financing - repayments	(254,500)
Dividend paid	(147,167)
Net cash used in financing activities	(401,667)
Net decrease in cash and cash equivalents	(174,265)
Cash and cash equivalents at beginning of period	510,612
Effect of exchange rate changes on cash and cash equivalents	6
Cash and cash equivalents at end of period	336,353

The annexed notes 1 to 9 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 [UNAUDITED]
FOR THE NINE MONTH ENDED MARCH 31, 2015**

	Share capital	Capital reserve	Unappro- priated Profit	Non Controlling Interest	Total
	(Rupees in '000')				
Balance at July 01, 2014	505,138	40,000	1,344,260	-	1,889,398
Total comprehensive income for the period					
Profit for the period	-	-	355,693	(3,210)	352,483
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	355,693	(3,210)	352,483
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	1,555,155	(3,210)	2,097,083

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

Farid M Rahman

CHAIRMAN

Maryam Ali

CHIEF EXECUTIVE

Muneer Anwar

CHIEF FINANCIAL OFFICER

**SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL
INFORMATION [UNAUDITED]
FOR THE NINE MONTH ENDED MARCH 31, 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 (Pvt) 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.

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 Islamabad, second hospital in 2011 in Faisalabad and another in 2014 in G-10/4 Islamabad. Besides this, the Company is running medical centres, pharmacies and lab collection points in different cities of Pakistan.

Shifa Consulting Services (Pvt) Limited was incorporated on December 18, 2014. The principal activity of Shifa Consulting Services (Pvt) 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 nine months ended March 31, 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 financial statements, and should be read in conjunction with the annual financial statements of the SIHL for the year ended June 30, 2014. Comparative figures are not applicable as Shifa Consulting Services (Private) Limited was incorporated on December 18, 2014.

3 BASIS OF CONSOLIDATION

The consolidated financial statements includes the financial statements of Shifa International Hospitals Limited and its subsidiary company Shifa Consulting (Private) Limited 60% owned (March 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 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 interest are presented as a separate item in the consolidated financial statements

4 LONG TERM FINANCING - SECURED

From banking and non-banking companies

Syndicated Islamic Finance Facility

4.1 & 4.2

**Unaudited
March 31,
2015**

(Rupees in '000')

Less: Current portion

1,250,000

333,333

916,667

		Unaudited March 31, 2015
		(Rupees in '000')
4.1	Movement during the period/year as follows is as follows:	
	Opening balance	1,504,500
	Repayment during the period	(254,500)
	Closing balance	<u>1,250,000</u>
4.2	This represents syndicated Islamic finance facility, arrange and lead by Meezan Bank Limited, obtained on markup basis at 3 months KIBOR plus 1.25% (June 2014: 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 2014: 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.	
		Unaudited March 31, 2015
		(Rupees in '000')
5	CONTINGENCIES AND COMMITMENTS	
5.1	Contingencies	
5.1.1	Claims against the Company not acknowledged as debt	<u>133,303</u>
5.1.2	Others	<u>20,000</u>
5.1.3	Guarantees issued by bank on behalf of the Company	<u>34,470</u>
5.2	Commitments	
5.2.1	Capital expenditure	<u>40,848</u>
5.2.2	Letter of credit	<u>1,550</u>
6	PROPERTY, PLANT AND EQUIPMENT	
	Operating fixed assets	6.1 <u>4,323,160</u>
	Capital work in progress (CWIP)	6.2 <u>183,288</u>
		<u>4,506,448</u>
6.1	Operating fixed assets	
	Written down value (WDV) at the beginning of the period/year	<u>3,818,702</u>
	Additions	6.1.1 <u>502,384</u>
		<u>4,321,086</u>
	WDV of disposals	(13,358)
	WDV of assets written off	(1,560)
	WDV of leasehold land no longer classified as held for sale	297,474
	Depreciation for the period/year	(280,482)
	WDV at the end of the period/year	<u>4,323,160</u>
6.1.1	Additions to operating fixed assets	
	Freehold land	6,500
	Building on leasehold land	134,301
	Biomedical equipment	298,634
	Air conditioning equipment and machinery	1,166
	Electrical and other equipment	32,257
	Furniture and fittings	15,294
	Computer installations	12,382
	Vehicles	1,850
		<u>502,384</u>

		Unaudited March 31, 2015
		(Rupees in '000')
	Note	
6.2 Capital work in progress		
Opening work in progress		218,095
Additions during the period/year		99,494
Transferred to operating fixed assets		(134,301)
Closing work in progress		<u>183,288</u>
7 TRADE DEBTS		
Considered good - unsecured		
Related party - Shifa Foundation		6,818
Related party - Shifa Tameer -e- Millat University (STMU)		6,805
Others		391,592
Considered doubtful		
Others		<u>126,019</u>
		<u>531,234</u>
Less: provision for doubtful debts	7.1	<u>126,019</u>
		<u>405,215</u>
7.1	Trade debts are provided on estimated irrecoverable amounts, on the basis of past experience of the management of the Company.	
		Unaudited March 31, 2015
		(Rupees in '000')
8 RELATED PARTY TRANSACTIONS		
Significant transaction with the related parties are as follows:		
Shifa Foundation: (Related party by virtue of common directorship)		
Revenue from services earned by the Company		<u>27,443</u>
Revenue from rent		<u>303</u>
Expenses paid by and reimbursed to the Company		<u>1,362</u>
Tameer-e-Millat Foundation: (Related party by virtue of common directorship)		
Revenue from rent		<u>33</u>
Other supplies provided to the Company		<u>12,166</u>
Other services provided to the Company		<u>2,635</u>
SIHL Employees' Gratuity Fund		
Payments made by the Company during the period		<u>31,457</u>
Shifa Tameer-e-Millat University		
Revenue from services earned by the Company		<u>1,121</u>
Revenue from rent		<u>17,267</u>
Expenses paid by and reimbursed to the Company		<u>14,911</u>
Shifa Consulting Services (Private) Limited		
Investment made by the Company		<u>12,479</u>
Commitment against issuance of shares		<u>5,521</u>

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 Company on April 25, 2015.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

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