



**Shifa**  
International  
Hospitals Ltd.



## **Condensed Interim Financial Statements (un-audited)**

**for the First Quarter Ended |  
September 30, 2021 |**



# C O N T E N T S

Company Information	2
Directors' Review	3
Condensed Interim Unconsolidated Statement of Financial Position	6
Condensed Interim Unconsolidated Statement of Profit or Loss	8
Condensed Interim Unconsolidated Statement of Comprehensive Income	9
Condensed Interim Unconsolidated Statement of Cash Flows	10
Condensed Interim Unconsolidated Statement of Changes in Equity	11
Selected Notes to the Condensed Interim Unconsolidated Financial Statements	12
Condensed Interim Consolidated Statement of Financial Position	24
Condensed Interim Consolidated Statement of Profit or Loss	26
Condensed Interim Consolidated Statement of Comprehensive Income	27
Condensed Interim Consolidated Statement of Cash Flows	28
Condensed Interim Consolidated Statement of Changes in Equity	29
Selected Notes to the Condensed Interim Consolidated Financial Statements	30

## COMPANY INFORMATION

<b>Board of Directors:</b>	Dr. Habib-Ur-Rahman (Chairman) Dr. Manzoor H. Qazi (CEO) Mr. Muhammad Zahid Mr. Shafquat Ali Chaudhary Mr. Qasim Farooq Ahmad Dr. Samea Kauser Ahmad Syed Ilyas Ahmed Prof. Dr. Shoab Ahmed Khan Dr. Mohammad Naseem Ansari Mr. Javed K. Siddiqui
<b>Audit Committee:</b>	Syed Ilyas Ahmed (Chairman) Dr. Habib-Ur-Rahman Dr. Samea Kauser Ahmad Mr. Javed K. Siddiqui
<b>Human Resource &amp; Remuneration Committee:</b>	Syed Ilyas Ahmed (Chairman) Dr. Habib-Ur-Rahman Dr. Manzoor H. Qazi Dr. Mohammad Naseem Ansari
<b>Corporate Governance &amp; Nominations Committee:</b>	Mr. Muhammad Zahid (Chairman) Dr. Habib-Ur-Rahman Dr. Manzoor H. Qazi Dr. Samea Kauser Ahmad Mr. Javed K. Siddiqui
<b>Risk Management Committee:</b>	Mr. Qasim Farooq Ahmad (Chairman) Prof. Dr. Shoab Ahmed Khan Dr. Mohammad Naseem Ansari
<b>Chief Medical Officer:</b>	Dr. Zeeshan Bin Ishtiaque
<b>Chief Operating Officer:</b>	Mr. Taimoor Shah
<b>Chief Financial Officer:</b>	Mr. Ahmad Sana
<b>Company Secretary:</b>	Mr. Muhammad Naeem
<b>Head of Internal Audit:</b>	Mr. Muhammad Saeed
<b>Auditors:</b>	M/s Grant Thornton Anjum Rahman Chartered Accountants
<b>Legal Advisor:</b>	M/s Bashir Ahmad Ansari & Company
<b>Bankers:</b>	Meezan Bank Limited Al Baraka Bank (Pakistan) Limited United Bank Limited Habib Bank Limited Faysal Bank Limited MCB Bank Limited First Habib Modaraba Askari Bank Limited Dubai Islamic Bank Limited Bank Al Habib Limited
<b>Registered Office:</b>	Sector H-8/4, Islamabad
<b>Share Registrar:</b>	M/s Corplink (Private) Limited Wings Arcade, 1-K, Commercial, Model Town, Lahore.

## DIRECTORS' REVIEW

### Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the Condensed Interim Financial Statements of the Company for the 1st quarter ended September 30, 2021 along with Condensed Interim Consolidated Financial Statements of the same period after incorporating the financials results of subsidiary companies i.e. Shifa Neuro Sciences Institute Islamabad (Private) Limited (100% owned), Shifa International DWC-LLC (100% owned), Shifa National Hospital Faisalabad (Private) Limited (60% owned), Shifa Medical Center Islamabad (Private) Limited (56% owned) and Shifa Development Services (Private) Limited (55% owned).

The financial highlights of the Condensed Interim Financial Statements of the Company for the 1st quarter ended September 30, 2021 in comparison with the corresponding 1st quarter of previous year are as follows:

Financial Highlights	(Rs. in millions) 1 <sup>st</sup> quarter ended September 30,					
	2021	2020	Change %	2021	2020	Change %
	Un-consolidated			Consolidated		
Net revenue	3,926	3,140	25	3,922	3,144	25
Other income	194	6	3,133	201	18	1,017
Earnings before interest, tax, depreciation & amortization (EBITDA)	800	469	71	779	465	68
Profit before taxation	487	158	208	482	163	196
Profit after taxation	395	112	253	381	105	263
Earnings per share (Rupees)	6.37	1.81	252	6.25	1.75	257

The above results indicate an overall revenue growth of 25% as compared to corresponding period of the last year. In line with the increase in revenue, the operating costs witnessed to be Rs. 3,530 million Vs. Rs. 2,892 million, which is mainly due to increase in medicines / supplies consumed, utilities, repair & maintenance, salaries, wages & benefits, etc.

Further, significant increase in other income is mainly due to depreciation of Pak Rupee against the US Dollar and resultantly, earnings per share of the Company increased to Rs. 6.37 from Rs. 1.81 as compared to corresponding period of last year.

### Future Outlook

Due to uncertainties related to Covid and its impact, it is difficult to predict its effects on healthcare institutions. However, looking at the results of the quarter under review and also last financial year, we are hopeful that the Company will continue with the current momentum and deliver good results.

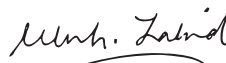
### Acknowledgement

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

For and on behalf of the Board of Directors



**DR. MANZOOR H. QAZI**  
Chief Executive Officer



**MUHAMMAD ZAHID**  
Director

## ڈائریکٹرز رپورٹ

معزز حصص داران،

بورڈ آف ڈائریکٹروں کی جانب سے ہم 30 ستمبر 2021 کو پہلی سہ ماہی کے اختتام پر کمپنی کے عبوری مالیاتی نتائج کا خلاصہ پیش کرتے ہوئے خوشی محسوس کرتے ہیں جس کے ساتھ ذیلی کمپنیوں شفا نیوروسائنسز انسٹیٹیوٹ اسلام آباد (پرائیویٹ) لمیٹڈ [100 فیصد ملکیت]، شفا انٹرنیشنل ڈی ڈبلیو سی- ایل ایل سی [100 فیصد ملکیت]، شفا نیشنل ہسپتال فیصل آباد (پرائیویٹ) لمیٹڈ [60 فیصد ملکیت]، شفا میڈیکل سینٹر اسلام آباد (پرائیویٹ) لمیٹڈ [56 فیصد ملکیت] اور شفا ڈیو پلپمنٹ سروسز (پرائیویٹ) لمیٹڈ [55 فیصد ملکیت] کے مجموعی مالیاتی نتائج کا خلاصہ بھی شامل ہے۔

30 ستمبر 2021 کو اختتام پذیر ہونے والی پہلی سہ ماہی کے عبوری مالیاتی نتائج کی جھلکیاں گزشتہ برس کی پہلی سہ ماہی کے موازنے میں درج ذیل ہیں:

مالیاتی جھلکیاں						30 ستمبر کو ختم ہونے والی پہلی سہ ماہی (پاکستانی روپے ملین میں)
2021	2020	تبدیلی فیصد	2021	2020	تبدیلی فیصد	
انفرادی			انضمام کردہ			
3,926	3,140	25	3,922	3,144	25	خالص آمدنی
194	6	3,133	201	18	1,017	دیگر آمدنی
800	469	71	779	465	68	ای بی آئی ٹی ڈی اے
487	158	208	482	163	196	منافع قبل از ٹیکسیشن
395	112	253	381	105	263	منافع بعد از ٹیکسیشن
6.37	1.81	252	6.25	1.75	257	فی شیئر آمدنی - (روپے)

مذکورہ بالا نتائج گزشتہ برس اسی عرصے کے مقابلے میں کمپنی کی مجموعی آمدنی میں 25 فیصد کا اضافہ ظاہر کرتے ہیں۔ آمدنی میں اضافے کے ساتھ ساتھ، کمپنی کی آپریٹنگ لاگت 2,892 ملین روپے کے مقابلے میں اس سال 3,530 ملین روپے رہی جس کی بنیادی وجوہات استعمال شدہ ادویات و سپلاز، یونیٹیڈ، مرمت و بحالی کے اخراجات، تنخواہوں و اجرتوں، مراعات وغیرہ میں اضافہ ہے۔

مزید یہ کہ دیگر آمدنی میں نمایاں اضافے کی وجہ ڈالر کے مقابلے میں روپے کی قدر میں کمی ہے اور نتیجتاً کمپنی کی فی شیئر آمدنی گزشتہ برس اسی عرصے کے مقابلے میں 1.81 روپے سے بڑھ کر 6.37 روپے ہو گئی ہے۔

### مستقبل کا منظر نامہ

کووڈ اور اس کے اثرات سے متعلق غیر یقینی صورتحال کی وجہ سے ہیلتھ کیئر اداروں پر اس کے اثرات کا اندازہ لگانا مشکل ہے۔ تاہم زیر جائزہ سہ ماہی اور گزشتہ مالی سال کے نتائج کو مد نظر رکھتے ہوئے ہم پر اُمید ہیں کہ کمپنی موجودہ رفتار کو جاری رکھے گی اور اچھے نتائج مرتب کرے گی۔

### اظہار تشکر

موجودہ چیلنج صورتحال میں بورڈ کنسلٹنٹس، سینئر انتظامیہ، ملازمین، کسٹمرز اور تزویراتی شراکت داروں کا ان کے عزم، وابستگی اور کنٹریبیوشن کے لئے شکریہ ادا ہے۔ بورڈ غیر متزلزل مدد اور تعاون کے لئے سرکاری حکام، سپلائرز، بینکوں اور حصہ داروں کا بھی شکریہ ادا کرتا ہے۔

برائے اور بجانب بورڈ آف ڈائریکٹرز

*Munir. Zahid*  
محمد زاہد  
ڈائریکٹر

*Dr. Mansoor Ali*

ڈاکٹر منظور علی قاضی  
چیف ایگزیکٹو آفیسر

اسلام آباد

23 اکتوبر 2021



**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2021**

		Un-audited September 30, 2021	Audited June 30, 2021
	Note	(Rupees in '000')	
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital			
100,000,000 (June 2021: 100,000,000) ordinary shares of Rs. 10 each		1,000,000	1,000,000
Issued, subscribed and paid up capital		619,749	619,749
<b>Capital reserves</b>			
Share premium		2,751,283	2,751,283
Surplus on revaluation of property, plant and equipment		778,502	792,396
<b>Revenue reserves</b>			
Unappropriated profits		4,734,218	4,325,259
		8,883,752	8,488,687
<b>NON - CURRENT LIABILITIES</b>			
Long term financing - secured	5	2,032,323	2,360,408
Deferred taxation		340,139	350,314
Lease liabilities		578,072	607,038
		2,950,534	3,317,760
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	3,060,693	3,251,095
Unclaimed dividend		34,896	35,158
Markup accrued		25,946	16,913
Current portion of long term financing - secured	5	1,458,766	1,405,722
Current portion of lease liabilities		178,834	177,633
		4,759,135	4,886,521
		16,593,421	16,692,968
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7		

The annexed notes 1 to 17 form an integral part of these condensed interim unconsolidated financial statements.

**CHIEF EXECUTIVE**

		Un-audited September 30, 2021	Audited June 30, 2021
	<u>Note</u>	(Rupees in '000')	
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	8	6,691,462	6,791,843
Intangible assets		25,445	31,343
Long term investments - at cost	9	3,178,758	3,178,758
Long term deposits		99,709	96,260
		9,995,374	10,098,204
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		154,470	165,312
Stock-in-trade		633,646	658,280
Trade debts	10	1,113,838	859,157
Loans and advances		370,550	337,659
Deposits, prepayments and other receivables	11	77,697	72,095
Markup accrued		186	677
Other financial assets		634,172	622,464
Tax refunds due from the government (net of provision)		457,987	471,366
Cash and bank balances		2,610,686	2,809,697
		6,053,232	5,996,707
Non - current assets held for sale		544,815	598,057
		16,593,421	16,692,968



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**



**CONDENSED INTERIM  
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021**

		September 30, 2021	September 30, 2020
	Note	(Rupees in '000')	
Net revenue	12	<b>3,925,687</b>	3,140,385
Other income		<b>194,404</b>	6,424
Operating costs		<b>(3,530,304)</b>	(2,892,076)
Finance costs		<b>(89,012)</b>	(89,157)
Expected credit losses		<b>(14,043)</b>	(7,741)
Profit before taxation		<b>486,732</b>	157,835
Provision for taxation		<b>(91,667)</b>	(45,453)
Profit after taxation		<b>395,065</b>	112,382
<b>Earnings per share - basic and diluted - (Rupees)</b>	13	<b>6.37</b>	1.81

The annexed notes 1 to 17 form an integral part of these condensed interim unconsolidated financial statements.



**CHIEF EXECUTIVE**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

**CONDENSED INTERIM UNCONSOLIDATED  
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021**

	September 30, 2021	September 30, 2020
	(Rupees in '000')	
Profit after taxation	<b>395,065</b>	112,382
Other comprehensive income for the period - net of tax	-	-
Total comprehensive income for the period	<b>395,065</b>	112,382

The annexed notes 1 to 17 form an integral part of these condensed interim unconsolidated financial statements.

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM UNCONSOLIDATED  
STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021**

	September 30, 2021	September 30, 2020
Note	(Rupees in '000')	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	486,732	157,835
Adjustments for:		
Depreciation / amortization on tangible assets	218,572	215,917
Amortization on intangible assets	5,898	6,574
Expected credit losses	14,043	7,741
Property, plant and equipment written off	32	290
Gain on disposal of tangible assets	(23,062)	(5)
Provision for compensated absences	9,000	12,000
Provision for bonus for employees	30,015	-
Provision for gratuity	38,472	30,796
Provision for slow moving stores	1,301	(187)
Gains on investments and bank deposits	(16,119)	(670)
(Gain) / loss on foreign currency translation	(143,746)	25,604
Finance costs	89,012	89,157
Operating cash flows before changes in working capital	710,150	545,052
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	9,541	(2,941)
Stock-in-trade	24,633	28,282
Trade debts	(268,725)	(308,404)
Loans and advances	(32,891)	5,961
Deposits, prepayments and other receivables	(5,602)	(15,863)
Decrease in current liabilities:		
Trade and other payables	(171,115)	(38,147)
Cash generated from operations	265,991	213,940
Finance cost paid	(60,224)	(79,463)
Income tax paid	(88,465)	(62,006)
Payment to SIHL Employees' Gratuity Fund	(87,187)	(17,784)
Compensated absences paid	(9,585)	(10,312)
Net cash from operating activities	20,530	44,375
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition to property, plant and equipment (PPE)	(107,567)	(66,946)
Outlay against long term investments	-	(113,233)
Investment in other financial assets - net	1,798	-
Proceeds from disposal of PPE and items classified as held for sale	77,298	5
Markup received	3,104	729
Increase in long term deposits	(3,449)	(9,224)
Net cash used in investing activities	(28,816)	(188,669)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing - repayments	(325,492)	(1,776)
Long term financing - proceeds	48,413	466,997
Deferred grant received	2,039	52,783
Lease liabilities - repayments	(59,169)	(31,826)
Dividend paid	(262)	(197)
Net cash (used) / generated from financing activities	(334,471)	485,981
Net (decrease) / increase in cash and cash equivalents	(342,757)	341,687
<b>Cash and cash equivalents at beginning of the period</b>	2,812,697	2,398,052
Effect of exchange rate changes on cash and cash equivalents	143,746	(25,604)
<b>Cash and cash equivalents at end of the period</b> 15	2,613,686	2,714,135

The annexed notes 1 to 17 form an integral part of these condensed interim unconsolidated financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM UNCONSOLIDATED  
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021**

	Share capital	Share Premium	Surplus on revaluation of property, plant and equipment	Unappro- priated profit	Total
	(Rupees in '000')				
<b>Balance as at July 01, 2020</b>	619,749	2,751,283	760,346	3,636,170	7,767,548
<b>Total comprehensive income for the period</b>					
Profit after taxation	-	-	-	112,382	112,382
Other comprehensive income - net of tax	-	-	-	-	-
	-	-	-	112,382	112,382
Realization of revaluation surplus on disposal of assets	-	-	-	-	-
Transfer of revaluation surplus on property, plant and equipment in respect of incremental depreciation / amortization	-	-	(2,308)	2,308	-
<b>Balance as at September 30, 2020</b>	<b>619,749</b>	<b>2,751,283</b>	<b>758,038</b>	<b>3,750,860</b>	<b>7,879,930</b>
<b>Balance as at July 01, 2021</b>	<b>619,749</b>	<b>2,751,283</b>	<b>792,396</b>	<b>4,325,259</b>	<b>8,488,687</b>
<b>Total comprehensive income for the period</b>					
Profit after taxation	-	-	-	395,065	395,065
Other comprehensive income - net of tax	-	-	-	-	-
	-	-	-	395,065	395,065
Realization of revaluation surplus on disposal of assets	-	-	(11,433)	11,433	-
Transfer of revaluation surplus on property, plant and equipment in respect of incremental depreciation / amortization	-	-	(2,461)	2,461	-
<b>Balance as at September 30, 2021</b>	<b>619,749</b>	<b>2,751,283</b>	<b>778,502</b>	<b>4,734,218</b>	<b>8,883,752</b>

The annexed notes 1 to 17 form an integral part of these condensed interim unconsolidated financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

## SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

### 1 STATUS AND NATURE OF BUSINESS

- 1.1 Shifa International Hospitals Limited (the Company / SIHL) was incorporated in Pakistan on September 29, 1987 as a private limited company under the repealed Companies Ordinance, 1984 and converted into a public limited company on October 12, 1989. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at Sector H-8/4, Islamabad.
- 1.2 The principal activity of the Company is to establish and run medical centers and hospitals in Pakistan. The Company has established its first hospital in 1993 in H-8/4 Islamabad, second hospital in 2011 in Faisalabad and another in 2014 in G-10/4 Islamabad. The Company is also running medical centers, pharmacies and Lab collection points in different cities of Pakistan.
- 1.3 These condensed interim unconsolidated financial statements are separate financial statements of the Company where investment in subsidiaries and associate are stated at cost rather than on the basis of reporting results of the investee. Condensed interim consolidated financial statements are prepared separately.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

These condensed interim unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34: 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2 These condensed interim unconsolidated financial statements are un-audited and are being submitted to the members in accordance with the requirements of Section 237 of the Companies Act 2017 (the Act) and the listing regulations of Pakistan Stock Exchange. These condensed interim unconsolidated financial statements do not include all of the information required for annual unconsolidated financial statements, and should be read in conjunction with the annual unconsolidated financial statements of the Company for the year ended June 30, 2021. Comparative condensed interim unconsolidated statement of financial position is extracted from annual unconsolidated financial statements as of June 30, 2021, whereas comparative condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of cash flows and condensed interim unconsolidated statement of changes in equity are extracted from un-audited condensed interim unconsolidated financial statements for the first quarter ended September 30, 2020.

#### 2.3 Changes in accounting standards, interpretations and pronouncements

##### 2.3.1 Standards and amendments to approved accounting and reporting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on January 1, 2021. However, these do not have any significant impact on the Company's financial accounting.

##### 2.3.2 Standards and amendments to approved accounting and reporting standards that are not yet effective

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after January 1, 2022. However, these will not have any impact on the Company's financial reporting

and, therefore, have not been disclosed in these condensed interim unconsolidated financial statements.

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, related judgments, estimates and assumptions adopted for the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the audited unconsolidated financial statements of the Company for the year ended June 30, 2021.

### 4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

- 4.1** The preparation of condensed interim unconsolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgments, estimates and assumptions.

However, management believes that the change in outcome of judgments, estimates and assumptions would not have a material impact on the amounts disclosed in these condensed interim unconsolidated financial statements.

- 4.2** Judgments and estimates made by the management in the preparation of these condensed interim unconsolidated financial statements are the same as those that were applied to the unconsolidated financial statements as at and for the year ended June 30, 2021.

- 4.3** The Company's financial risk management objectives and policies are consistent with those disclosed in the unconsolidated financial statements as at and for the year ended June 30, 2021.

		Un audited September 30, 2021	Audited June 30, 2021
		(Rupees in '000')	
<b>5</b>	<b>LONG TERM FINANCING - SECURED</b>	<b>Note</b>	
	<b>From banking companies:</b>		
	Syndicated Islamic Finance Facility	5.2	1,711,533
	Diminishing Musharakah Facility-1	5.3	390,775
	Diminishing Musharakah Islamic Refinance facility to combat COVID-19 (DM IRFCC)	5.3	11,363
	Diminishing Musharakah Facility-2	5.4	500,000
	Islamic Refinance facility to combat COVID-19 (IRFCC)	5.5	136,721
	Deferred income - Government grant		25,385
			162,106
	State Bank of Pakistan (SBP) - refinance scheme	5.6	666,219
	Refinance facility to combat COVID-19 (RFCC)	5.6	17,622
	Deferred income - Government grant		31,471
			715,312
			3,491,089
	Less: Current portion		1,458,766
			2,032,323

- 5.1** The Company has fully availed all the above facilities, except Diminishing Musharakah Facilities from Al-Baraka Bank (Pakistan) Limited of Rs. 20.7 million (June 2021: Rs. 19.6 million), First Habib Modaraba of Rs. 31.4 million (June 2021: Rs. 32.4 million) and SBP refinance scheme for CAPEX of Rs. 17.1 million (June 2021: Rs. 34.9 million), Rs. 182.4 million (June 2021: 200 million) and Rs. 10.1 million (June 2021: 17.4 million) from Meezan Bank Limited, United Bank Limited and Al-Baraka Bank (Pakistan) Limited respectively.

- 5.2** This represents syndicated Islamic finance facility, arranged and lead by Meezan Bank Limited, obtained on profit rate basis at 3 months KIBOR plus 0.85% (June 2021: 3 months KIBOR plus 0.85%) per annum, repayable in 14 equal quarterly installments. The Company has availed the loan facility upto the total sanctioned limit of Rs. 2,000 million which shall be repaid by August 22, 2024. The financing is secured by ranking charge upgraded into first pari passu charge of Rs. 2,667 million on all present and future Company's movable fixed assets and land / building located at H-8/4, Islamabad. Meezan Bank Limited has the custody of original ownership documents of the Company's land located at sector H-8/4 Islamabad.
- 5.3** This represents a long term Islamic finance facility obtained from Al Baraka Bank (Pakistan) Limited of Rs. 460.8 million (June 2021: Rs. 442.9 million). Principal amount is repayable in 36 equal monthly installments carrying profit rate at 3 months KIBOR plus 0.80% (June 2021: 3 months KIBOR plus 0.80%) per annum. The financing is secured by first exclusive charge of Rs. 781.3 million against equipment / machinery. This also includes a long term Islamic finance facility obtained under the Diminishing Musharakah basis from First Habib Modaraba of Rs. 38.6 million (June 2021: Rs. 37.6 million). Principal amount is repayable in 60 equal monthly installments carrying profit rate at 3 months KIBOR plus 0.70% (June 2021: 3 months KIBOR plus 0.70%) per annum. Further, this also includes a long term Islamic finance facility obtained from Al Baraka Bank (Pakistan) Limited of Rs.11.3 million (June 2021: Nil) for the purpose of import / purchase of medical equipment / machinery to combat Covid-19 under State Bank of Pakistan DM IRFCC scheme. Principal amount shall be repaid in 9 equal half yearly installments with profit rate of 1% per annum. The facility is secured by ranking charge of Rs. 55 million over equipment / machinery against DM IRFCC. Since the bank is in process of obtaining refinance from State Bank of Pakistan and hence no government grant was recognized at September 30, 2021.
- 5.4** This represents a long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 500 million (June 2021: Rs. 500 million). Principal amount shall be repaid by October 01, 2024 in 12 equal quarterly installments carrying profit rate at 3 months KIBOR plus 0.85% (June 2021: 3 months KIBOR plus 0.85%) per annum. The financing is secured by first pari passu charge of Rs. 667 million on all present and future fixed assets of the Company.
- 5.5** This represents a long term Islamic finance facility obtained from Meezan Bank Limited of Rs.165.5 million (June 2021: 153.3 million) for the purpose of import / purchase of medical equipment / machinery to combat COVID-19 under State Bank of Pakistan IRFCC scheme. Principal amount shall be repaid by December 29, 2025 in 18 equal quarterly installments with no profit rate. The financing is secured by first pari passu hypothecation charge of Rs. 267 million on all present and future fixed assets of the Company (excluding land and building). Since the financing under SBP refinance scheme carries no profit rate, the loan has been recognized at present value using effective profit rate of 3 months KIBOR plus 0.85% along with the recognition of government grant.
- 5.6** This represents long term finance facility aggregating to Rs. 1,012.2 million (June 2021: Rs. 1,012.2 million) obtained from United Bank Limited under the State Bank of Pakistan's (SBP) temporary refinance scheme for payment of wages and salaries to the workers and employees of business concerns to support payment of salaries and wages under economic challenges due to COVID-19. The Company has availed the financing in six tranches from April 2020 to September 2020 at a subsidized markup rate of 0.85% per annum. The financing is repayable in 08 equal quarterly installments starting from January 2021 and shall be fully settled by January 31, 2023. The facility is secured by first pari passu charge of Rs.1,333.3 million over fixed assets (excluding land and building) of the Company. According to the terms of the financing, the Company was prohibited to lay-off the employees for at least six months from April 2020 to September 2020 of receiving the grant. Since the financing under SBP refinance scheme carries the markup rate below the market rate, the loan has been recognized at present value using effective interest rate of 3 month KIBOR plus 0.85% along with the recognition of government grant. This also includes a long term finance facility obtained from United Bank Limited of Rs.17.6 million (June 2021: Nil) for the purpose of import / purchase of medical equipment / machinery to combat COVID-19 under State Bank of Pakistan RFCC scheme. Principal amount shall be repaid by September 13, 2026 in 18 equal quarterly installments with markup rate of 3 month KIBOR plus 0.80% per annum. The facility is secured by first pari passu charge of Rs.267 million over fixed assets (excluding land and building) of the Company. Since the bank is in process of obtaining refinance from State Bank of Pakistan and hence no government grant was recognized at September 30, 2021.

	Un-audited September 30, 2021 (Rupees in '000')	Audited June 30, 2021
<b>5.7 Movement during the period / year</b>		
Opening balance	3,766,130	3,431,658
Proceeds during the period / year	50,451	716,080
Repayments during the period / year	(325,492)	(381,608)
Closing balance	3,491,089	3,766,130
<b>6 TRADE AND OTHER PAYABLES</b>		
This include payables to related parties as detailed below:		
Tameer-e-Millat Foundation	16,246	13,073
Shifa Tameer-e-Millat University	6,919	5,041
Shifa Development Services (Private) Limited	-	44,607
Shifa International Hospitals Limited (SIHL)		
Employees' Gratuity Fund	202,878	251,594
	226,043	314,315
<b>7 CONTINGENCIES AND COMMITMENTS</b>		
<b>7.1 Contingencies</b>		
<b>7.1.1</b> Claims aggregating to Rs. 3 million (June 2021: Rs. 3 million) are pending before Peshawar and Islamabad High Courts by patients / others against the Company for alleged negligence on part of the consultants / doctors etc. The management of the Company is contesting these claims and believes that the contention of the claimants will not be successful and no material liability is likely to arise.		
<b>7.1.2</b> The penalty of Rs. 20 million (June 2021: Rs. 20 million) imposed on June 06, 2012 by Competition Commission of Pakistan (CCP) to each Gulf Cooperation Council's (GCC) Approved Medical Centers (GAMCs) including SIHL on account of alleged non- competitive practice / B363 arrangement of territorial division and equal allocation of GAMCs customers. Management of the Company and other GAMCs are jointly contesting the matter from September 09, 2012 which is pending in Islamabad High Court, Islamabad and firmly believe that the case will be decided in favor of the GAMCs including SIHL.		
<b>7.1.3</b> The guarantees issued by banks in favor of Sui Northern Gas Pipelines Limited (SNGPL), Oil and Gas Development Company Limited (OGDCL) and Pakistan Telecommunication Company Limited (PTCL) of Rs. 43.35 million (June 2021: Rs. 43.35 million) on behalf of the Company in its ordinary course of business.		
<b>7.1.4 Contingencies related to income tax and sales tax are as follows:</b>		
<b>7.1.4.1</b> Tax authorities has amended the assessments for tax years 2012, 2013, 2014 and 2015 under section 122(5A) of Income Tax Ordinance, 2001 (the Ordinance) and raised tax demands of Rs. 50.4 million, Rs. 133.3 million, Rs. 85.5 million and Rs. 26.1 million respectively. Being aggrieved the Company agitated the assessments in appeals before the Commissioner Inland Revenue (Appeals) [CIR(A)] who in respect of tax years 2012 to 2014 partly confirmed the assessments and partly allowed relief to the Company while confirmed the assessment for tax year 2015. The Company being aggrieved filed appeals against the appellate orders before the Appellate Tribunal Inland Revenue [ATIR] where appeals for tax year 2012 to 2015 are pending for adjudication. For tax year 2016 ATIR set aside the assessment for denovo consideration. On reassessment AdCIR has completed the assessments under section 124/122(5A) for tax years 2012, 2013 and 2016 and raised a demand of Rs. 6.4 million, 97 million and Rs. 85.4 million as on June 30, 2021 as against the original tax demand of Rs. 50.4 million, Rs. 133.3 million and Rs. 566.2 million for the said years. Being not satisfied with the order of AdCIR, the Company has filed an appeal before CIR(A) on July 13, 2021 for tax years 2012 and 2013 and on July 21, 2020 for tax year 2016 which are pending adjudications. No provision has been recorded in respect of above matters as the management is hopeful for favorable outcome.		
<b>7.1.4.2</b> Tax authorities levied tax of Rs. 178.4 million, Rs. 27.4 million and Rs. 29.2 million under section 161/205 of the Ordinance for tax year 2014, 2013 and 2012 respectively on account of alleged non deduction of tax on payments. Being aggrieved the Company agitated the assessments in		



appeals before the CIR(A) who in respect of tax year 2012 has deleted the assessment vide order dated July 09, 2020, while set aside the assessment for tax year 2013 on October 02, 2019 and confirmed the assessment for tax year 2014 through his order dated April 30, 2018. The Company being aggrieved filed appeals against the appellate orders for tax year 2013 and 2014 before ATIR where appeal for tax year 2013 is pending adjudication while ATIR has set aside the assessment for tax year 2014 for denovo consideration, hence no demand is outstanding as of today. The Company is confident for a favorable outcome and therefore, no provision in respect of above matters has been recorded.

**7.1.4.3** Tax authorities amended the assessments for tax years 2012, 2013 and from 2015 to 2017 u/s 122(5) of the Ordinance and raised aggregate tax demand of Rs. 1,350.9 million. Being aggrieved the Company agitated the assessments in appeals before the CIR(A) who annulled all the assessment orders and hence demand stand deleted. Being dissatisfied with order of the CIR(A), the tax department has filed appeal before ATIR on November 15, 2018, which is pending adjudication. No provision has been recorded in respect of above as the management is hopeful for favorable outcome.

**7.1.4.4** The Assistant Commissioner Inland Revenue (ACIR) has amended the Company's assessment for tax year 2014 and 2015 u/s 221 of the Ordinance which has resulted an aggregate tax demand of Rs. 11.8 million. Being aggrieved, the Company has filed appeals before CIR (A) who remanded back the said assessments to ACIR on November 30, 2017. The Company as well as the tax department have filed cross appeals against the CIR(A) order before the ATIR, which are pending adjudication. The Company is confident for a favorable outcome and therefore, no provision in respect of this matter has been recorded.

**7.1.4.5** Tax authorities amended the assessment for tax year 2014 u/s 177 of the Ordinance on June 29, 2019 and raised a tax demand of Rs. 1,143.8 million. Being aggrieved the Company agitated the assessment in appeal on July 22, 2019 before the CIR (A) who annulled the assessment order on October 02, 2019 and hence tax demand stand deleted as of today. The tax department has filed an appeal before ATIR, against the decision of CIR(A). The Company is confident for a favorable outcome and therefore, no provision in respect of this matter has been recorded.

**7.1.4.6** Tax authorities raised a sales tax demand of Rs. 1.6 million and Rs. 57.4 million under section 33 and 34 of the Sales Tax Act, 1990 on account of alleged non-payment of sales tax for tax years 2016 and 2018 respectively. Being aggrieved the Company agitated the assessments in appeal before CIR(A). For tax years 2016 and 2018, CIR(A) confirmed the judgements of DCIR through orders dated September 24, 2020 and October 15, 2020. Being aggrieved Company has filed appeals before ATIR who partially confirmed the assessments and partly allowed relief to the Company. For tax years 2016, 2017, 2019 and 2020, tax authorities raised a sales tax demand of Rs. 44.4 million, Rs. 56.2 million, Rs. 55.9 million and Rs. 11.3 million through orders dated May 24, 2021 and June 06, 2021. Being aggrieved, Company filed appeals before CIR(A) on June 10, 2021 and June 22, 2021 which are pending adjudications. The Company is confident for a favorable outcome in respect of the above matters. Therefore, no provision in respect of this matter has been recorded.

		Un-audited September 30, 2021	Audited June 30, 2021
		(Rupees in '000')	
<b>Note</b>			
<b>7.2</b>	<b>Commitments</b>		
	Capital expenditure contracted	52,564	45,109
	Letters of credit	81,223	79,116
<b>8</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
	Operating fixed assets	5,558,894	5,644,283
	Capital work in progress	440,579	409,192
	Right of use assets	691,989	738,368
		6,691,462	6,791,843

		Un-audited September 30, 2021 (Rupees in '000')	Audited June 30, 2021
	Note		
<b>8.1 Operating fixed assets</b>			
Written down value (WDV) at beginning of the period / year		5,644,283	6,090,459
Additions	8.1.1	76,181	434,380
Revaluation		-	53,821
Reclassified as held for sale		-	(292,072)
		5,720,464	6,286,588
WDV of disposals		(994)	(5,455)
WDV of assets written off		(32)	(977)
Depreciation for the period / year		(160,544)	(635,873)
WDV at the end of the period / year		5,558,894	5,644,283
<b>8.1.1 Additions to operating fixed assets</b>			
Leasehold improvements		22,586	-
Biomedical equipment		17,698	315,539
Air conditioning equipment and machinery		2,501	28,867
Electrical and other equipment		5,466	36,497
Furniture and fittings		3,513	11,760
Computer installations		10,218	31,016
Vehicles		14,199	10,701
		76,181	434,380
<b>8.2 Capital work in progress</b>			
Opening capital work in progress		409,192	325,931
Additions during the period / year		50,543	353,273
Transferred to operating fixed assets		(19,156)	(270,012)
Closing capital work in progress	8.2.1	440,579	409,192
<b>8.2.1 Capital work in progress</b>			
Construction work		141,177	135,776
Stores held for capital expenditure		976	976
Installation of equipment		298,426	272,440
		440,579	409,192
<b>8.3 Right of use assets</b>			
Balance at beginning of the period / year		738,368	575,546
Additions during the period / year		11,649	392,422
Depreciation charge during the period / year		(58,028)	(229,600)
Balance at end of the period / year		691,989	738,368

		Un-audited September 30, 2021 (Rupees in '000')	Audited June 30, 2021
<b>9</b>	<b>LONG TERM INVESTMENTS - AT COST</b>		
	<b>In subsidiary companies (unquoted):</b>		
	Shifa Development Services (Private) Limited (SDSPL)	9,966	9,966
	Shifa Neuro Sciences Institute Islamabad (Private) Limited (SNS Islamabad)	1,697,521	1,697,521
	Shifa National Hospital Faisalabad (Private) Limited (SNH Faisalabad)	455,502	455,502
	Shifa Medical Center Islamabad (Private) Limited (SMC Islamabad)	947,488	947,488
	Shifa International DWC LLC (SIDL)	23,280	23,280
	<b>In associated company (unquoted):</b>		
	Shifa Care (Private) Limited (SCPL)	45,001	45,001
		<b>3,178,758</b>	<b>3,178,758</b>
<b>10</b>	<b>TRADE DEBTS</b>		
	Related party - Shifa Foundation	20,101	17,139
	Related party - SIHT (Private) Limited	33,812	24,335
	Others	1,227,027	970,694
		<b>1,280,940</b>	<b>1,012,168</b>
	Less: allowance for expected credit losses	167,102	153,011
		<b>1,113,838</b>	<b>859,157</b>
<b>11</b>	<b>DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
	This include balances due from related parties as detailed below:		
	Shifa Development Services (Private) Limited	6,641	-
	Shifa International DWC LLC	32,097	26,656
		<b>38,738</b>	<b>26,656</b>
		Un-audited	
		September 30, 2021	September 30, 2020
		(Rupees in '000')	
<b>12</b>	<b>NET REVENUE</b>		
	Inpatients	1,571,830	1,254,639
	Outpatients	926,920	705,320
	Pharmacy	1,365,425	1,140,424
	Other services	100,687	66,917
		<b>3,964,862</b>	<b>3,167,300</b>
	Less: discount	32,869	23,975
	Less: Sales tax	6,306	2,940
	Net revenue	<b>3,925,687</b>	<b>3,140,385</b>

**13 EARNINGS PER SHARE - BASIC AND DILUTED**

Profit after taxation for the period

Weighted average number of shares in issue during the period

Earnings per share - basic and diluted

Un-audited	
September 30, 2021	September 30, 2020
(Rupees in '000')	
395,065	112,382
(Numbers in '000')	
61,975	61,975
(Rupees)	
6.37	1.81

- 13.1** Weighted average number of shares has been calculated on the basis of time factor of shares outstanding during the period.

**14 RELATED PARTY TRANSACTIONS**

The related parties comprise of subsidiaries, associates, directors, major shareholders, key management personnel, SIHL Employees' Gratuity Fund and the entities over which directors are able to exercise influence.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its chief executive officer, chief financial officer, company secretary, directors and departmental heads to be its key management personnel. There are no transactions with key management personnel other than their terms of employment/entitlement.

Other transactions / balances with the related parties are given below:

**Shifa Foundation:**

**Transactions**

Revenue from services earned by the Company

Expenses paid by and reimbursed to the Company

**Balances**

Balance receivable\*

**Tameer-e-Millat Foundation:**

**Transactions**

Revenue from rent earned by the Company

Supplies provided to the Company

Other services provided to the Company

Rental services received by the Company

**Balances**

Balance payable\*

**Shifa Tameer-e-Millat University:**

**Transactions**

Revenue from services earned by the Company

Revenue from rent earned by the Company

Other services provided to the Company

Expenses paid by and reimbursed to the Company

**Balances**

Balance payable\*

Un-audited	
September 30, 2021	September 30, 2020
(Rupees in '000')	
4,436	3,966
151	151
20,101	17,139
78	78
20,384	28,148
5,116	2,419
1,194	1,235
16,246	13,073
4,388	1,748
799	727
16,500	16,500
741	752
6,919	5,041

	Un-audited	
	September 30, 2021	September 30, 2020
	(Rupees in '000')	
<b>Shifa Integrated Health Technology (Private) Limited:</b>		
<b>Transactions</b>		
Revenue from services earned by the Company	94,023	71,666
Expenses paid by and reimbursed to the Company	1,396	3,349
Other services provided to the Company	5,811	5,534
<b>Balances</b>		
Balance receivable*	33,812	24,335
<b>Shifa Development Services (Private) Limited:</b>		
<b>Transactions</b>		
Expenses paid by and reimbursed to the Company	112	258
Other services provided to the Company	-	22,625
<b>Balances</b>		
Balance receivable / (payable)*	6,641	(44,607)
<b>Shifa Medical Centre Islamabad (Private) Limited:</b>		
<b>Transactions</b>		
Other services provided by the Company	2,557	-
<b>Balances</b>		
Balance receivable / (payable)*	-	-
<b>Shifa National Hospital Faisalabad (Private) Limited:</b>		
<b>Transactions</b>		
Investment made by the Company in Nil (September 30, 2020: 11,323,428) ordinary shares	-	(113,234)
Other services provided by the Company	2,557	-
<b>Balances</b>		
Balance receivable / (payable)*	-	-
<b>Shifa Neuro Sciences Institute Islamabad (Private) Limited:</b>		
<b>Transactions</b>		
Rent paid by the Company	22,738	-
<b>Balances</b>		
Balance receivable / (payable)*	-	-
<b>Shifa International DWC LLC:</b>		
<b>Transactions</b>		
Patient referral services provided to the Company	1,349	208
<b>Balances</b>		
Balance receivable*	32,097	26,656
<b>Shifa Care (Private) Limited:</b>		
<b>Transactions</b>		
Other services provided by the Company	604	-
<b>Balances</b>		
Balance receivable / (payable)*	-	-

	Un-audited	
	September 30, 2021	September 30, 2020
	(Rupees in '000')	
<b>SIHL Employees' Gratuity Fund:</b>		
<b>Transactions</b>		
Payment made by the Company during the period	87,187	17,784
<b>Balances</b>		
Balance payable*	202,878	251,594
<b>Remuneration including benefits and perquisites of key management personnel</b>	88,539	72,008
*Comparative figures of receivable / payable balances are as at June 30, 2021.		
<b>15 CASH AND CASH EQUIVALENTS</b>		
Investment in Term Deposit Receipt - at amortized cost	3,000	3,000
Cash and bank balances	2,610,686	2,711,135
	2,613,686	2,714,135

#### 16 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual unconsolidated financial statements for the year ended June 30, 2021. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the unconsolidated audited financial statements of the Company for the year ended June 30, 2021.

#### 17 GENERAL

- 17.1** Figures have been rounded off to the nearest one thousand Pak Rupees unless otherwise stated.
- 17.2** The comparative figures have been rearranged / reclassified, wherever necessary for the purpose of comparison. However, these are not considered material enough to be disclosed separately.
- 17.3** These condensed interim unconsolidated financial statements have been approved and authorized for issue by the Board of Directors of the Company on October 23, 2021.



CHIEF EXECUTIVE

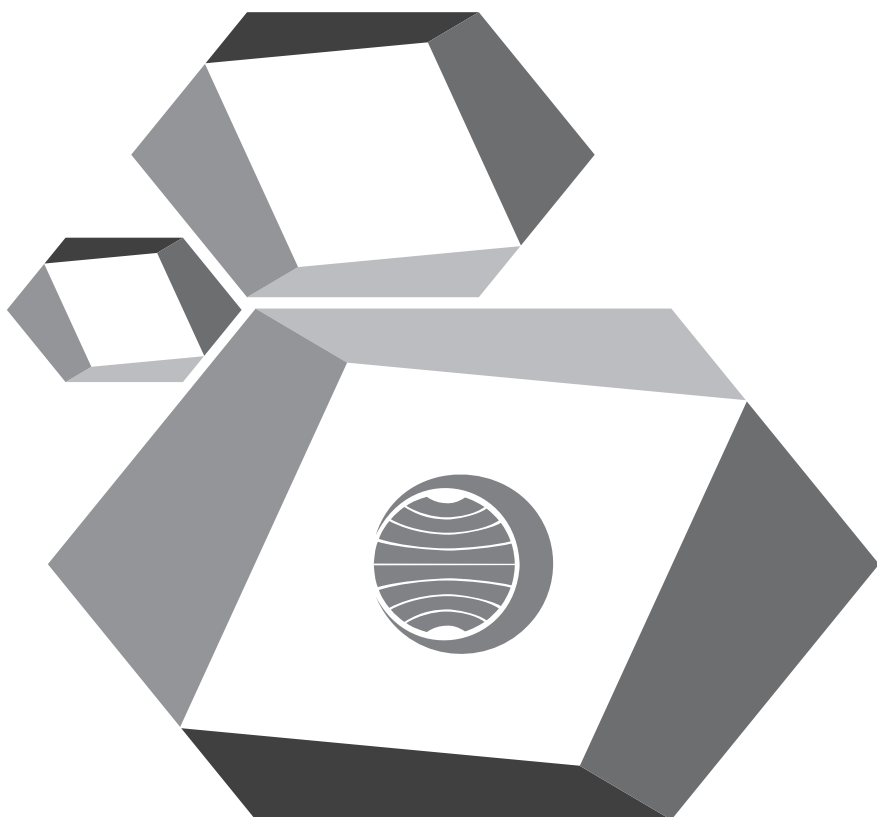


DIRECTOR



CHIEF FINANCIAL OFFICER





**SHIFA INTERNATIONAL HOSPITALS LIMITED**

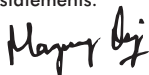
Condensed Interim Consolidated Financial  
Statements (Un-audited)  
For The First Quarter Ended September 30, 2021



**CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2021**

		Un-audited September 30, 2021	Audited June 30, 2021
	Note	(Rupees in '000')	
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital			
100,000,000 (June 2021: 100,000,000) ordinary shares of Rs. 10 each		1,000,000	1,000,000
Issued, subscribed and paid up capital		619,749	619,749
<b>Capital reserves</b>			
Share premium		2,751,283	2,751,283
Surplus on revaluation of property, plant and equipment		1,395,445	1,409,434
<b>Revenue reserves</b>			
Unappropriated profit		4,234,429	3,832,409
		9,000,906	8,612,875
<b>NON - CONTROLLING INTEREST</b>			
		1,113,490	1,119,806
<b>NON - CURRENT LIABILITIES</b>			
Long term financing - secured	6	2,032,323	2,360,408
Deferred taxation		321,422	331,599
Lease liabilities		258,959	265,587
		2,612,704	2,957,594
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	3,086,138	3,232,390
Unclaimed dividend		34,896	35,158
Markup accrued		25,945	16,913
Current portion of long term financing - secured	6	1,458,766	1,405,722
Current portion of lease liabilities		110,695	118,456
		4,716,440	4,808,639
		17,443,540	17,498,914
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8		

The annexed notes 1 to 17 form an integral part of these condensed interim consolidated financial statements.



**CHIEF EXECUTIVE**

		Un-audited September 30, 2021	Audited June 30, 2021
	Note	(Rupees in '000')	
NON - CURRENT ASSETS			
Property, plant and equipment	9	10,154,759	10,225,908
Intangible assets		28,088	32,052
Long term investment	10	35,242	35,961
Long term deposits		77,291	74,007
		10,295,380	10,367,928
CURRENT ASSETS			
Stores, spare parts and loose tools		154,469	165,312
Stock-in-trade		633,646	658,280
Trade debts	11	1,163,000	904,040
Loans and advances		476,071	348,919
Deposits, prepayments and other receivables		49,587	47,857
Markup accrued		186	677
Other financial assets		994,552	1,102,202
Tax refunds due from the government (net of provision)		467,240	480,548
Cash and bank balances		2,768,972	2,929,472
		6,707,723	6,637,307
Non - current assets held for sale		440,437	493,679
		17,443,540	17,498,914

*Munir. Zahid*  
DIRECTOR

*AKS*  
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM CONSOLIDATED  
STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021**

		September 30, 2021	September 30, 2020
	Note	(Rupees in '000')	
Net revenue	12	3,922,248	3,144,398
Other income		201,316	18,176
Operating costs		(3,547,377)	(2,907,620)
Finance costs		(79,615)	(84,311)
Expected credit losses		(14,043)	(7,741)
Share of loss of an associate		(719)	(200)
Profit before taxation		481,810	162,702
Provision for taxation		(100,935)	(57,785)
Profit after taxation		380,875	104,917
<b>Attributable to:</b>			
Equity holders of Shifa International Hospitals Limited		387,191	108,285
Non-controlling interest		(6,316)	(3,368)
		380,875	104,917
<b>Earnings per share - basic and diluted - (Rupees)</b>	13	6.25	1.75

The annexed notes 1 to 17 form an integral part of these condensed interim consolidated financial statements.



**CHIEF EXECUTIVE**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

**CONDENSED INTERIM CONSOLIDATED  
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021**

	September 30, 2021	September 30, 2020
	(Rupees in '000')	
Profit after taxation	<b>380,875</b>	104,917
<b>Other comprehensive income</b>		
Items that will not be subsequently reclassified in statement of profit or loss		
Foreign currency translation adjustment	<b>840</b>	(452)
Total comprehensive income for the period	<b>381,715</b>	104,465
<b>Attributable to:</b>		
Equity holders of Shifa International Hospitals Limited	<b>388,031</b>	107,833
Non-controlling interest	<b>(6,316)</b>	(3,368)
	<b>381,715</b>	104,465

The annexed notes 1 to 17 form an integral part of these condensed interim consolidated financial statements.



**CHIEF EXECUTIVE**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

**CONDENSED INTERIM  
CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021**

	September 30, 2021	September 30, 2020
	(Rupees in '000')	
<b>Note</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	481,810	162,702
Adjustments for:		
Depreciation / amortization on tangible assets	211,945	211,464
Amortization on intangible assets	5,958	6,623
Expected credit losses	14,043	7,741
Property, plant and equipment written off	32	290
Gain on disposal of tangible assets	(23,062)	(5)
Provision for compensated absences	9,000	12,000
Provision for bonus for employees	30,015	-
Provision for gratuity	38,472	30,796
Provision for slow moving stores	1,301	(187)
Share of loss of an associate	719	200
Gains on investments and bank deposits	(23,607)	(12,422)
(Gain) / loss on foreign currency translation	(143,735)	24,999
Finance costs	79,615	84,311
Operating cash flows before changes in working capital	682,506	528,512
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	9,541	(2,941)
Stock-in-trade	24,633	28,282
Trade debts	(273,004)	(308,562)
Loans and advances	(127,152)	(22,980)
Deposits, prepayments and other receivables	(1,731)	1,177
Decrease in current liabilities:		
Trade and other payables	(126,963)	(55,910)
Cash generated from operations	187,830	167,578
Finance cost paid	(60,284)	(79,546)
Income tax paid	(97,804)	(69,960)
Payment to SIHL Employees' Gratuity Fund	(87,187)	(17,784)
Compensated absences paid	(9,586)	(10,312)
Net cash from operating activities	(67,031)	(10,024)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition to property, plant and equipment (PPE)	(130,173)	(194,371)
Purchase of intangible assets	(1,988)	-
Investments in other financial assets - net	(297,434)	(454,539)
Proceeds from disposal of PPE and items classified as held for sale	77,298	5
Markup received	3,104	12,481
Decrease in long term deposits	(3,284)	(9,464)
Net cash used in investing activities	(352,477)	(645,888)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing - repayments	(325,492)	(1,776)
Long term financing - proceeds	48,413	466,997
Deferred grant received	2,039	52,783
Lease liabilities - repayments	(36,343)	(31,826)
Dividend paid	(262)	(197)
Net cash (used) / generated from financing activities	(311,645)	485,981
Net decrease in cash and cash equivalents	(731,153)	(169,931)
<b>Cash and cash equivalents at beginning of the period</b>	3,385,356	3,058,682
Effect of exchange rate changes on cash and cash equivalents	144,575	(25,450)
<b>Cash and cash equivalents at end of the period</b>	2,798,778	2,863,301

The annexed notes 1 to 17 form an integral part of these condensed interim consolidated financial statements.

  
CHIEF EXECUTIVE

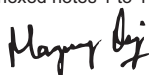
  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

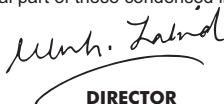
**CONDENSED INTERIM  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021**

	Share capital	Share Premium	Surplus on revaluation of property, plant and equipment (Rupees in '000')	Unappropriated profit	Non-controlling interest	Total
<b>Balance as at July 01, 2020</b>	619,749	2,751,283	1,225,930	3,103,034	948,384	8,648,380
<b>Total comprehensive income for the period</b>						
Profit after taxation	-	-	-	108,285	(3,368)	104,917
Other comprehensive income - net of tax	-	-	-	(452)	-	(452)
	-	-	-	107,833	(3,368)	104,465
Realization of revaluation surplus on disposal of assets	-	-	-	-	-	-
Transfer of revaluation surplus of property, plant and equipment in respect of incremental depreciation / amortization	-	-	(2,355)	2,355	-	-
<b>Change in ownership interests</b>						
Acquisition of shareholding by NCI without a change in control	-	-	-	16,716	(16,716)	-
<b>Balance as at September 30, 2020</b>	<b>619,749</b>	<b>2,751,283</b>	<b>1,223,575</b>	<b>3,229,938</b>	<b>928,300</b>	<b>8,752,845</b>
<b>Balance as at July 01, 2021</b>	<b>619,749</b>	<b>2,751,283</b>	<b>1,409,434</b>	<b>3,832,409</b>	<b>1,119,806</b>	<b>9,732,681</b>
<b>Total comprehensive income for the period</b>						
Profit after taxation	-	-	-	387,191	(6,316)	380,875
Other comprehensive income - net of tax	-	-	-	840	-	840
	-	-	-	388,031	(6,316)	381,715
Realization of revaluation surplus on disposal of assets	-	-	(11,433)	11,433	-	-
Transfer of revaluation surplus of property, plant and equipment in respect of incremental depreciation / amortization	-	-	(2,556)	2,556	-	-
<b>Changes in ownership interests</b>						
Acquisition of shareholding by NCI without a change in control	-	-	-	-	-	-
<b>Balance as at September 30, 2021</b>	<b>619,749</b>	<b>2,751,283</b>	<b>1,395,445</b>	<b>4,234,429</b>	<b>1,113,490</b>	<b>10,114,396</b>

The annexed notes 1 to 17 form an integral part of these condensed interim consolidated financial statements.



**CHIEF EXECUTIVE**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

## SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

### 1 STATUS AND NATURE OF BUSINESS

- 1.1 Shifa International Hospitals Limited ("the Group") comprises of Shifa International Hospitals Limited (SIHL / parent company) and its subsidiaries, Shifa Development Services (Private) Limited, Shifa Neuro Sciences Institute Islamabad (Private) Limited, Shifa National Hospital Faisalabad (Private) Limited, Shifa Medical Center Islamabad (Private) Limited and Shifa International-DWC LLC.
- 1.2 SIHL was incorporated in Pakistan on September 29, 1987 as a private limited company under the repealed Companies Ordinance, 1984 and converted into a public limited company on October 12, 1989. The shares of the SIHL are quoted on Pakistan Stock Exchange Limited. The registered office of the SIHL is situated at Sector H-8/4, Islamabad. The principal activity of SIHL is to establish and run medical centers and hospitals in Pakistan. The SIHL has established its first hospital in 1993 in H-8/4 Islamabad, second hospital in 2011 in Faisalabad and another in 2014 in G-10/4 Islamabad. The SIHL is also running medical centers and pharmacies in different cities of Pakistan.
- 1.3 Shifa Development Services (Private) Limited (SDSPL) was incorporated in Pakistan on December 18, 2014. The principal activity of SDSPL is to provide consulting services relating to healthcare facilities, medical staff, availability of human resource and hospital quality. The registered office of SDSPL is situated at SIHL, Sector H-8/4, Islamabad.
- 1.4 Shifa Neuro Sciences Institute Islamabad (Private) Limited (SNS Islamabad) was incorporated in Pakistan on February 28, 2019. The principal activity of the SNS Islamabad is to setup center of excellence of neuroscience at H-8, Islamabad which will cater the need of all over Pakistan related to neurological diseases and disorders. The registered office of SNS Islamabad is situated at SIHL, Sector H-8/4, Islamabad.
- 1.5 Shifa National Hospital Faisalabad (Private) Limited (SNH Faisalabad) was incorporated in Pakistan on February 28, 2019. The principal activity of the SNH Faisalabad is to setup a secondary / tertiary healthcare hospital at Faisalabad which will provide healthcare facilities to the people of Faisalabad as well as surrounding areas. The registered office of the SNH Faisalabad is situated at SIHL, Sector H-8/4, Islamabad.
- 1.6 Shifa Medical Center Islamabad (Private) Limited (SMC Islamabad) was incorporated in Pakistan on February 28, 2019. SMC Islamabad has planned to setup an OPD, Day care surgeries and diagnostic services center at F-11 Islamabad which will provide healthcare facilities to people of F-11 as well as surrounding areas. The registered office of the SMC Islamabad is situated at SIHL, Sector H-8/4, Islamabad.
- 1.7 Shifa International-DWC LLC (SIDL) was incorporated in United Arab Emirates on December 16, 2019 as limited liability company. The principal activity of the SIDL which it may perform under the license issued by Dubai Activation City Corporation are Marketing and project management services. The registered office of the SIDL is situated at Business Centre Logistic City, Dubai Aviation City, P.O Box 390667, Dubai, UAE.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34: 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2 These condensed interim consolidated financial statements are un-audited and are being submitted to the members in accordance with the requirements of Section 237 of the Companies Act 2017 (the Act) and the listing regulations of Pakistan Stock Exchange. These condensed

interim consolidated financial statements do not include all of the information required for annual consolidated financial statements, and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended June 30, 2021. Comparative condensed interim consolidated statement of financial position is extracted from annual consolidated financial statements as of June 30, 2021, whereas comparative condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity are extracted from un-audited condensed interim consolidated financial statements for the first quarter ended September 30, 2020.

## **2.3 Changes in accounting standards, interpretations and pronouncements**

### **2.3.1 Standards and amendments to approved accounting and reporting standards that are effective**

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Group's annual accounting period which began on January 1, 2021. However, these do not have any significant impact on the Group's financial accounting.

### **2.3.2 Standards and amendments to approved accounting and reporting standards that are not yet effective**

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Group's annual accounting periods beginning on or after January 1, 2022. However, these will not have any impact on the Group's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

## **3 BASIS OF CONSOLIDATION**

These consolidated financial statements include the financial statements of SIHL and its subsidiaries, SDSPL 55% owned (June 2021: 55% owned), SNS Islamabad 100% owned (June 2021: 100% owned), SMC Islamabad 56% owned (June 2021: 56% owned), SNH Faisalabad 60% owned (June 2021: 60% owned) and SIDL 100% owned (June 2021: 100% owned).

### **Subsidiaries**

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 each 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. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

## **4 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies, related judgments, estimates and assumptions adopted for the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the audited consolidated financial statements of the Group for the year ended June 30, 2021.

## **5 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT**

### **5.1 The preparation of condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions.**

However, management believes that the change in outcome of judgements, estimates and assumptions would not have a material impact on the amounts disclosed in these condensed interim consolidated financial statements.

### **5.2 Judgements and estimates made by the management in the preparation of these condensed interim consolidated financial statements are the same as those that were applied to the consolidated financial statements as at and for the year ended June 30, 2021.**

### **5.3 The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended June 30, 2021.**



		Un-audited September 30, 2021	Audited June 30, 2021
		(Rupees in '000')	
	Note		
<b>6</b>	<b>LONG TERM FINANCING - SECURED</b>		
	<b>From banking companies:</b>		
Syndicated Islamic Finance Facility	6.2	<b>1,711,533</b>	1,854,086
Diminishing Musharakah Facility-1	6.3	<b>390,775</b>	434,274
Diminishing Musharakah Islamic Refinance facility to combat COVID-19 (DM IRFCC)	6.3	<b>11,363</b>	-
Diminishing Musharakah Facility-2	6.4	<b>500,000</b>	500,000
Islamic Refinance facility to combat COVID-19 (IRFCC)	6.5	<b>136,721</b>	127,789
Deferred income - Government grant		<b>25,385</b>	25,526
		<b>162,106</b>	153,315
State Bank of Pakistan (SBP) -refinance scheme	6.6	<b>666,219</b>	780,354
Refinance facility to combat COVID-19 (RFCC)	6.6	<b>17,622</b>	-
Deferred income - Government grant		<b>31,471</b>	44,101
		<b>715,312</b>	824,455
		<b>3,491,089</b>	3,766,130
Less: Current portion		<b>1,458,766</b>	1,405,722
		<b>2,032,323</b>	2,360,408

- 6.1** The SIHL has fully availed all the above facilities, except Diminishing Musharakah Facilities from Al-Baraka Bank (Pakistan) Limited of Rs. 20.7 million (June 2021: Rs. 19.6 million), First Habib Modaraba of Rs. 31.4 million (June 2021: Rs. 32.4 million) and SBP refinance scheme for CAPEX of Rs. 17.1 million (June 2021: Rs. 34.9 million), Rs. 182.4 million (June 2021: 200 million) and Rs. 10.1 million (June 2021: 17.4 million) from Meezan Bank Limited, United Bank Limited and Al-Baraka Bank (Pakistan) Limited respectively.
- 6.2** This represents syndicated Islamic finance facility, arranged and lead by Meezan Bank Limited, obtained on profit rate basis at 3 months KIBOR plus 0.85% (June 2021: 3 months KIBOR plus 0.85%) per annum, repayable in 14 equal quarterly installments. The SIHL has availed the loan facility upto the total sanctioned limit of Rs. 2,000 million which shall be repaid by August 22, 2024. The financing is secured by ranking charge upgraded into first pari passu charge of Rs. 2,667 million on all present and future SIHL's movable fixed assets and land / building located at H-8/4, Islamabad. Meezan Bank Limited has the custody of original ownership documents of the SIHL's land located at sector H-8/4 Islamabad.
- 6.3** This represents a long term Islamic finance facility obtained from Al Baraka Bank (Pakistan) Limited of Rs. 460.8 million (June 2021: Rs. 442.9 million). Principal amount is repayable in 36 equal monthly installments carrying profit rate at 3 months KIBOR plus 0.80% (June 2021: 3 months KIBOR plus 0.80%) per annum. The financing is secured by first exclusive charge of Rs. 781.3 million against equipment / machinery. This also includes a long term Islamic finance facility obtained under the Diminishing Musharakah basis from First Habib Modaraba of Rs. 38.6 million (June 2021: Rs. 37.6 million). Principal amount is repayable in 60 equal monthly installments carrying profit rate at 3 months KIBOR plus 0.70% (June 2021: 3 months KIBOR plus 0.70%) per annum. Further, this also includes a long term Islamic finance facility obtained from Al Baraka Bank (Pakistan) Limited of Rs. 11.3 million (June 2021: Nil) for the purpose of import / purchase of medical equipment / machinery to combat COVID-19 under State Bank of Pakistan DM IRFCC scheme. Principal amount shall be repaid in 9 equal half yearly installments with profit rate of 1% per annum. The facility is secured by ranking charge of Rs. 55 million over equipment / machinery against DM IRFCC. Since the bank is in process of obtaining refinance from State Bank of Pakistan and hence no government grant was recognized at September 30, 2021.
- 6.4** This represents a long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 500 million (June 2021: Rs. 500 million). Principal amount shall be repaid by October 01, 2024 in 12 equal quarterly installments carrying profit rate at 3 months KIBOR plus 0.85% (June 2021: 3 months

KIBOR plus 0.85%) per annum. The financing is secured by first pari passu charge of Rs. 667 million on all present and future fixed assets of the SIHL.

- 6.5** This represents a long term Islamic finance facility obtained from Meezan Bank Limited of Rs.165.5 million (June 2021: 153.3 million) for the purpose of import / purchase of medical equipment / machinery to combat COVID-19 under State Bank of Pakistan IRFCC scheme. Principal amount shall be repaid by December 29, 2025 in 18 equal quarterly installments with no profit rate. The financing is secured by first pari passu hypothecation charge of Rs. 267 million on all present and future fixed assets of the SIHL (excluding land and building). Since the financing under SBP refinance scheme carries no profit rate, the loan has been recognized at present value using effective profit rate of 3 months KIBOR plus 0.85% along with the recognition of government grant.
- 6.6** This represents long term finance facility aggregating to Rs. 1,012.2 million (June 2021: Rs. 1,012.2 million) obtained from United Bank Limited under the State Bank of Pakistan's (SBP) temporary refinance scheme for payment of wages and salaries to the workers and employees of business concerns to support payment of salaries and wages under economic challenges due to COVID-19. The SIHL has availed the financing in six tranches from April 2020 to September 2020 at a subsidized markup rate of 0.85% per annum. The financing is repayable in 08 equal quarterly installments starting from January 2021 and shall be fully settled by January 31, 2023. The facility is secured by first pari passu charge of Rs.1,333.3 million over fixed assets (excluding land and building) of the SIHL. According to the terms of the financing, the SIHL was prohibited to lay-off the employees for at least six months from April 2020 to September 2020 of receiving the grant. Since the financing under SBP refinance scheme carries the markup rate below the market rate, the loan has been recognized at present value using effective interest rate of 3 month KIBOR plus 0.85% along with the recognition of government grant. This also includes a long term finance facility obtained from United Bank Limited of Rs.17.6 million (June 2021: Nil) for the purpose of import / purchase of medical equipment / machinery to combat COVID-19 under State Bank of Pakistan RFCC scheme. Principal amount shall be repaid by September 13, 2026 in 18 equal quarterly installments with markup rate of 3 month KIBOR plus 0.80% per annum. The facility is secured by first pari passu charge of Rs.267 million over fixed assets (excluding land and building) of the SIHL. Since the bank is in process of obtaining refinance from State Bank of Pakistan and hence no government grant was recognized at September 30, 2021.

	Un audited September 30, 2021	Audited June 30, 2021
	(Rupees in '000')	
<b>6.7 Movement during the period / year</b>		
Opening balance	3,766,130	3,431,658
Proceeds during the period / year	50,451	716,080
Repayments during the period / year	(325,492)	(381,608)
Closing balance	3,491,089	3,766,130
<b>7 TRADE AND OTHER PAYABLES</b>		
This include payables to related parties as detailed below:		
Tameer-e-Millat Foundation	16,246	13,073
Shifa Tameer-e-Millat University	6,919	5,041
Shifa International Hospitals Limited (SIHL)		
Employees' Gratuity Fund	202,878	251,594
	226,043	269,708

## 8 CONTINGENCIES AND COMMITMENTS

### 8.1 Contingencies

- 8.1.1** Claims aggregating to Rs. 3 million (June 2021: Rs. 3 million) are pending before Peshawar and Islamabad High Courts by patients / others against the SIHL for alleged negligence on part of the consultants / doctors etc. The management of the SIHL is contesting these claims and believes that the contention of the claimants will not be successful and no material liability is likely to arise.
- 8.1.2** The penalty of Rs. 20 million (June 2021: Rs. 20 million) imposed on June 06, 2012 by Competition Commission of Pakistan (CCP) to each Gulf Cooperation Council's (GCC) Approved Medical Centers (GAMCs) including SIHL on account of alleged non- competitive practice / B363 arrangement of territorial division and equal allocation of GAMCs customers. Management of

the SIHL and other GAMCs are jointly contesting the matter from September 09, 2012 which is pending in Islamabad High Court, Islamabad and firmly believe that the case will be decided in favor of the GAMCs including SIHL.

- 8.1.3** The guarantees issued by banks in favor of Sui Northern Gas Pipelines Limited (SNGPL), Oil and Gas Development Company Limited (OGDCL) and Pakistan Telecommunication Company Limited (PTCL) of Rs. 43.35 million (June 2021: Rs. 43.35 million) on behalf of the SIHL in its ordinary course of business.

**8.1.4 Contingencies related to income tax and sales tax are as follows:**

- 8.1.4.1** The tax authorities amended the assessments for tax years 2012, 2013, 2014 and 2015 under section 122(5A) of Income Tax Ordinance, 2001 (the Ordinance) and raised tax demands of Rs. 50.4 million, Rs. 133.3 million, Rs. 85.5 million and Rs. 26.1 million respectively. Being aggrieved the SIHL agitated the assessments in appeals before the Commissioner Inland Revenue (Appeals) [CIR(A)] who in respect of tax years 2012 to 2014 partly confirmed the assessments and partly allowed relief to the SIHL while confirmed the assessment for tax year 2015. The SIHL being aggrieved filed appeals against the appellate orders before the Appellate Tribunal Inland Revenue [ATIR] where appeals for tax year 2012 to 2015 are pending for adjudication. For tax year 2016 ATIR set aside the assessment for denovo consideration. On reassessment AdCIR has completed the assessments under section 124/122(5A) for tax years 2012, 2013 and 2016 and raised a demand of Rs. 6.4 million, 97 million and Rs. 85.4 million as on June 30, 2021 as against the original tax demand of Rs. 50.4 million, Rs. 133.3 million and Rs. 566.2 million for the said years. Being not satisfied with the order of AdCIR, the SIHL has filed an appeal before CIR(A) on July 13, 2021 for tax years 2012 and 2013 and on July 21, 2020 for tax year 2016 which are pending adjudications. No provision has been recorded in respect of above matters as the management is hopeful for favorable outcome.
- 8.1.4.2** The tax authorities levied tax of Rs. 178.4 million, Rs. 27.4 million and Rs. 29.2 million under section 161/205 of the Ordinance for tax year 2014, 2013 and 2012 respectively on account of alleged non deduction of tax on payments. Being aggrieved the SIHL agitated the assessments in appeals before the CIR(A) who in respect of tax year 2012 has deleted the assessment vide order dated July 09, 2020, while set aside the assessment for tax year 2013 on October 02, 2019 and confirmed the assessment for tax year 2014 through his order dated April 30, 2018. The SIHL being aggrieved filed appeals against the appellate orders for tax year 2013 and 2014 before ATIR where appeal for tax year 2013 is pending adjudication while ATIR has set aside the assessment for tax year 2014 for denovo consideration, hence no demand is outstanding as of today. The SIHL is confident for a favorable outcome and therefore, no provision in respect of above matters has been recorded.
- 8.1.4.3** The tax authorities amended the assessments for tax years 2012, 2013 and from 2015 to 2017 u/s 122(5) of the Ordinance and raised aggregate tax demand of Rs. 1,350.9 million. Being aggrieved the SIHL agitated the assessments in appeals before the CIR(A) who annulled all the assessment orders and hence demand stand deleted. Being dissatisfied with order of the CIR(A), the tax department has filed appeal before ATIR on November 15, 2018, which is pending adjudication. No provision has been recorded in respect of above as the management is hopeful for favorable outcome.
- 8.1.4.4** The Assistant Commissioner Inland Revenue (ACIR) has amended the SIHL's assessment for tax year 2014 and 2015 u/s 221 of the Ordinance which has resulted an aggregate tax demand of Rs. 11.8 million. Being aggrieved, the SIHL has filed appeals before CIR (A) who remanded back the said assessments to ACIR on November 30, 2017. The SIHL as well as the tax department have filed cross appeals against the CIR(A) order before the ATIR, which are pending adjudication. The SIHL is confident for a favorable outcome and therefore, no provision in respect of this matter has been recorded.
- 8.1.4.5** The tax authorities amended the assessment for tax year 2014 u/s 177 of the Ordinance on June 29, 2019 and raised a tax demand of Rs. 1,143.8 million. Being aggrieved the Company agitated the assessment in appeal on July 22, 2019 before the CIR (A) who annulled the assessment order on October 02, 2019 and hence tax demand stand deleted as of today. The tax department has filed an appeal before ATIR, against the decision of CIR(A). The SIHL is confident for a favorable outcome and therefore, no provision in respect of this matter has been recorded.
- 8.1.4.6** The tax authorities raised a sales tax demand of Rs. 1.6 million and Rs. 57.4 million under section 33 and 34 of the Sales Tax Act, 1990 on account of alleged non-payment of sales tax for tax years 2016 and 2018 respectively. Being aggrieved the SIHL agitated the assessments in appeal before CIR(A). For tax years 2016 and 2018, CIR(A) confirmed the judgements of DCIR through orders dated September 24, 2020 and October 15, 2020. Being aggrieved SIHL has filed appeals before ATIR who partially confirmed the assessments and partly allowed relief to the SIHL. For tax years

2016 to 2017 and 2019 to 2020, tax authorities raised a sales tax demand of Rs. 44.4 million, Rs. 56.2 million, Rs. 55.9 million and Rs. 11.3 million through orders dated May 24, 2021 and June 06, 2021. Being aggrieved, SIHL filed appeals before CIR(A) on June 10, 2021 and June 22, 2021 which are pending adjudications. The SIHL is confident for a favorable outcome in respect of the above matters. Therefore, no provision in respect of this matter has been recorded.

		Un audited September 30, 2021	Audited June 30, 2021
	Note	(Rupees in '000')	
<b>8.2 Commitments</b>			
<b>8.2.1</b> Capital expenditure contracted		<b>52,564</b>	45,109
<b>8.2.2</b> Letters of credit		<b>81,223</b>	79,116
<b>9 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	9.1	<b>8,940,797</b>	9,040,875
Capital work in progress	9.2	<b>876,173</b>	822,691
Right of use assets	9.3	<b>337,789</b>	362,342
		<b>10,154,759</b>	10,225,908
<b>9.1 Operating fixed assets</b>			
Written down value (WDV) at beginning of the period / year		<b>9,040,875</b>	8,999,039
Additions	9.1.1	<b>76,691</b>	731,935
Revaluation		-	298,914
Reclassified as held for sale		-	(292,072)
		<b>9,117,566</b>	9,737,816
WDV of disposals		(994)	(455)
WDV of assets written off		(32)	(977)
Depreciation for the period / year		<b>(175,743)</b>	(695,509)
WDV at the end of the period / year		<b>8,940,797</b>	9,040,875
<b>9.1.1 Additions to operating fixed assets</b>			
Freehold land		-	293,968
Leasehold improvements		<b>22,586</b>	-
Biomedical equipment		<b>17,698</b>	315,539
Air conditioning equipment and machinery		<b>2,501</b>	28,867
Electrical and other equipment		<b>5,501</b>	38,632
Furniture and fittings		<b>3,627</b>	11,857
Computer installations		<b>10,579</b>	32,370
Vehicles		<b>14,199</b>	10,702
		<b>76,691</b>	731,935
<b>9.2 Capital work in progress</b>			
Opening capital work in progress		<b>822,691</b>	495,993
Additions during the period / year		<b>72,638</b>	596,710
Transferred to operating fixed assets		<b>(19,156)</b>	(270,012)
Closing capital work in progress	9.2.1	<b>876,173</b>	822,691
<b>9.2.1 Capital work in progress</b>			
Construction work		<b>576,771</b>	549,275
Stores held for capital expenditure		<b>976</b>	976
Installation of equipment		<b>298,426</b>	272,440
		<b>876,173</b>	822,691

**9.3 Right of use assets**

	Un-audited September 30, 2021	Audited June 30, 2021
	(Rupees in '000')	
Balance at beginning of the period / year	362,342	395,117
Additions during the period / year	11,649	112,520
Depreciation charge during the period / year	(36,202)	(145,295)
Balance at end of the period / year	337,789	362,342

**10 LONG TERM INVESTMENT****Shifa Care (Private) Limited (SCPL) -  
Associated Company (unquoted)**

Balance at beginning of the period / year	35,961	22,472
Addition during the period / year	-	15,000
Share in loss for the period / year	(719)	(1,511)
Balance at end of the period / year	35,242	35,961

This represents investment in 4,500,050 (June 2021: 4,500,050) fully paid ordinary shares of Rs. 10 each of SCPL. The above investment in ordinary shares represents 50% (June 2021: 50%) shareholding in SCPL held by the SIHL.

**11 TRADE DEBTS**

	Un-audited September 30, 2021	Audited June 30, 2021
	(Rupees in '000')	
Related party - Shifa Foundation	20,101	17,139
Related party - SIHT (Private) Limited	33,812	24,335
Others	1,319,060	1,058,447
	1,372,973	1,099,921
Less: allowance for expected credit losses	209,973	195,881
	1,163,000	904,040

**12 NET REVENUE**

	Un-audited September 30, 2021	Un-audited September 30, 2020
	(Rupees in '000')	
Inpatients	1,571,830	1,254,740
Outpatients	928,250	705,320
Pharmacy	1,365,425	1,140,424
Other services	95,213	70,829
	3,960,718	3,171,313
Less: discount	32,869	23,975
Less: Sales tax	5,601	2,940
Net revenue	3,922,248	3,144,398

### 13 EARNINGS PER SHARE - BASIC AND DILUTED

Profit after taxation for the period

387,191

108,285

(Numbers in '000')

Weighted average number of shares in issue during the period

61,975

61,975

(Rupees)

Earnings per share - basic and diluted

6.25

1.75

13.1 Weighted average number of shares has been calculated on the basis of time factor of shares outstanding during the period.

### 14 RELATED PARTY TRANSACTIONS

The related parties comprise of associates, directors, major shareholders, key management personnel, SIHL Employees' Gratuity Fund and the entities over which directors are able to exercise influence.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Group considers its chief executive officer, chief financial officer, company secretary, directors and departmental heads to be its key management personnel. There are no transactions with key management personnel other than their terms of employment / entitlement.

Other transactions / balances with the related parties are given below:

#### Shifa Foundation:

##### Transactions

Revenue from services earned by the SIHL

4,436

3,966

Expenses paid by and reimbursed to the SIHL

151

151

##### Balances

Balance receivable\*

20,101

17,139

#### Tameer-e-Millat Foundation:

##### Transactions

Revenue from rent earned by the SIHL

78

78

Supplies provided to the SIHL

20,384

28,148

Other services provided to the SIHL

5,116

2,419

Rental services received by the SIHL

1,194

1,235

##### Balances

Balance payable\*

16,246

13,073

#### Shifa Tameer-e-Millat University:

##### Transactions

Revenue from services earned by the SIHL

4,388

1,748

Revenue from rent earned by the SIHL

799

727

Other services provided to the SIHL

16,500

16,500

Expenses paid by and reimbursed to the SIHL

741

752

##### Balances

Balance payable\*

6,919

5,041

	Un-audited	
	September 30, 2021	September 30, 2020
	(Rupees in '000')	
<b>Shifa Integrated Health Technology (Private) Limited:</b>		
<b>Transactions</b>		
Revenue from services earned by the SIHL	94,023	71,666
Expenses paid by and reimbursed to the SIHL	1,396	3,349
Other services provided to the SIHL	5,811	5,534
<b>Balances</b>		
Balance receivable*	33,812	24,335
<b>Shifa Care (Private) Limited:</b>		
<b>Transactions</b>		
Other services provided by the SIHL	604	-
<b>Balances</b>		
Balance receivable / (payable)*	-	-
<b>SIHL Employees' Gratuity Fund:</b>		
<b>Transactions</b>		
Payment made by the SIHL during the period	87,187	17,784
<b>Balances</b>		
Balance payable*	202,878	251,594
<b>Remuneration including benefits and perquisites of key management personnel</b>	93,653	75,854
*Comparative figures of receivable / payable balances are as at June 30, 2021.		
<b>15 CASH AND CASH EQUIVALENTS</b>		
Investments - at amortized cost	29,806	3,000
Cash and bank balances	2,768,972	2,860,301
	2,798,778	2,863,301

## 16 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

The Group's financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements for the year ended June 30, 2021. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited consolidated financial statements of the Group for the year ended June 30, 2021.

## 17 GENERAL

- 17.1** Figures have been rounded off to the nearest one thousand Pak Rupees unless otherwise stated.
- 17.2** The comparative figures have been rearranged / reclassified, wherever necessary for the purpose of comparison. However, these are not considered material enough to be disclosed separately.
- 17.3** These condensed interim consolidated financial statements have been approved and authorized for issue by the Board of Directors of the SIHL on October 23, 2021.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**BOOK POST**

Under Certificate of Posting



If undelivered please return to:  
**Shares Department**



**شفہا انٹرنیشنل ہسپتال اسلام آباد**

**Shifa International Hospitals Ltd.**

Sector : H-8/4, Islamabad - Pakistan

