



Shifa  
International  
Hospitals Ltd.



JCI Re-accreditation

Global Phase III Clinical Trial of  
COVID-19 Vaccine

# A YEAR OF RESILIENCE

Launch of Digital &  
Home Healthcare

Pakistan's Leading Organ  
Transplant Program continues  
to benefit patients

Continuity of Care for all  
patients in a safe & infection  
free environment

ANNUAL REPORT  
**2021**

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**Shifa**  
International  
شفا انٹرنیشنل ہسپتال

HOSPITAL ZONE  
20  
SPEED LIMIT



## OUR MISSION

HEALTHCARE WITH COMPASSION FOR ALL

## OUR VISION

TO BE THE REGION'S LEADER BY PROVIDING  
QUALITY HEALTHCARE SERVICES

## OUR VALUES

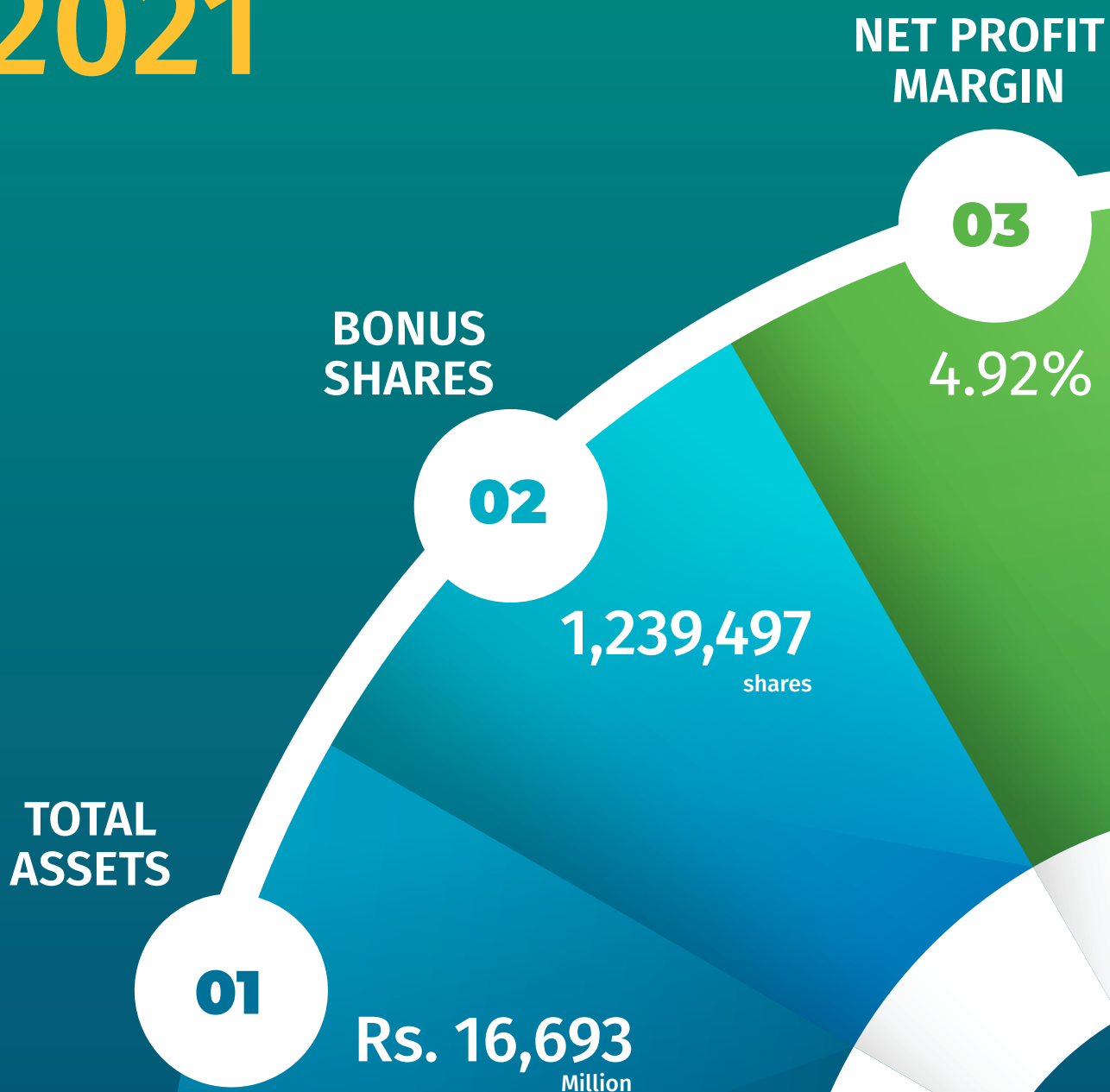
COMPASSION, COMMITMENT, TEAMWORK, QUALITY,  
RESPECT AND ACCOUNTABILITY

## OUR STRATEGIC PRIORITIES

- ▶ PHYSICIAN PARTNERSHIP AND ENHANCED  
CLINICAL QUALITY
- ▶ PROVIDE SEAMLESS/EASY ACCESS CARE DELIVERY
- ▶ FINANCIAL STRENGTH/VIABILITY
- ▶ STRATEGIC GROWTH

# FINANCIAL HIGHLIGHTS

DURING THE YEAR  
**2021**





# EARNINGS PER SHARE

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## Rs. 11.29

---

RETURN ON  
EQUITY

04

8.61%

CONTRIBUTION  
TO NATIONAL  
EXCHEQUER

05

Rs. 1,224  
Million

CURRENT  
RATIO

06

1.23 Times



# COMPANY INFORMATION

## Board of Directors

**Dr. Habib-Ur-Rahman**  
Chairman

**Dr. Manzoor H. Qazi**  
CEO

**Mr. Muhammad Zahid**  
Director

**Mr. Shafquat Ali Chaudhary**  
Director

**Mr. Qasim Farooq Ahmad**  
Director

**Dr. Samea Kauser Ahmad**  
Director

**Syed Ilyas Ahmed**  
Independent Director

**Prof. Dr. Shoab Ahmed Khan**  
Director

**Dr. Mohammad Naseem Ansari**  
Independent Director

**Mr. Javed K. Siddiqui**  
Independent Director

## Audit Committee

Syed Ilyas Ahmed	Chairman
Dr. Habib-Ur-Rahman	Member
Dr. Samea Kauser Ahmad	Member
Mr. Javed K. Siddiqui	Member

## Human Resource & Remuneration Committee

Syed Ilyas Ahmed	Chairman
Dr. Habib-Ur-Rahman	Member
Dr. Manzoor H. Qazi	Member
Dr. Mohammad Naseem Ansari	Member

## Corporate Governance & Nominations Committee

Mr. Muhammad Zahid	Chairman
Dr. Habib-Ur-Rahman	Member
Dr. Manzoor H. Qazi	Member
Dr. Samea Kauser Ahmad	Member
Mr. Javed K. Siddiqui	Member

## Risk Management Committee

Mr. Qasim Farooq Ahmad	Chairman
Prof. Dr. Shoab Ahmed Khan	Member
Dr. Mohammad Naseem Ansari	Member



### **Chief Medical Officer**

Dr. Zeeshan Bin Ishtiaque

### **Chief Operating Officer**

Mr. Taimoor Shah

### **Chief Financial Officer**

Mr. Ahmad Sana

### **Company Secretary**

Mr. Muhammad Naeem

### **Head of Internal Audit**

Mr. Muhammad Saeed

### **Auditors**

M/s Grant Thornton Anjum Rahman  
(Chartered Accountants)

### **Legal Advisor**

M/s Bashir Ahmad Ansari & Company

### **Share Registrar**

M/s Corplink (Private) Limited

Wings Arcade, 1-K, Commercial,  
Model Town, Lahore

### **Registered Office**

Sector H-8/4, Islamabad

### **Bankers**

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





# BOARD OF DIRECTORS





# PROFILE OF DIRECTORS



**DR. HABIB-UR-RAHMAN**  
CHAIRMAN

Dr. Habib-Ur-Rahman is also serving as Director on the Boards of following Shifa International Hospitals Group companies:

- Shifa Development Services (Private) Limited
- Shifa CARE (Private) Limited
- Shifa Medical Center Islamabad (Private) Limited
- Shifa National Hospital Faisalabad (Private) Limited
- Shifa Neuro Sciences Institute Islamabad (Private) Limited

Dr. Habib-Ur-Rahman graduated from King Edward Medical College. He received his internal medicine training at D. C. General Hospital, Howard University, Washington D.C. and Wayne State University, Detroit, Michigan and Wright State University, Dayton Ohio. He completed his fellowship of Cardiovascular Disease from Mount Sinai Hospital, University of Connecticut, Hartford, Connecticut. He is Board Certified by American Board of Internal Medicine and also American Board of Cardiovascular Diseases. He has extensive experience in cardiology as well as in education, training and management. He has been Consultant Cardiologist and Head of Cardiology at Graham Hospital, Canton, Illinois and later at Byrd Regional Hospital at Leesville, Louisiana in USA. In addition to teaching experience in Wright State University, Connecticut he is presently member of the Senate of Shifa Tameer-e-Millat University. He has been member of different scientific councils and committees including Pakistan Lifesavers Foundation, Pakistan Cardiac Society and Faculty of Cardiology, College of Physicians and Surgeons Pakistan. He is among the founding members of Shifa International Hospital and Shifa Foundation. He is also a Board member of Shifa Foundation which is a non-profit, charitable organization involved in the treatment of non-affording and less privileged patients as well as active in medical education through Shifa College of Medicine and Shifa College of Nursing.



**DR. MANZOOR H. QAZI**  
CHIEF EXECUTIVE OFFICER

Dr. Manzoor H. Qazi is also serving as Director on the Boards of following Shifa International Hospitals Group companies:

- Shifa Medical Center Islamabad (Private) Limited
- Shifa National Hospital Faisalabad (Private) Limited
- Shifa Neuro Sciences Institute Islamabad (Private) Limited
- Shifa International DWC-LLC

Dr. Manzoor H. Qazi is a founding member of Shifa International Hospital and has been a board member since its inception. He was appointed as Chief Executive of the company on 10th October 2011. He received his medical degree from King Edward Medical College Lahore. Later he was trained in USA at Little Company of Mary Hospital in Chicago and Flushing Hospital in New York for Internal Medicine and later in Louisiana State University for Cardiology. He is Board certified in Internal Medicine and Cardiology from American Board of Internal Medicine and Cardiology. He has an extensive experience of practice of cardiology as well as administration and management. He was Consultant Cardiologist and President Medical Staff at Byrd Regional Hospital, Leesville, Louisiana for several years. He has also served as President of local chapter of American Heart Association and State Medical Society. He previously has been fellow American College of Cardiology, American Chest Physician and American Board of Quality Assurance and Utilization Review for Physicians. He was actively involved in the initial planning and founding stages of Shifa and later on in the management of the Hospital and has been Medical Director of Shifa International Hospitals Limited since its conception, through planning and implementation until when he accepted the position of Chief Executive Officer. He is also member BOG of Shifa Foundation, a non-profit organization involved in healthcare for poor and medical education.

# PROFILE OF DIRECTORS



**MR. MUHAMMAD ZAHID**  
EXECUTIVE DIRECTOR

Muhammad Zahid, a healthcare professional with enviable experience, is a founding member of the team that conceived and built Shifa International Hospitals Limited. His association with Shifa dates back to 1985 when a group of Pakistani Americans, mainly healthcare professionals, started developing the idea of a world-class hospitals chain in Pakistan – the country of their origin. Zahid is a graduate of University of Karachi with major in Pharmaceutical Sciences. Later on he graduated from the USA in the discipline of Business Administration & Economics. Zahid's expertise and career encompasses diversified areas including Healthcare Projects, Hospital Management and Leadership Development. He established and successfully ran healthcare related businesses in the USA for over 30 years. Simultaneously he remained associated with the landmark project of Shifa International Hospitals Islamabad; besides his critical role in administration, Zahid had major contribution in the strategic development and growth of the Hospital as a member of the Board of Directors. As a founder member, he closely worked with Center Research Inc. (CRI) – a Princeton, New Jersey based hospital design consultancy firm – to design and develop the initial hospital plan to ensure realization of the founder team's concepts. This involvement continued till the development of a master plan in 1989. Following this, Zahid moved to Islamabad and gave quality input in the development of business processes, procedures, system development in different areas of the hospital and leadership development at different and diversified levels till 1997. His contribution in the development of this new hospital had far-reaching impact on the growth of the organization in the years to come and was highly commended by his colleagues. After playing his part in setting Shifa International Hospitals to a smooth sailing, Zahid returned to the USA in 1997 but always made himself available to the team at Shifa when and where needed to cope with the emerging business challenges. Towards the end of 2014, nevertheless, he bade farewell to his engagements in the USA and again returned to Islamabad at a time when Shifa needed him to explore newer areas and develop new sites. Presently as Executive Director, Zahid looks after the critical areas of Planning, Project and Business Strategy & Development.



**MR. SHAFQUAT ALI CHAUDHARY**  
NON-EXECUTIVE DIRECTOR

Mr. Shafquat A. Chaudhary earned a B.Sc. degree in Electrical Engineering from West Pakistan University of Engineering and Technology and an M.Sc. degree in Industrial Engineering from the Polytechnic Institute of Brooklyn, USA in 1973. Though he holds two impressive engineering degrees, he assumed control over his destiny by transforming himself into an entrepreneur. He secured an insurance brokerage license and in 1978 opened Triboro Brokerage Inc. the first taxi medallion and insurance brokerage business owned by a South Asian American. In 1986, he founded Elite Limousine Plus Inc. which today is one of the largest, privately owned, executive transportation companies in the tri-state area and an established leader in developing and applying state-of-the-art technology in this industry. As a true entrepreneur, Mr. Chaudhary over a period of time pursued various other business ventures. However, in 2003, Mr. Chaudhary founded SoundView Broadcasting and expanded into cable and satellite television broadcasting business. Headquartered in Long Island City, NY, SoundView operates a 60,000 SF television facility to provide production, transmission and distribution services for international TV channels originating overseas and broadcast in the United States, Canada and Europe. Currently, SoundView Broadcasting is the exclusive licensee for 15 TV channels that are being transmitted from India, Pakistan, Bangladesh, Africa and France (Paris). Mr. Chaudhary is a founding owner of "AFRO" a black focused, English language mainstream TV Channel which is carried by Comcast on its domestic Digital Tier nationally. He recently started Soundview DAM LLC and got involved in Bitcoin Mining. Mr. Chaudhary still manages to find the time to devote his energies and financial resources to charitable organizations which promote and foster traditional family values and social responsibility. He was the president of the Society for International Help, a U.S. based not for profit organization that through Tameer-e-Millat Foundation operates over 400 schools for poor children in remote areas of Pakistan. He is a shareholder and Director of Shifa International Hospital, Islamabad, Pakistan. In addition, he is a founding shareholder and Director of Sialkot International Airport. He is also the owner and founder of Elite International School, Islamabad.





**MR. QASIM FAROOQ AHMAD**  
NON-EXECUTIVE DIRECTOR

Mr. Qasim Farooq Ahmad is also serving as Director on the Board of:

- Shifa CARE (Private) Limited

Mr. Qasim Farooq Ahmad brings young blood and new dimension to the Board of Shifa International Hospitals. He did his Bachelor of Science in Information Systems and Bachelors of Arts in Economics from Stony Brook University, Stony Brook NY. He furthered his education with a Master of Science degree in Computer Science from Columbia University, New York, in 2007. He has over 20 years of diverse experience in the technology sector focusing on production systems engineering with a strong background in software engineering. This includes 7 years of extensive experience working with high volume financial and reporting applications for companies on Wall Street such as Lehman Brothers and Barclays Capital. Current major responsibilities include change management, incident management, performance planning, capacity planning, business continuity planning and disaster recovery, Sarbanes Oxley compliance and vendor management for all Fund Systems which includes the Front, Middle and Back Office applications. His previous experiences as the lead developer for the NYC Law Department include analysis, design, development and implementation of different technical projects.



**DR. SAMEA KAUSER AHMAD**  
NON-EXECUTIVE DIRECTOR

Dr. Samea Kausar Ahmad is also serving as Director on the Board of:

- Shifa Development Services (Private) Limited

Dr. Samea is a graduate of Ayub Medical College, Abbottabad. She joined the Board in 2011 and has been helpful in guiding the Board and the administration towards the future direction of the corporation. She has been serving as the Vice Chairperson of Tameer-e-Millat Foundation (TMF) for the past 10 years. Greatly inspired and influenced by the philanthropic work of her father, Dr. Zaheer Ahmad, she was determined to carry on the vision and legacy laid down by him. As Vice Chairperson, Dr. Samea governs the running and management of over 50 educational institutions in the TMF network, all across Pakistan. In addition, Dr. Samea also serves as a member of the Senate of the federally registered Shifa Tameer-e-Millat University.

# PROFILE OF DIRECTORS



**SYED ILYAS AHMED**  
INDEPENDENT DIRECTOR

Syed Ilyas Ahmed has a long and illustrious career spanning over 45 years in healthcare management and its implementation. He has served in different capacities; Secretary, Scientific Governing Board and Head of Administration in Salahuddin University Hospital, Tripoli, Libya. After returning to Pakistan, he joined The Kidney Center, Karachi as its Chief Executive (1993 – 2000). Later he proceeded to Islamabad in Shifa International Hospitals Ltd and accepted the post of Chief Operating Officer (2001 – 2005). At present he is Chief Advisor Operations at Tabba Heart Institute, Karachi. During his phenomenal professional tenure, he successfully managed premier healthcare facilities, both in Pakistan and abroad. His acumen includes but not limited to, strategic planning, policies and procedures, budgeting and fiscal control, human resource, public relations and quality assurance management. He introduced ISO Quality Management System in Pakistan for the first time in 1995 and is known as Baba-e-ISO in quality conscious circles in Pakistan. Mr. Ahmed, during his university days was a Badminton Champion and accomplished Debater, Gymkhana Secretary and Magazine Editor of University of Karachi (1968-72). He was President of Sind Pharmacy Graduates Association (1970-72). He plays golf and has a refined taste in literature and shows keen interest in a wide range of aesthetic disciplines including culture and history.



**PROF. DR. SHOAB AHMED KHAN**  
NON-EXECUTIVE DIRECTOR

Dr. Khan is a Ph.D. in Electrical and Computer Engineering from Georgia Institute of Technology, Atlanta, GA, USA. He is an inventor of 5 awarded US patents and has 350+ international publications. His book on Digital Design is published by John Wiley & Sons and is being followed in national and international universities. Dr. Khan has more than 25 years of industrial experience in companies in USA and Pakistan. He has been awarded Tamgha-e-Imtiaz (Civil), National Education Award 2001 and NCR National Excellence Award in Engineering Education. He is the chancellor of Sir Syed CASE Institute of Technology (SS-CASE IT) and founding member of Center for Advanced Research in Engineering (CARE). SSCASE IT is a federally chartered engineering institution that runs one of the largest post graduate engineering programs in the country and has already graduated 70+ PhDs and more than 2000+ MS in different disciplines in Engineering. Whereas CARE, under his leadership, has risen to be one of the most profound high technology engineering organizations in Pakistan developing critical technologies worth millions of US dollars for organizations in Pakistan. CARE has also made history by winning 12 PASHA ICT awards and 10 Asia Pacific ICT Alliance Awards while competing with the best products from advanced countries like Australia, Singapore, Hong Kong, Malaysia etc. Dr. Khan has served as Chairman of Pakistan Association of Software Houses (P@SHA) and as member of Board of Governance of three entities in the Ministry of IT and Commerce. He has also served as Deputy Chairman of National Computing Education Accreditation Council (NCEAC). He is also an adj. Professor of Computer Engineering at NUST College of EME. His book of Urdu poetry is recently published with title, "Kagazi ha parahan". He is a member and focal person of Prime Minister Taskforces on Knowledge, Economy, Science & Technology and IT and Telecommunication.



**DR. MOHAMMAD NASEEM ANSARI**  
INDEPENDENT DIRECTOR

Dr. Mohammad Naseem Ansari graduated from the Punjab University, Department of Pharmaceutical Science. He went for his postgraduate studies at Columbia University, New York City, USA and was granted a full talent scholarship. He has a very rich and illustrious career spanning over forty years both State side and upon his return to Pakistan. After the completion of his studies, he joined Mt. Sinai Hospital and School of Medicine, New York City for the internship and training program. He served there in different administrative capacities for about eighteen years. He returned Pakistan in 1988 and joined Shifa International Hospitals Limited from its inception and was assigned different roles such as Director Operations during the construction phase and Chief Operative Officer and Chief of Special Services once in operations. He was instrumental along with the other members in the establishment of Shifa College of Medicine in 1988 under the aegis of Shifa Foundation and became its first Chief Operating Officer. After the establishment of Shifa Tameer-e-Millat University in March 2012 he served at different administrative positions at STMU. He is a member of American Hospital Association and also the "Rho Chi" Honor Society, Columbia University, New York City, USA. He also served on the board of International School of Islamabad as a member and then as the Board Chair for a few years. He also has the honor and privilege of serving on the Board of Shifa International Hospitals Limited, Islamabad.



**MR. JAVED K. SIDDIQUI**  
INDEPENDENT DIRECTOR

Mr. Siddiqui is a senior Chartered Accountant, fellow member of the Institute of Chartered Accountant of Pakistan, and a "Certified Director" on the data bank listing of Pakistan Institute of Corporate Governance. He has a very rich and diversified exposure spanning over 40 years, 2 continents, 4 countries and 11 industries including banking, oil and gas, manufacturing, FMCG, trading, hospitality, regulatory organization and consulting, and has worked with several multinationals. He has worked for 15 years in various countries and for 25 years in Pakistan, in the fields of corporate, organizational, financial, human resource, and I.T management, held progressively senior management positions in various multinational companies and large international & local organizations, both in private sector and public sector, and a regulatory authority. Mr. Siddiqui started his carrier in 1974 with PwC, (A. F. Ferguson & Co) Chartered Accountants, where he completed the requisite training for Chartered Accountants, after which he was hired by Smith & Nephew Pharmaceutical Co., a subsidiary of a British pharmaceutical and cosmetics company. Later he joined Pakistan Petroleum Ltd., the then subsidiary of Burma Oil Company, U.K., and worked in the Project & Development Division. He was then hired by Saudi Naval Forces to head their internal audit Department in Jeddah. On completion of 5 year term with Saudi Navy, he joined Unilever Pakistan Ltd., later moving on to Dubai in 1990 where he worked for 10 years for various organizations, his last assignment being with Dubai Investments. He has also worked for Toronto Dominion Bank in Canada as Financial Analyst. In the year 2000, Mr. Siddiqui was hired by a public sector financial institution in Islamabad, Pakistan, as its Chief Financial Officer with a mandate to restructure it and convert it into an incorporated entity amalgamating another public sector financial institution with it. He was a key member of the team that was responsible for the restructuring and amalgamation process & incorporation of SME Bank, which is still the only specialised bank catering to the needs of SME sector. On incorporation of SME Bank he was assigned additional responsibilities as Company Secretary of the Bank. After 4+ years with the Bank, Mr. Siddiqui then moved on to Securities & Exchange Commission of Pakistan, the apex regulator of the corporate sector and securities market, as Executive Director for Company Law Division, where he served for 8 years and headed various other Divisions as well. Since 2013, Mr. Siddiqui is a Partner in a Chartered Accountant and consulting firm in Islamabad. He has served on the Board of a Bank's subsidiary leasing Company, Chairman of the Board of an I.T Company, and also performed as Acting CEO of a public sector financial institution. He has also served on the Institute of Chartered Accountants of Pakistan's committee on 'Public Sector'. This committee is responsible for interacting with the Auditor General and the Controller General Accounts officials on the adoption of IPSAS and corporate governance in State Owned Enterprises in Pakistan among other related areas. Mr. Siddiqui is a certified trainer and have conducted Directors Orientation Programme for the Board of Directors of a Bank. Travelled widely, attended numerous conferences, seminars and workshops in various countries, and spoken on international and national forums on professional topics



We have worked devotedly to safeguard the health and wellbeing of families and communities in our region



# CHAIRMAN'S REVIEW

## Assalam o Alaikum,

Alhamdulillah, Shifa Family has maintained its resolve and resilience facing another year of COVID-19 waves. We have worked devotedly to safeguard the health and wellbeing of families and communities in our region meeting the dual challenge of providing focused care to Covid patients while delivering essential high quality day to day quaternary medical and surgical services.

Our clinics, inpatient beds, high dependency intensive care areas, radiology and laboratory diagnostics stood up to the immense challenge as we protected our precious human resource of physicians, surgeons, nurses and support staff. Our frontline workers including senior management gallantly pay the price of braving an unprecedented pandemic.

We are steadfast in our commitment to invest financial resources, time and dedication to provide education and training to upcoming professionals in healthcare for maintaining international standards of excellence. Shifa's reaccreditation by JCI this year bears testimony to our pursuit of quality. Team Shifa earns my gratitude for achieving this milestone.

I am also grateful to our shareholders, bankers, vendors and all other stakeholders for their support in tumultuous times. A special thank you to Board of Directors for remaining actively involved and vigilant.



**DR. HABIB-UR-RAHMAN**

Chairman

September 25, 2021

# DIRECTORS' REPORT

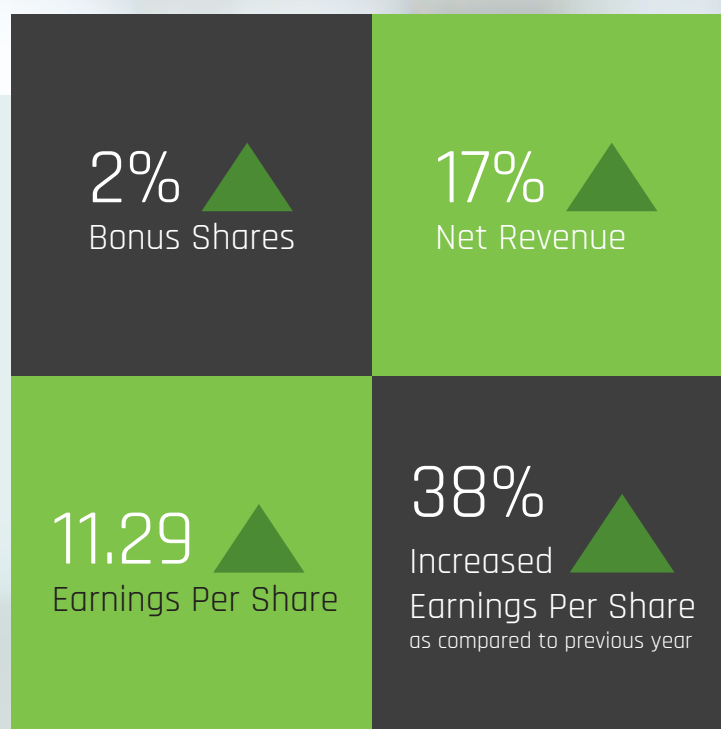
for the year ended June 30, 2021



The biggest challenge in the midst of pandemic was to ensure continuity of care to all patients in a safe and secure environment



The Directors of the Company take pleasure in presenting Annual Report along with financial statements for the year ended June 30, 2021.



## OPERATING HIGHLIGHTS

The overall growth in the net revenue of the Company is 17% as compared to previous year. The operating cost however increased by 12.36% from Rs. 11,480.6 million to Rs. 12,899.4 million, which is mainly due to increase in salaries, wages & benefits, cost and volume of supplies & medicines consumed, repair & maintenance, depreciation / amortization, etc. All these factors translated into net profit after taxation of Rs. 699.9 million against Rs. 505.1 million in the previous year.

## EARNING PER SHARE

During the year under review Earnings per share increased by 38% from Rs. 8.18 to Rs. 11.29.

## BONUS SHARES

The Board of Directors in its meeting held on September 25, 2021 has proposed the issue of bonus shares in the proportion of 1 bonus share for every 50 shares held i.e. 2% for the year ended June 30, 2021 for approval of the members in the Annual General Meeting.

# DIRECTORS' REPORT

Shifa International Hospitals Ltd.  
Islamabad, Pakistan  
has been  
**Accredited**  
by



## Joint Commission International

which has evaluated this Hospital and found it to meet the international health care quality standards for patient care and organization management.

Effective 25 October 2020 through 24 October 2023

Handwritten signature of Tamra Minnier in black ink.

**Tamra Minnier, RN, MSN, FACHE**  
Chair

Handwritten signature of Paula Wilson in black ink.

**Paula Wilson**  
President, Chief Executive Officer

Joint Commission International is a division of  
Joint Commission Resources Inc., an affiliate of The Joint Commission.

CN 3894



## BOARD OF DIRECTORS

Election of Directors was held in June 2021 and all the retiring Directors were elected unopposed.

We welcome the newly re-elected Directors on the Board of Shifa International Hospitals Limited (“the Company”) and are confident that they will continue with their commitment and vigilance for sustainable growth of the Company.

The composition of the Board of the Company is as under:

Category	Names
Independent Directors	Syed Ilyas Ahmed Dr. Mohammad Naseem Ansari Mr. Javed K. Siddiqui
Non-Executive Directors	Dr. Habib-Ur-Rahman Mr. Shafquat Ali Chaudhary Mr. Qasim Farooq Ahmad Dr. Samea Kauser Ahmad (Female Director) Prof. Dr. Shoab Ahmed Khan
Executive Directors	Dr. Manzoor H. Qazi Mr. Muhammad Zahid

The Board is composed of ten directors including three independent, two executive and one female director.

In compliance with the non-mandatory provisions contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019 (“the Code”) regarding diversity in the Board, the Company’s Board consists of three Medical Doctors, two IT Professionals, three Pharmacists, one Businessman and a Chartered Accountant.

The Board derives its powers and obligations from various provisions contained in the Memorandum & Articles of Association of the Company, Companies Act, 2017 (“the Act”), the Code and other relevant laws. The Board met seven (07) times during the year ended June 30, 2021.

# DIRECTORS' REPORT

## BOARD AUDIT COMMITTEE

The Board Audit Committee (BAC) of the Company comprises of two non-executive members and two independent directors as under:

1. Syed Ilyas Ahmed  
Chairman, Independent Director
2. Dr. Habib-Ur-Rahman,  
Member, Non-Executive Director
3. Dr. Samea Kauser Ahmad,  
Member, Non-Executive Director
4. Mr. Javed K. Siddiqui,  
Member, Independent Director

The Chairman of BAC is an independent director. All members of BAC are highly qualified individuals. BAC met six times during the year under review. Separate meetings were also held with the Company's external and internal auditors in compliance with the regulatory requirements.

The Terms of Reference (ToRs) of the BAC were framed in line with the provisions contained in the Code and the BAC functions accordingly. The ToRs of the BAC include developing systems to achieve the objective of safeguarding Company assets, ensuring adequate accounting records, internal control & risk management, regulatory & legal compliance, reviewing the periodic financial statements, etc. The list of ToRs is not exhaustive though and BAC may consider any other issue or matter as may be assigned by the Board to achieve the overriding objective of safeguarding the Company's interest.

The observations/recommendations of BAC are conveyed to the Board by the Chairman of BAC. Besides its periodic meetings, BAC also met once with the External Auditors without the presence of Head of Internal Audit & CFO and once with

Head of Internal Audit without the presence of CFO & External Auditors.

## HUMAN RESOURCE & REMUNERATION COMMITTEE

The Human Resource & Remuneration (HR & R) Committee has the following members:

1. Syed Ilyas Ahmed  
Chairman, Independent Director
2. Dr. Habib-Ur-Rahman  
Member, Non-Executive Director
3. Dr. Manzoor H. Qazi  
Member, Executive Director
4. Dr. Mohammad Naseem Ansari  
Member, Independent Director

ToRs require the HR & R Committee to work for the primary objective of considering remuneration packages needed to attract and retain executive directors and other senior employees in line with the market practices, regulatory provisions and interest of the stakeholders. Other significant terms require that majority of the HR & R Committee shall be non-executive directors including an independent director. Similarly, the Chairman of the HR & R Committee shall be an independent director.

The HR & R Committee functions in accordance with approved ToRs. The HR & R Committee met once during the year under review.

## CORPORATE GOVERNANCE & NOMINATIONS COMMITTEE

The Board also has a Corporate Governance & Nominations (CG & N) Committee comprising of the following members:



1. Mr. Muhammad Zahid  
Chairman, Executive Director
2. Dr. Habib-Ur-Rahman  
Member, Non-Executive Director
3. Dr. Manzoor H. Qazi  
Member, Executive Director
4. Dr. Samea Kauser Ahmad  
Member, Non-Executive Director
5. Mr. Javed K. Siddiqui  
Member, Independent Director

The ToRs of the CG & N Committee list number of things, nevertheless, the primary objective of the CG & N Committee is to review the structure, size and composition of the Board and its committees taking into account changing environment & geographical expansion and making recommendation to the Board with regard to changes if necessary and to monitor corporate and regulatory compliance.

During the year under review one meeting of the CG & N Committee was held.

## RISK MANAGEMENT COMMITTEE

Under the provisions of the Code, the Board also has a Risk Management Committee (RMC) with the following directors as members:

1. Mr. Qasim Farooq Ahmad  
Chairman, Non-Executive Director
2. Prof. Dr. Shoab Ahmed Khan  
Member, Non-Executive Director
3. Dr. Mohammad Naseem Ansari  
Member, Independent Director

The highlight of the RMC's ToRs is to undertake review of effectiveness of risk management procedures, identify the risks that may confront the Company and present a report to the Board.

One meeting of the RMC was held in the year ended June 30, 2021.



# DIRECTORS' REPORT



## FREQUENCY & ATTENDANCE OF BOARD & AUDIT COMMITTEE MEETINGS

During the year under review, seven (07) and eight (08) meetings of the Board of Directors and the Audit Committee, respectively, were held.

Number of meetings attended by each director is stated below:

Name of Director	No. of Board Meetings Attended	No. of Audit Committee Meetings Attended
Dr. Habib-Ur-Rahman	7	8
Dr. Manzoor H. Qazi	7	N/A
Mr. Muhammad Zahid	7	N/A
Mr. Shafquat Ali Chaudhary	3	N/A
Mr. Qasim Farooq Ahmad	7	N/A
Dr. Samea Kauser Ahmad	7	8
Syed Ilyas Ahmed	7	8
Prof. Dr. Shoab Ahmed Khan	7	N/A
Dr. Mohammad Naseem Ansari	7	N/A
Mr. Javed K. Siddiqui	7	8

Leave of absence was granted to Mr. Shafquat Ali Chaudhary who could not attend some of the Board meetings due to his personal commitments abroad.

## BOARD EVALUATION

As per the requirements of the Code, the Board of the Company annually conducts self-evaluation of its performance which covers structure & characteristics of the Board, roles & responsibilities, relationship with management, hospital specific measures, etc.

The overall performance of the Board remained good which was determined on the basis of approved criteria.





## DIRECTORS' REMUNERATION

The Board of Directors of the Company approves and fixes the remuneration of the Board members in accordance with the Articles of Association of the Company, the Act and the Code. The details of aggregate amount of remuneration separately of executive and non-executive directors, including salary/fee, perquisites, benefits and performance-linked incentives etc. have been disclosed in note 36 of the notes to the Financial Statements.

## TRADING OF SHARES

During the year under review, no Director, CEO, CFO, Company Secretary, Executives and their spouses and minor children or major shareholder carried out the trade in the shares of the Company.

## DIRECTORS' TRAINING PROGRAM

Eight out of ten directors (80%) of the Company have attended Directors' Training Program that meets the criteria laid down in sub-regulation

19(1)(ii) of the Code. Remaining directors will acquire the required directors' training certification within the time specified in the Code.

Names of certified directors who attended Directors' Training Program are as under:

1. Dr. Habib-Ur-Rahman
2. Dr. Manzoor H. Qazi
3. Mr. Muhammad Zahid
4. Dr. Samea Kauser Ahmad
5. Syed Ilyas Ahmed
6. Prof. Dr. Shoab A. Khan
7. Dr. Mohammad Naseem Ansari
8. Mr. Javed K. Siddiqui

Further, the Company also arranged directors' training program for one female executive during the year under review as required under the sub-regulation 19(3)(i) of the Code who successfully completed the said program.



# DIRECTORS' REPORT



## CORPORATE BRIEFING SESSION

During the year under review, the Company arranged the Corporate Briefing Session in Karachi on October 28, 2020 to brief the investors/shareholders about the financial performance and future outlook of the Company.

## STATEMENT OF DIRECTORS' RESPONSIBILITY

The directors hereby confirm compliance with the Corporate and Financial Reporting Framework of the Securities and Exchange Commission of Pakistan (SECP) and the Code for the following matters:

- i. The Financial Statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- ii. Proper books of accounts of the Company have been maintained as required by the Companies Act, 2017.
- iii. Appropriate accounting policies have been consistently applied in preparation of the Financial Statements and accounting estimates are based on reasonable and prudent judgment.
- iv. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of Financial Statements.
- v. The system of internal control is sound in design and has been effectively implemented and monitored.
- vi. There has been no material departure from the best practices of Corporate Governance, as detailed in the Code.
- vii. There are no significant doubts upon Company's ability to continue as a going concern.



## OPERATING & FINANCIAL DATA

Summary of key operating and financial data of last six years has been given on Page No. 58.

## GRATUITY FUND

Note 10.4 of the notes to the Financial Statements reflects the value of investment of gratuity fund account.

## PATTERN OF SHAREHOLDING

The pattern of shareholding and additional information regarding pattern of shareholding is given on Page No. 205.

## SAFEGUARDING OF RECORDS

For the storage and safe custody of the financial records of the Company, it has deployed Oracle ERP System for processing and recording financial information. All the data is stored in the Company's own data center, which is designed on the latest industry guidelines for protection

against threats of data loss. Moreover, a robust backup and recovery mechanism is deployed to ensure data safety.

## MATERIAL CHANGES

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the financial statement relates and the date of the report.

## STATUTORY AUDITORS OF THE COMPANY

The present Auditors, M/s Grant Thornton Anjum Rahman, Chartered Accountants, shall retire at the conclusion of 35<sup>th</sup> Annual General Meeting and being eligible, offer themselves for reappointment.

On the suggestion of the Audit Committee, the Board has recommended their reappointment as Auditors of the Company for the year ending June 30, 2022.



# DIRECTORS' REPORT





## CONTRIBUTION TO THE NATIONAL EXCHEQUER

The Company's contribution to the national exchequer during the year under review is as following:

Sr. No.	Description	Rs. "in 000"
1	Direct Taxes	332,473
2	Indirect taxes	220,765
3	Tax deducted and deposited from suppliers, employees, etc.	671,026
<b>Total</b>		<b>1,224,264</b>

## RELATED PARTY TRANSACTIONS

All the related party transactions have been approved by the Board of Directors in accordance with the Company's policy on the related party transactions. The Company maintains a full record of all such transactions, along with the terms and conditions. The disclosure of such related party transactions have been given at Note 35 of the Notes to the Financial Statements.

## COMPANY'S WEBSITE

The Company can be accessed here [www.shifa.com.pk](http://www.shifa.com.pk) at its official website.

## EMPLOYMENT OF SPECIAL PERSONS

The Company recognizes that it has clear obligations towards its employees and the community at large to ensure that people with disabilities are offered equal opportunities to enter employment and progress within the organization. Currently 21 staff with disabilities are employed in the organization.

## BUSINESS ETHICS & ANTI-CORRUPTION MEASURES

The Board is committed to conducting its business in a legal and professional manner, strictly in line with the highest standard of integrity and ethical values. To achieve the goal Board has adopted the Code of Conduct. This code applies to all Directors, consultants and employees.

The Company's Code of Conduct is the foundation of Company's governance procedures. The code provides clear guidelines about integrity, honesty and ethical business practices. The Board has the zero tolerance policy towards fraud, bribery, conflict of interest and other forms of corruption.

## RISK MANAGEMENT & INTERNAL CONTROL

The Board is responsible for the identification and effective management of risks faced by the Company. Described below are the principal risks

# DIRECTORS' REPORT

that could affect the Company's business and performance.

- **Economic Conditions:** COVID-19 has adverse impact and consequences over the world economy. It has disturbed the paying capacity of customers to get services from the Company. Outbreak of subsequent waves may have potential to disrupt Company's business.
- **Competition:** We are currently operating in a competitive marketplace. Aggressive pricing strategies of our competitors could cause decrease in our revenue.
- **Financial Risks:** Different kind of financial risks may impact the Company's performance. These risks include interest rate, foreign exchange, credit risk, etc.

Besides the above, the Company is also aware and watchful about other risk factors like retention of employees, fragility of information systems, compliance requirement of environmental laws, etc.

## KEY RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES:

Risks inherently exist throughout the Company, and the Board is responsible for the Company's risk management and internal control system and for reviewing its adequacy. The Board has established a process for identifying, evaluating and managing the key risks and uncertainties. The key risk management and internal control process are implemented through the following:

- The Board has formed a Risk Management Committee to assist in the oversight of risk management structure.
- Policies and procedures are available and implemented in the Company. These are regularly updated in compliance with regulatory requirements. The policies, methodologies and procedures are improved when required to meet the changes in operating environment.
- The Company structure is designed to clearly define the reporting lines and approving authorities to shape an appropriate system of accountability.
- The Audit Committee of the Company assists the Board to evaluate the adequacy and effectiveness of the internal control systems.
- Internal Audit of the Company conducts independent risk-based audits and provides reasonable assurance that the design & operation of the risk and control framework is effective.

## ENERGY CONSERVATION

Following are the energy conservation initiatives in place:

- **Natural Gas Conservation:** During the period of 6 months, from October 2020 to March 2021, the Company conserved a total of 2,188.292 HM3 of Natural Gas through energy conservation measures.
- **PV Solar System:** the Company has planned to install inexhaustible, renewable power source of PV Solar System of up to 1.0 MW Capacity. All technical and legal working of the project has been finalized. The sustainable energy



generation through solar will reduce dependency on natural gas & diesel and help protect environment as well.

- Steam powered Dish Washing Machines: Readily available steam supply line has been expanded to the dish washing machine in Food and Nutrition Services Department (FNSD), removing the electrical heaters from the system. This initiative has helped in conserving 166,440 kWh's of utility and hence an overall 58.25 tons of carbon emission reduction.
- Installation of Energy Monitoring System: This project has been 70% completed. This will help the engineering team to identify areas consuming excessive electrical energy and take measures for energy conservation.
- Energy Efficient LED Lights: Usage of energy efficient LED Lights throughout the Company instead of conventional energy extensive lights indoor and outdoor helped an overall saving of 91,402 kWh yearly.

## ENVIRONMENT CONSERVATION & PROTECTION MEASURES

As a socially responsible corporate entity, the Company is committed towards conservation and sustainable environment practices. To this end, regular quarterly, biannual and annual monitoring of different areas is carried to ensure conformance with the National Environment Quality Standards. These areas include indoor air quality, stack emission monitoring, drinking (bottled) water analysis, drinking water analysis, source/tap water, wastewater analysis, legionella (HVAC), distilled water, ash analysis, boiler inspection, inspection of electrical installation and radiation safety inspection.



# DIRECTORS' REPORT



## ENVIRONMENTAL SUSTAINABILITY INITIATIVES:

Plantation of shady tree species around incinerator plant to promote green landscape and improve ambient air quality has been carried out.

## IN-HOUSE ENVIRONMENTAL MONITORING:

Ongoing in-house monitoring is performed throughout the Company against different parameters including meteorological parameters, oxygen, LEL, CO<sub>2</sub>, CO, light, noise, formaldehyde, TVOC, electrical conductivity, salinity, TDS, microbial water quality to ensure safe environment for patients, visitors and staff.

## EXPANSION OF LIQUID OXYGEN STORAGE CAPACITY

To cope with the surging demand of oxygen due to unprecedented COVID-19 pandemic, an additional Liquid Oxygen Tank of 5,700 Liters capacity has been added to the Oxygen Bank to ensure uninterrupted medical oxygen supply.

## DISASTER & COMMUNICATION DRILLS

Annual disaster and communication drill was conducted covering all aspects and areas in the Company. HR engaged in a pool of 84 volunteer students, doctors and focal persons from Shifa Tameer-e-Millat University to be called in case of staff shortage in case of disaster.

## CONFIDENTIAL RECORD SHREDDING

Protecting the privacy of medical record is highly critical. After certain retention period as per the policy, the documents are disposed off. In this





regard, the practice of incineration for the record has been substituted with shredding. A commercial scale shredding machine shreds the record at the point of storage, avoiding the risk of data pilferage during transfer from medical record to centralized storage area.

## OCCUPATIONAL HEALTH & SAFETY - ISO 45001:2018 CERTIFICATION

The Company got accredited by SGS after a 3-day stage 2 Audit on "Occupational Health & Safety Management System" as per International Organization for Standardization Standard 45001:2018.

## IMPACT OF THE COMPANY'S BUSINESS ON THE ENVIRONMENT

As a socially responsible corporate entity, the Company seeks to adopt environmental stewardship through various environmental conservation measures. In this regard, the Company undertakes regular and stringent monitoring to preempt and check any possible environment hazards that may arise out of routine business activities.

Mercury substitution, wastewater discharge, air emissions, hazardous waste management and ash disposal are some significant undertakings to this end. It's a matter of great satisfaction that the Company's activities cause no significant adverse impact on environment.

## SECURITY & PROTECTION OF PATIENTS, VISITORS AND STAFF

Protection of a patients, visitors and staff in any hospital is of critical importance. The complex environments with busy schedules and unplanned emergencies contribute to the hospital and healthcare security concerns.

# DIRECTORS' REPORT



The Company accords highest priority to the safety and security of everyone in the premises and employs trainings, drills, technology and detailed policies to meet this end.

Regarding fire safety, the Company trained a total of 5,113 staff and carried out various mock evacuation drills in different areas of the Company.

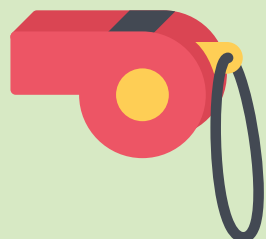
Moreover, the special awareness campaigns, regular CCTV monitoring and detailed measures for building access control are in place for the sole objective of maximum possible security and protection of each and every individual on the Company's premises.

## CODE OF CONDUCT



The Company has adopted a Code of Conduct that requires all employees to maintain a work environment featuring fairness, respect and integrity and to comply with ethical practices. Provision of the code include, but are not limited to, legal compliance, restrain on political activities, soliciting gifts, avoiding conflict of interest, non-discrimination or harassment on the basis of gender, race, color, age, etc., maintaining confidentiality of information, complying with the laws, rules vis-à-vis environmental protection, etc. The Code of Conduct is applicable to all the directors, officers, employees, consultants and agents of the Company.

## WHISTLEBLOWING POLICY



The Company accords utmost importance to conducting business with honesty, integrity, transparency, openness and accountability. The Company had incorporated a Whistleblowing Policy to enable stakeholders to detect, identify and report an unlawful activity, mismanagement, misuse of authority and any event which is inconsistent with the Company policies. The main purpose of the policy is to guide and encourage individuals by providing ways to raising concerns confidentially and reassurance that they will be protected from possible victimization for doing so.



## GRIEVANCE POLICY



The Company has committed itself that employees' grievances will be properly recognized and addressed. An employee's first point of communication is his/her immediate supervisor in case of a grievance. Grievances lodged by the workers under third party contract are also seriously considered and communicated to the respective vendors by the concerned area supervisor for effective resolution of their grievances.



# DIRECTORS' REPORT

## SUBSIDIARY/ASSOCIATED COMPANIES

As on June 30, 2021 the detail of the subsidiary/associated undertakings of the Company along with percentage shares held in each subsidiary/associated undertaking is as under:

Name of the Company	Status	%age of Shares held by Shifa
Shifa Development Services (Pvt.) Limited	Subsidiary	55%
Shifa CARE (Pvt.) Limited	Associated	50%
Shifa Medical Center Islamabad (Pvt.) Limited	Subsidiary	56%
Shifa Neuro Sciences Institute Islamabad (Pvt.) Limited	Wholly Owned Subsidiary	100%
Shifa National Hospital Faisalabad (Pvt.) Limited	Subsidiary	60%
Shifa International DWC-LLC	Wholly Owned Subsidiary	100%

## UPDATE OF SUBSIDIARY/ ASSOCIATED COMPANIES

### 1. Shifa Development Services (Pvt.) Limited [SDS]



The principal activity of SDS is to provide project development and management services. The post-covid desire to invest in healthcare has increased throughout the region and the sector has potential to outpace general economic growth over the next 5 years. Despite the economic uncertainty, SDS viewed significant increase in

its revenue in 2020-21 and number of long term projects have a positive impact on the longer term outlook, growth and sustainability.

SDS as of now is engaged in different projects for project management, plan, design, build, advisory and master development.

### 2. Shifa CARE (Pvt.) Limited [SCPL]



During the year under review, the HIMS modules including cash charge master and registration were in testing phase while for panel charge master and EMR (ER) only the analysis and wire framing are complete.



In supply chain module, catalogue and inventory management have been completed and warehouse is almost 40% complete. SCPL developed plugins for supply chain in low code platform hCARE4.0. Platform for e-diagnostic and healthcare benefits management has also been developed.

### 3. Shifa Medical Center Islamabad (Pvt.) Limited



During the reporting year, the construction of the hospital situated at F-11 Markaz, Islamabad has been started. The activities on the project are progressing well as per the scope of work and project strategy. All relevant project participants are mobilized on-site and contractual activities are underway.

Construction Project Manager has mobilized a qualified supervision team equipped with a modern cloud-based project management information system to ensure the execution of the project conforms to the scope, schedule, budget, and quality parameters set by the project sponsors. After following a transparent process, all sub-packages for Package 1 Grey Structure have been awarded under budget to sub-contractors.

In addition to cost-effective awards and timely mobilization, important events during the reporting period included the groundbreaking

ceremony and a public hearing to evaluate the environmental impact of the project were held successfully.

### 4. Shifa Neuro Sciences Institute Islamabad (Pvt.) Limited [SNSII]



During the year under review, SNSII has earned rental income from its building leased out to the Company to operate Neuro Sciences services in the existing building. However, in the long run SNSII will establish its own Neuro Sciences Facility.

### 5. Shifa National Hospital Faisalabad (Pvt.) Limited [SNHF]



During the reporting year, SNHF has acquired further land measuring about 9.5 Kanals on Sheikhpura - Lahore Road, Faisalabad and till date the SNHF has acquired 49.5 Kanals in toto and that has already been commercialized. After the approval of feasibility of Hospital Project, the

# DIRECTORS' REPORT

drawings/layout of the Hospital will be prepared and thereafter construction will be started in accordance with approved drawings.

## 6. Shifa International DWC-LLC [SIDL]



SIDL was incorporated in UAE on December 16, 2019 as Limited Liability Company with its registered office at Business Centre Logistic City, Dubai Aviation City, Dubai, UAE. The principal activities of SIDL are marketing and project management services. SIDL is negotiating MOUs between different insurance companies in GCC

countries and the Company for the provision of healthcare services to the patients referred by the Clients.

During the year, SIDL referred patients for different treatments like general, orthopedic, transplant surgeries, etc.

## FUTURE BUSINESS OUTLOOK

COVID-19 pandemic has significantly impacted the functioning of healthcare industry and the way it delivers services to the patients. The biggest challenge in the midst of pandemic was to ensure continuity of care to all patients in a safe and secure environment while building capacity and infrastructure to manage COVID-19 patients in parallel. COVID-19 did affect the patient visits to the Hospital due to lockdowns, travel restrictions and other factors. However, this challenge was met by enhanced outreach to the patients by employing and swiftly switching to the digital and technological means.





The healthcare system is gradually and eventually transforming digitally. As of now, healthcare service providers have digitized patient records to provide personalized care to the patients. The healthcare industry is an important aspect and with people seeking it out more than often, they feel the need to have tools or platforms that help them find value as they search for the quality healthcare services with convenience and ease. Hence, patient would readily opt to get doctor's consultation, prescribed medicine or investigations, nursing services, etc. through online or digital platforms. In short, major factors driving the growth of healthcare industry include the rise in aging population, increasing incidences of chronic diseases, growing demand for affordable healthcare delivery systems due to the increasing healthcare costs, and technological advancements.

## ACKNOWLEDGMENT

The Board earnestly appreciates the consultants, management and staff for their untiring efforts to deliver seamless and consistent quality healthcare despite all the challenges. The Board is also thankful to the shareholders, bankers, patients and regulators for their continued confidence and support of our operations.

### On behalf of the Board



**DR. MANZOOR H. QAZI**

Chief Executive Officer

**ISLAMABAD**

September 25, 2021



**MUHAMMAD ZAHID**

Director



# DIRECTORS' REPORT IN URDU





# ڈائریکٹرز رپورٹ

## کاروباری مستقبل کا منظر نامہ

کووڈ-19 وباء نے ہیلتھ کیئر اداروں کے کام کرنے اور مریضوں کی دیکھ بھال کرنے کے طریقہ کار کو نمایاں طور پر متاثر کیا ہے۔ اس وباء کے درمیان سب سے بڑا چیلنج یہ تھا کہ کووڈ-19 کے مریضوں کو سنبھالنے کے لئے صلاحیت اور بنیادی ڈھانچوں کی تعمیر کے ساتھ ساتھ ان کو ایک محفوظ اور مکمل ماحول میں مسلسل صحت کی سہولیات کی فراہمی کو یقینی بنانا تھا۔ کووڈ-19 کی وجہ سے ہونے والے لاک ڈاؤن، سفری پابندیوں اور دیگر عوامل کی وجہ سے مریضوں کا ہسپتال جانا متاثر ہوا۔ تاہم اس چیلنج کو تیزی کے ساتھ ڈیجیٹل اور ٹیکنیکی ذرائع پر منتقل کر کے مریضوں تک رسائی کے ذریعے پورا کیا گیا۔

صحت کے نظام آہستہ آہستہ اور بالآخر ڈیجیٹل طور پر تبدیل ہو رہا ہے۔ اب تک ہیلتھ کیئر سروسز فراہم کرنے والے اداروں نے مریضوں کے ریکارڈ کو ڈیجیٹلائز کر لیا ہے تاکہ مریضوں کو ذاتی نگہداشت فراہم کی جاسکے۔ ہیلتھ کیئر شعبہ ایک اہم پہلو ہے اور لوگ اکثر اسے زیادہ سے زیادہ تلاش کرتے ہیں۔ چونکہ لوگ سہولت اور آسانی کے ساتھ اعلیٰ معیار کی ہیلتھ کیئر سروسز تلاش کرتے ہیں اس لئے وہ اس طرح کی آلات یا پلیٹ فارم کی ضرورت محسوس کرتے ہیں جو ان کو قدر فراہم کرتی ہوں۔ لہذا اس طرح مریض آسانی سے آن لائن یا ڈیجیٹل پلیٹ فارمز کے ذریعے ڈاکٹر کی مشاورت، تجویز کردہ ادویات یا تحقیقات، نرسنگ سروسز وغیرہ حاصل کرنے کا انتخاب کرے گا۔ مختصراً ہیلتھ کیئر شعبہ کی ترقی کے بڑے عوامل میں بڑھتی ہوئی آبادی میں اضافہ، دائمی بیماریوں کے بڑھتے ہوئے واقعات، بڑھتے ہوئے ہیلتھ کیئر اخراجات اور جدید ٹیکنالوجی کی وجہ سے سستے ہیلتھ کیئر ڈیلیوری سسٹم کی زیادہ طلب شامل ہیں۔

منجانب

*Munir. Zahid*

جناب محمد زاہد  
ڈائریکٹر

*Maryam H. Qureshi*

ڈاکٹر منظور بیج قاضی  
چیف ایگزیکٹو آفیسر

اسلام آباد

25 ستمبر 2021

2020-21 میں اپنی آمدنی میں نمایاں اضافہ دیکھتی ہے اور متعدد طویل مدتی منصوبے دیرپا نگہبانی، نمو اور پائیداری پر مثبت اثر مرتب کرتے ہیں۔

اب تک شفا ڈولپمنٹ سروسز (پرائیویٹ) لمیٹڈ پروجیکٹ ڈولپمنٹ، پلان، ڈیزائن، بلڈنگ، ایڈوائزری اور ماسٹر ڈولپمنٹ کے مختلف منصوبوں میں مصروف ہے۔

## (۲) شفا کیئر (پرائیویٹ) لمیٹڈ

زیر جائزہ سال کے دوران HIMS ماڈیولز بشمول کیش چارج ماسٹر اور رجسٹریشن ٹیسٹنگ کے مراحل میں تھے جبکہ پینل چارج ماسٹر اور EMR (ER) کے لئے صرف تجزیہ اور ٹرانز فریٹنگ مکمل ہیں۔

سپلائی چین ماڈیول میں کیٹلاگ اور انویٹری مینجمنٹ مکمل ہو چکے ہیں اور ویز ہاؤس تقریباً 40 فیصد مکمل ہے۔ شفا کیئر (پرائیویٹ) لمیٹڈ نے لوکوڈ پلیٹ فارم 4CARE4.0 میں سپلائی چین کے پلگ انز تیار کئے۔ ای ڈائیگنوسٹک اور ہیلتھ کیئر بیٹھنے مینجمنٹ کے لئے پلیٹ فارم بھی تیار کیا گیا ہے۔

## (۳) شفا میڈیکل سینٹر اسلام آباد (پرائیویٹ) لمیٹڈ

رپورٹنگ سال کے دوران F-11 مرکز اسلام آباد میں واقع ہسپتال کی تعمیر کا آغاز کر دیا گیا ہے۔ پروجیکٹ کی سرگرمیاں کام کے دائرہ کار اور پروجیکٹ کی حکمت عملی کے مطابق احسن طریقے سے آگے بڑھ رہی ہیں۔ پروجیکٹ متعلقہ تمام شرکاء کو سائٹ پر محترم کر دیا گیا ہے اور معاہدے سے متعلق سرگرمیاں جاری ہیں۔

کنسٹرکشن پروجیکٹ میجر نے ایک انتہائی قابل نگرانی ٹیم کو متحرک کیا ہے جو کہ عالمی معیار کے کلاؤڈ میڈ پروجیکٹ مینجمنٹ سسٹم سے لیس ہے تاکہ اس بات کو یقینی بنایا جاسکے کہ پروجیکٹ پر عملدرآمد اسپانسرز کے متعین کردہ پروجیکٹ کے دائرہ کار، شیڈول، بجٹ اور کوالٹی پیرامیٹرز کے مطابق ہے۔ ایک شفاف عمل کی پیروی کرنے کے بعد پیکج 1 کے تمام ذیلی پیکجز ذیلی ٹھیکیداروں کو بجٹ کے تحت دیئے گئے ہیں۔

کفایت شعاری ایوارڈ اور بروقت متحرک ہونے کے علاوہ اس سال کے دوران کامیابی کے ساتھ اہم تقریبات منعقد کی گئی جن میں سنگ بنیاد کی تقریب اور اس منصوبے کے ماحولیاتی اثرات جانچنے کے لئے پبلک ہیئرنگ کا انعقاد شامل ہے

## (۴) شفا نیوروسائنسز انسٹیٹیوٹ اسلام آباد (پرائیویٹ) لمیٹڈ

زیر جائزہ سال کے دوران شفا نیوروسائنسز انسٹیٹیوٹ اسلام آباد (پرائیویٹ) لمیٹڈ نے اپنی موجودہ بلڈنگ کمپنی کو شفا نیوروسائنسز سروسز چلانے کے لئے لیز پر دی جس سے اس کو رینٹل آمدنی حاصل ہوئی۔ تاہم شفا نیوروسائنسز انسٹیٹیوٹ اسلام آباد (پرائیویٹ) لمیٹڈ طویل عرصے میں اپنی نیوروسائنسز فیسیلٹی قائم کرے گی۔

## (۵) شفا انٹرنیشنل ہسپتال فیصل آباد (پرائیویٹ) لمیٹڈ

زیر جائزہ سال کے دوران شیخوپورہ لاہور روڈ پر شفا انٹرنیشنل ہسپتال فیصل آباد (پرائیویٹ) لمیٹڈ نے تقریباً 9.5 کنال مزید زمین حاصل کی ہے اور اب تک شفا انٹرنیشنل ہسپتال فیصل آباد (پرائیویٹ) لمیٹڈ کل 49.5 کنال زمین حاصل کر چکی ہے اور اس زمین کو پہلے ہی کمرشلائز کیا جا چکا ہے۔ ہسپتال پروجیکٹ کی فریٹیلٹی کی منظوری کے بعد ہسپتال کی ڈرائنگ وضع کاری تیار کی جائے گی اور بعد ازاں منظور شدہ ڈرائنگ کے مطابق ہسپتال کی تعمیر شروع کی جائے گی۔

## (۶) شفا انٹرنیشنل ڈی ڈبلیو سی۔ ایل ایل سی

شفا انٹرنیشنل ڈی ڈبلیو سی۔ ایل ایل سی متحدہ عرب امارات میں 16 دسمبر 2019ء کو بطور لمیٹڈ لائیو کمپنی تشکیل ہوئی جس کا رجسٹرڈ دفتر بزنس سینٹر لاجسٹک سٹی، دبئی ایوی ایشن سٹی، دبئی، متحدہ عرب امارات میں واقع ہے۔ شفا انٹرنیشنل ڈی ڈبلیو سی۔ ایل ایل سی کی بنیادی سرگرمیاں مارکیٹنگ اور پروجیکٹ مینجمنٹ سروسز ہیں۔ شفا انٹرنیشنل ڈی ڈبلیو سی۔ ایل ایل سی جی سی سی ممالک میں کلائنٹس کی طرف سے تفویض کردہ مریضوں کو صحت کی سہولیات کی فراہمی کے لئے مختلف انشورنس کمپنیوں اور کمپنی کے درمیان مفاہمتی یادداشت پر گفت و شنید کر رہی ہے۔ اس سال کے دوران شفا انٹرنیشنل ڈی ڈبلیو سی۔ ایل ایل سی نے مریضوں کو مختلف علاج جیسا کہ عمومی مرض، آرتھرو پیڈک، ٹرانسپلانٹ سرجری وغیرہ کے لئے بھیجا۔



# ڈائریکٹرز رپورٹ

مانیٹرنگ اور رسائی کے کنٹرول کے لیے تفصیلی اقدامات کمپنی کے احاطے میں ہر فرد کی زیادہ سے زیادہ ممکنہ حفاظت اور تحفظ کے واحد مقصد کے لیے موجود ہیں۔

## ضابطہ اخلاق

کمپنی نے ایک ضابطہ اخلاق اپنایا ہے جو تمام ملازمین سے کام کے ایسے ماحول کو برقرار رکھنے کا تقاضہ کرتا ہے جو منصفانہ، احترام اور سالمیت کے اصولوں پر مبنی ہو اور جس میں اخلاقی طریقوں پر عمل کیا جائے۔ کوڈ کی شکوتوں میں قانونی تعمیل اور دیگر کے علاوہ سیاسی سرگرمیوں اور تحائف مانگنے، مفادات کے ٹکراؤ، نسل، رنگ، عمر وغیرہ کی بنیاد پر تفریق یا ہراساں کرنے کی روک تھام اور معلومات کی رازداری کو برقرار رکھنا شامل ہیں۔ علاوہ ازیں عام قوانین اور ماحولیاتی تحفظ کے قوانین کی تعمیل شامل ہیں۔ ضابطہ اخلاق کمپنی کے تمام ڈائریکٹرز، افسران، ملازمین، کنسلٹنٹس اور ایجنٹوں پر لاگو ہوتا ہے۔

## وسل بلوننگ پالیسی

کمپنی ایمانداری، دیانتداری، شفافیت، کھلے پن اور احتساب کے ساتھ کاروبار کرنے کو انتہائی اہمیت دیتی ہے۔ کمپنی نے ایک مخبری کی پالیسی بنائی تھی تاکہ اسٹیک ہولڈرز کو غیر قانونی سرگرمی، بدانتظامی، اتھارٹی کے غلط استعمال اور کمپنی کی پالیسیوں سے متصادم کسی بھی واقعہ کا پتہ لگانے، شناخت کرنے اور رپورٹ کرنے کے قابل بنایا جاسکے۔ پالیسی کا بنیادی مقصد افراد کی رہنمائی اور حوصلہ افزائی کرنا ہے تاکہ وہ خفیہ طور پر خدشات بڑھانے کے طریقے فراہم کر سکیں اور یقین دہانی کرائیں کہ وہ ایسا کرنے کے لیے ممکنہ شکار سے محفوظ رہیں گے۔

## شکایات کی پالیسی

کمپنی پر عزم ہے کہ ملازمین کی شکایات کو مناسب طریقے سے تسلیم کیا جائے گا اور ان کا ازالہ کیا جائے گا۔ شکایت کی صورت میں کسی ملازم کے لئے اپنی بات پہنچانے کا پہلا مرحلہ اپنے فوری نگران سے رابطہ ہے۔ تھرڈ پارٹی کنٹریکٹ کے تحت وکرز کی جانب سے درج کی گئی شکایات پر بھی سنجیدگی سے غور کیا جاتا ہے اور متعلقہ ایریا سپروائزر ان کی شکایات کو موثر حل کے لیے متعلقہ وینڈر (Vendor) تک پہنچاتا ہے۔

## ذیلی اور منسلک کمپنیاں

30 جون 2021 تک کمپنی کی ذیلی اور منسلک کمپنیوں کی تفصیل اور ہر ایک ذیلی اور منسلک کمپنی میں کمپنی کے فیصد حصص کی تفصیل درج ذیل ہے:

نمبر شمار	کمپنی کا نام	نوعیت	شفا انٹرنیشنل ہسپتال لمیٹڈ کے حصص (فیصد)
1.	شفا ڈویلپمنٹ سروسز (پرائیویٹ) لمیٹڈ	ذیلی کمپنی	55
2.	شفا کیئر (پرائیویٹ) لمیٹڈ	منسلک کمپنی	50
3.	شفا میڈیکل سینٹر اسلام آباد (پرائیویٹ) لمیٹڈ	ذیلی کمپنی	56
4.	شفا نیوروسائنسز انسٹیٹیوٹ اسلام آباد (پرائیویٹ) لمیٹڈ	کلی ملکیت ذیلی کمپنی	100
5.	شفا انٹرنیشنل ہسپتال فیصل آباد (پرائیویٹ) لمیٹڈ	ذیلی کمپنی	60
6.	شفا انٹرنیشنل ڈی ڈبلیو سی۔ ایل ایل سی	کلی ملکیت ذیلی کمپنی	100

ذیلی اور منسلک کمپنیوں کی تازہ ترین معلومات:

## (1) شفا ڈویلپمنٹ سروسز (پرائیویٹ) لمیٹڈ

شفا ڈویلپمنٹ سروسز (پرائیویٹ) لمیٹڈ کی بنیادی سرگرمی پروجیکٹڈ وپلمنٹ اور مینجمنٹ سروسز فراہم کرنا ہے۔ پورے خطے میں کووڈ کے بعد سے ہیلتھ کیئر میں سرمایہ کاری کرنے کی خواہش بڑھ گئی ہے اور یہ شعبہ اگلے پانچ سالوں میں عمومی معاشی نمو کو آگے بڑھانے کی صلاحیت رکھتا ہے۔ غیر یقینی اقتصادی صورتحال کے باوجود شفا ڈویلپمنٹ سروسز (پرائیویٹ) لمیٹڈ سال

## داخلی ماحولیاتی نگرانی:

داخلی مانیٹرنگ پوری کمپنی میں مختلف پیرامیٹرز کے مطابق کی جاتی ہے جن میں میٹروولوجیکل پیرامیٹرز، آکسیجن، CO، CO2، LEL، لائٹ، شور، فارملڈی ہائڈ، TVOC، برقی موصل، نمکیات، TDS، مائکروٹیل پانی کا معیار شامل ہے تاکہ مریضوں، نرسز اور عملے کے لیے محفوظ ماحول کو یقینی بنایا جاسکے۔

## مائع آکسیجن سٹوریج کی صلاحیت میں توسیع

غیر معمولی کووڈ-19 وبا کی وجہ سے آکسیجن کی بڑھتی ہوئی طلب سے نمٹنے کے لیے آکسیجن بینک میں 5700 لیٹر کی اضافی مائع آکسیجن کی صلاحیت والا ٹینک شامل کیا گیا ہے تاکہ طبی آکسیجن کی بلا تعلق فراہمی کو یقینی بنایا جاسکے۔

## آفت اور ہنگامی حالت کی مشق

سالانہ ہنگامی حالت کی مشق کمپنی کے تمام حصوں پر محیط تھی۔ ایچ آر نے 84 رضا کار طلباء، ڈاکٹروں اور شفا تعمیر ملت یونیورسٹی سے فوکل پرسنز کے ایک گروپ کا انتظام کیا جو کہ کسی ہنگامی حالت میں عملے کی کمی کی صورت میں بلا یا جائے گا۔

## ریکارڈ کا خفیہ اطلاق

میڈیکل ریکارڈ کی رازداری کا تحفظ انتہائی اہم ہے۔ پالیسی کے مطابق کچھ مخصوص مدت کے بعد، دستاویزات کو ضائع کر دیا جاتا ہے۔ اس سلسلے میں ریکارڈ کے لیے جلانے کی سائیکل مشق کوثریڈنگ (مشین سے باریک کاٹ دینا) سے تبدیل کیا گیا ہے۔ ایک کمرشل اسکیل مشین اسٹوریج کے مقام پر ریکارڈ کو شریڈ کرنے کے لئے نصب کی گئی ہے تاکہ میڈیکل ریکارڈ سے سنٹرلائزڈ اسٹوریج ایریا میں منتقلی کے دوران ڈیٹا چوری کے خطرے سے بچا جائے۔

## پیشہ ورانہ صحت اور حفاظت - آئی ایس او 45001:2018 سرٹیفیکیشن

انٹرنیشنل آرگنائزیشن فار سٹینڈرائزیشن کے سٹینڈرڈ 45001:2018 کے مطابق کمپنی کو "پیشہ ورانہ صحت اور حفاظت کے انتظام کے نظام" پر 3 دن پر محیط دوسرے آڈٹ کے بعد ایس جی ایس نے سند جاری کی۔

## ماحولیات پر کمپنی کے کاروبار کا اثر

ایک سماجی اور ذمہ دار کارپوریٹ ادارے کے طور پر، کمپنی ماحولیاتی تحفظ کے مختلف اقدامات کے ذریعے ماحولیاتی انصرام اپنانے کی کوشش کرتی ہے۔ اس سلسلے میں کمپنی معمول کی کاروباری سرگرمیوں سے پیدا ہونے والے ماحول کے ممکنہ خطرات سے بچنے اور جانچنے کے لیے باقاعدہ اور سخت نگرانی کرتی ہے۔ مرکزی کا متبادل، گندے پانی کا خارج ہونا، ہوا کا اخراج، خطرناک فضلے کا انتظام اور راکھ کو ٹھکانے لگانا اس مقصد کے لیے کچھ اہم اقدامات ہیں۔ یہ انتہائی اطمینان کی بات ہے کہ کمپنی کی سرگرمیاں ماحول پر کوئی خاص منفی اثر نہیں ڈالتی ہیں۔

## مریضوں، وزیٹرز اور ملازمین کی حفاظت

کسی بھی ہسپتال میں مریضوں، وزیٹرز اور عملے کا تحفظ انتہائی اہمیت کا حامل ہے۔ مصروف نظام الاوقات اور غیر متوقع ہنگامی حالات ہسپتال اور صحت کی دیکھ بھال کے تحفظ کے حوالے سے مسائل کا سبب بنتے ہیں۔ کمپنی اپنی حدود میں ہر ایک کی حفاظت کو اولین ترجیح دیتی ہے اور اس مقصد کو پورا کرنے کے لیے تربیت، مشقوں، ٹیکنالوجی اور تفصیلی پالیسیوں سے مدد فراہم کرتی ہے۔

آگ سے حفاظت کے حوالے سے، کمپنی نے کل 5113 افراد کو تربیت دی اور کمپنی کے مختلف حصوں میں فرضی انخلاء کی مشقیں کیں۔ مزید یہ کہ خصوصی آگاہی مہم، باقاعدہ سی سی ٹی وی

## کلیدی رسک مینجمنٹ اور اندرونی کنٹرول کا نظام

خطرات قدرتی طور پر کمپنی میں موجود ہیں اور بورڈ کمپنی کے رسک مینجمنٹ اور اندرونی کنٹرول سسٹم اور اس کی موزونیت کا جائزہ لینے کے لیے ذمہ دار ہے۔ بورڈ نے اہم خطرات اور غیر یقینی صورتحال کی شناخت، تشخیص اور بندوبست کے لیے ایک نظام قائم کیا ہے۔ کلیدی رسک مینجمنٹ اور اندرونی کنٹرول کا عمل درج ذیل طریقوں سے نافذ کیا جاتا ہے۔

- ☆ بورڈ نے رسک مینجمنٹ ڈھانچے کی نگرانی میں مدد کے لیے رسک مینجمنٹ کمیٹی تشکیل دی ہے۔
- ☆ پالیسیاں اور طریقہ کار کمپنی میں دستیاب اور نافذ ہیں۔ یہ باقانونی تقاضوں کے مطابق باقاعدگی سے اپ ڈیٹ ہوتے ہیں۔ آپریٹنگ ماحول میں تبدیلیوں سے ہم آہنگ ہونے کے لئے پالیسیاں اور طریقہ کار بہتر کئے جاتے ہیں۔
- ☆ کمپنی کا ڈھانچہ پورنگ لائنوں کو واضح طور پر متعین کرنے اور حکام کو منظوری کا اختیار دینے کے نکتہ نظر سے بنایا گیا ہے تاکہ احتساب کا ایک مناسب نظام تشکیل دیا جاسکے۔
- ☆ کمپنی کی آڈٹ کمیٹی بورڈ کو اندرونی کنٹرول سسٹم کی موزونیت اور اس کے موثر ہونے کا جائزہ لینے میں مدد کرتی ہے۔
- ☆ کمپنی کا انٹرنل آڈٹ رسک کے نکتہ نظر سے آزاد آڈٹ کرتا ہے اور مناسب یقین دہانی کراتا ہے کہ رسک اور کنٹرول فریم ورک کا ڈیزائن اور آپریشن موثر ہے۔

## توانائی کی بچت

توانائی کے تحفظ کے اقدامات مندرجہ ذیل ہیں:

- قدرتی گیس کی بچت: 6 ماہ کی مدت کے دوران، اکتوبر 2020 سے مارچ 2021 تک، کمپنی نے توانائی کی کفایت کے اقدامات کے ذریعے مجموعی طور پر 2188.29 کیوبک میٹر قدرتی گیس بچائی۔
- سولر سسٹم: کمپنی نے 1.0 میگا واٹ تک کی قابل تجدید شمسی توانائی کی صلاحیت انسٹال کرنے کا منصوبہ بنایا ہے۔ منصوبے کے تمام تکنیکی اور قانونی کام کو حتمی شکل دے دی گئی ہے۔ شمسی توانائی کے ذریعے پائیدار توانائی کی پیداوار قدرتی گیس اور ڈیزل پر انحصار کو کم کرے گی اور ماحول کے تحفظ میں بھی مدد دے گی۔
- بھاپ سے چلنے والی ڈش واشنگ مشینیں: نوڈ اینڈ نیوٹریشن سروسز ڈیپارٹمنٹ (FNSD) میں بھاپ سے چلنے والی ڈش واشنگ مشینیں 166,440 کلو واٹ توانائی بچاتی ہیں جس سے مجموعی طور پر 58.25 ٹن کاربن کے اخراج میں کمی ہوتی ہے اور سالانہ 4.92 ملین روپے کی بچت ہوتی ہے۔
- انرجی مانیٹرنگ سسٹم کی تنصیب: یہ منصوبہ 70 فیصد مکمل ہو چکا ہے۔ اس سے انجینئرنگ ٹیم کو زیادہ برقی توانائی استعمال کرنے والے علاقوں کی نشاندہی اور توانائی کے تحفظ کے لیے اقدامات کرنے میں مدد ملے گی۔

باکفایت ایل ای ڈی لائٹس: روایتی توانائی کے بجائے توانائی کے خرچ کے حوالے سے باکفایت ایل ای ڈی لائٹس کے استعمال سے انڈور اور آؤٹ ڈور میں سالانہ 91,402 کلو واٹ آور کی مجموعی بچت ہوئی۔

## ماحولیاتی تحفظ اور حفاظتی تدابیر

ایک سماجی طور پر ذمہ دار کارپوریٹ ادارے کے طور پر کمپنی ماحولیاتی تحفظ اور پائیدار ماحولیاتی طرز عمل کے لیے پرعزم ہے۔ اس مقصد کے لیے مختلف علاقوں کی باقاعدہ ماہی، ششماہی اور سالانہ نگرانی کی جاتی ہے تاکہ قومی ماحولیاتی معیار کے ساتھ مطابقت کو یقینی بنایا جاسکے۔ ان علاقوں میں فضا کی کوالٹی، اسٹیک ایمیشن مانیٹرنگ، پینے کے بوتل بند پانی کا تجزیہ، پینے کے پانی کا تجزیہ، ٹیوب ویل کے پانی اور گندے پانی کا تجزیہ، ایچ ڈی اے سی میں جراثیم کا تجزیہ، ڈسٹلڈ پانی، راکھ کا تجزیہ، بوائمر کا معائنہ، برقی تنصیبات اور تابکاری سے حفاظت کے حوالے سے معائنہ شامل ہیں۔

## ماحولیاتی پائیداری کے اقدامات:

سبزے کو فروغ دینے اور ہوا کے معیار کو بہتر بنانے کے لیے کوڑا اٹل کرنے والی بھٹی کے ارد گرد سایہ دار درختوں کی مختلف اقسام لگائی گئی ہیں۔



## متعلقہ پارٹی سے لین دین / معاملات

تمام متعلقہ پارٹی لین دین کو بورڈ آف ڈائریکٹرز نے متعلقہ پارٹی لین دین سے متعلق کمپنی کی پالیسی کے مطابق منظور کیا ہے۔ کمپنی اس طرح کے تمام لین دین کا بمعہ شرائط و ضوابط مکمل ریکارڈ رکھتی ہے۔ اس طرح کے متعلقہ پارٹی لین دین کو مالیاتی گوشواروں کے نوٹس 35 پر ظاہر کیا گیا ہے۔

## کمپنی کی ویب سائٹ

کمپنی اپنی دفتری ویب سائٹ [www.shifa.com.pk](http://www.shifa.com.pk) پر قابل رسائی ہے۔

## قومی خزانے میں حصہ

زیر نظر سال کے دوران قومی خزانے میں کمپنی کا پیش کردہ حصہ درج ذیل ہے:

نمبر شمار	تفصیلات	(روپے 000 میں)
۱	براہ راست ٹیکسز	332,473
۲	بالواسطہ ٹیکسز	220,765
۳	سپلائرز، ملازمین وغیرہ سے ٹیکس کٹوتی	671,026
	ٹوٹل	1,224,264

## خصوصی افراد کی ملازمت

کمپنی کو ادراک ہے کہ تمام ملازمین اور کیوٹی کے حوالے سے اس کی واضح ذمہ داریاں ہیں۔ اس بات کو یقینی بنانے کے لئے کہ معذور افراد کو ملازمت حاصل کرنے اور ادارے میں ترقی کے مساوی مواقع فراہم کیے جائیں، فی الوقت 21 معذور افراد عملے میں کام کر رہے ہیں۔

## کاروباری اخلاقیات اور بدعنوانی کے سدباب کی تدابیر

بورڈ سالمیت اور اخلاقی اقدار کے اعلیٰ معیار کے مطابق اپنے کاروبار کو قانونی اور پیشہ ورانہ انداز میں انجام دینے کے لیے پرعزم ہے۔ اس مقصد کے حصول کے لیے بورڈ نے ضابطہ اخلاق اپنایا ہے۔ یہ کوڈ تمام ڈائریکٹرز، کنسلٹنٹس اور ملازمین پر لاگو ہوتا ہے۔ کمپنی کا ضابطہ اخلاق کمپنی کی گورننس کے طریقہ کار کی بنیاد ہے۔ کوڈ سالمیت، ایمانداری اور اخلاقی کاروباری طریقوں کے بارے میں واضح ہدایات فراہم کرتا ہے۔ دھوکہ دہی، رشوت، مفادات کے تصادم اور بدعنوانی کی دیگر اقسام کے خلاف بورڈ کی زیرو ٹالرنس پالیسی ہے۔

## رسک مینجمنٹ اور انٹرنل کنٹرول

بورڈ کمپنی کو درپیش خطرات کی شناخت اور مؤثر انتظام کا ذمہ دار ہے۔ ذیل میں بنیادی خطرات بیان کئے گئے ہیں جو کمپنی کے کاروبار اور کارکردگی کو متاثر کر سکتے ہیں:

معاشی حالات: کووڈ وبا کے عالمی معیشت پر منفی اثرات اور نتائج مرتب ہوئے ہیں۔ یہ کمپنی سے خدمات حاصل کرنے کے لیے صارفین کی ادائیگی کی صلاحیت میں خلل ڈال سکتا ہے۔ بیماری کی مزید لہروں کے پھیلنے سے کمپنی کے کاروبار میں خلل پڑ سکتا ہے۔

مسابقت: ہم فی الحال ایک مسابقتی ماحول میں کام کر رہے ہیں۔ قیمتوں کا تعین کرنے کی ہمارے حریفوں کی جارحانہ حکمت عملی ہماری آمدنی میں کمی کا سبب بن سکتی ہے۔

مالی خطرات: مختلف قسم کے مالی خطرات کمپنی کی کارکردگی کو متاثر کر سکتے ہیں۔ ان خطرات میں شرح سود، زرمبادلہ، کریڈٹ رسک وغیرہ شامل ہیں۔

مذکورہ بالا کے علاوہ، کمپنی دیگر خطرے والے عوامل جیسے ملازمین کو برقرار رکھنا، انفارمیشن سسٹم کی کمزوری، ماحولیاتی قوانین کی تعمیل کی ضرورت وغیرہ سے بھی آگاہ اور چوکس ہے۔

# ڈائریکٹرز رپورٹ

کے بارے میں آگاہ کیا جائے۔

## ڈائریکٹرز کی ذمہ داری کا بیان

- ڈائریکٹرز درج ذیل امور کے لئے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے کارپوریٹ اور فنانشل رپورٹنگ فریم ورک اور کوڈ کی تعمیل کی تصدیق کرتے ہیں:
- i- کمپنی کی انتظامیہ کے تیار کردہ مالیاتی گوشوارے کمپنی کے کاروباری معاملات، نقدی گوشوارے، آپریشن کے نتائج اور ایکویٹی میں تبدیلی کی اصل حالت کو پیش کر رہے ہیں۔
  - ii- کمپنیز ایکٹ 2017 کے تقاضے کے مطابق کمپنی کے کھاتے باقاعدگی سے تیار کئے جاتے ہیں۔
  - iii- مالیاتی گوشواروں کے تیار کرنے میں مسلسل مناسب پالیسیوں کا اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینوں کی بنیاد مناسب اور دانشمندانہ فیصلے ہیں۔
  - iv- مالیاتی گوشواروں کے بنانے میں، پاکستان میں قابل عمل بین الاقوامی اکاؤنٹنگ معیارات کو ملحوظ خاطر رکھا گیا ہے۔
  - v- اندرونی کنٹرول کا نظام، بہترین خدو خال پر بنایا گیا اور موثر طور پر لاگو کیا گیا ہے اور اس کی نگرانی کی جاتی ہے۔
  - vi- لسٹنگ ضوابط کے مطابق کارپوریٹ گورننس کے بہترین طریقوں کو مدنظر رکھتے ہوئے ان سے روگردانی نہیں کی گئی۔
  - vii- چلتے ہوئے کاروباری ادارہ کے طور پر کمپنی کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں پائے گئے۔

## آپریٹنگ اور فنانشل ڈیٹا

پچھلے چھ سالوں کے کلیدی آپریٹنگ اور مالیاتی ڈیٹا کا خلاصہ صفحہ نمبر 58 پر دیا گیا ہے۔

## گریجویٹ فنڈ

مالیاتی گوشوارے کا نوٹ 10.4 گریجویٹ فنڈ اکاؤنٹ کی سرمایہ کاری کی قدر کی عکاسی کرتا ہے۔

## شیر ہولڈنگ کا پیٹرن

شیر ہولڈنگ کا پیٹرن اور شیر ہولڈنگ کے پیٹرن سے متعلق اضافی معلومات صفحہ نمبر 205 پر دیئے گئے ہیں۔

## ریکارڈ کی حفاظت

مالیاتی ریکارڈ کو محفوظ کرنے اور محفوظ رکھنے کے لیے کمپنی نے مالیاتی معلومات کی پروسیجر اور ریکارڈنگ کے لیے اوریکل ای آر پی سسٹم زیر استعمال لایا ہے۔ تمام ڈیٹا کمپنی کے اپنے ڈیٹا سینٹر میں محفوظ کیا جاتا ہے، جو ڈیٹا کے ضائع ہونے کے خطرات سے تحفظ کے لیے جدید انڈسٹری گائیڈ لائنز پر ڈیزائن کیا گیا ہے۔ مزید یہ کہ ڈیٹا کی حفاظت کو یقینی بنانے کے لیے ایک مضبوط بیک اپ اور ریکوری میکانزم موجود ہے۔

## بڑی تبدیلیاں (میٹریل چینجز)

30 جون 2021 کے بعد سے رپورٹ کی تاریخ تک کوئی بڑی تبدیلی آئی ہے نہ ہی کمپنی نے اس عرصے کے دوران کوئی ایسی کمٹمنٹ کی ہے، جس سے اس کی مالی پوزیشن پر منفی اثر پڑے۔

## کمپنی کے قانونی آڈیٹرز

موجودہ آڈیٹرز، میسرز گرانٹ تھارٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس کمپنی کی 35 ویں سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو رہے ہیں اور اہل ہونے کے باعث خود کو دوبارہ تقرری کے لیے پیش کر رہے ہیں۔

آڈٹ کمیٹی کی تجویز پر بورڈ نے 30 جون 2022 کو ختم ہونے والے سال کے لیے کمپنی کے آڈیٹر کے طور پر دوبارہ تقرری کی سفارش کی ہے۔

08	07	سید الیاس احمد
لاگو نہیں	07	پروفیسر ڈاکٹر شعیب احمد خان
لاگو نہیں	07	ڈاکٹر محمد نسیم انصاری
08	07	جناب جاوید کے صدیقی

جناب شفقت علی چوہدری کو بیرون ملک ذاتی مصروفیات کی وجہ سے چند بورڈ میٹنگز میں شامل نہ ہونے پر رخصت دی گئی۔

### بورڈ کی کارکردگی کی جانچ

کوڈ کے تقاضے کے مطابق کمپنی کا بورڈ سالانہ اپنی کارکردگی کا خود جائزہ لیتا ہے جس میں بورڈ کی ساخت اور خصوصیات، کردار اور ذمہ داریاں، کمپنی کی انتظامیہ کے ساتھ تعلقات اور ہسپتال کے حوالے سے مخصوص اقدامات وغیرہ شامل ہیں۔ بورڈ کی مجموعی کارکردگی اچھی رہی جس کا تعین منظور شدہ معیار کی بنیاد پر کیا گیا۔

### ڈائریکٹرز کا معاوضہ

کمپنی کا بورڈ کمپنی کے قواعد و ضوابط کی بنیاد پر ایک اور کوڈ کی روشنی میں بورڈ ممبران کے معاوضے کی منظوری اور تعین کرتا ہے۔ ڈائریکٹرز اور چیف ایگزیکٹو آفیسر کے معاوضے کی تفصیل مالی گوشوارے کے نوٹس میں نوٹ نمبر 36 میں فراہم کی گئی ہے۔

### حصص کی تجارت

زیر جائزہ سال کے دوران، کسی ڈائریکٹر، چیف ایگزیکٹو آفیسر، ایف او، کمپنی سیکرٹری، ایگزیکٹوز اور ان کے شریک حیات اور نابالغ بچوں یا بڑے شیئرز ہولڈرز نے کمپنی کے حصص کی تجارت نہیں کی۔

### ڈائریکٹرز کا ٹریننگ پروگرام

کمپنی کے دس میں سے آٹھ ڈائریکٹرز (80%) نے ڈائریکٹرز کا تربیتی پروگرام مکمل کیا جو کوڈ کی ذیلی شق 19(1)(ii) میں مختص کردہ معیار کی شرائط پوری کرتا ہے۔ باقی ڈائریکٹرز کوڈ میں بیان کردہ وقت کے اندر ڈائریکٹرز کا تربیتی پروگرام مکمل کریں گے۔

ڈائریکٹرز کے ٹریننگ پروگرام میں شرکت کرنے والے مصدقہ ڈائریکٹرز کے نام درج ذیل ہیں۔

- 1- ڈاکٹر حبیب الرحمن
- 2- ڈاکٹر منظور ایچ قاضی
- 3- جناب محمد زاہد
- 4- ڈاکٹر سمیعہ کوثر احمد
- 5- سید الیاس احمد
- 6- پروفیسر ڈاکٹر شعیب اے خان
- 7- ڈاکٹر محمد نسیم انصاری
- 8- جناب جاوید کے صدیقی

مزید برآں، کمپنی نے کوڈ کے ذیلی ضابطہ 19(3)(i) کے تقاضے کے مطابق اس سال کے دوران ایک خاتون ایگزیکٹو کے لیے ڈائریکٹرز کے تربیتی پروگرام کا بھی اہتمام کیا جنہوں نے مذکورہ پروگرام کو کامیابی سے مکمل کیا۔

### کارپوریٹ بریفنگ سیشن

زیر نظر سال کے دوران، کمپنی نے 28 اکتوبر 2020 کو کراچی میں کارپوریٹ بریفنگ سیشن کا اہتمام کیا تاکہ سرمایہ کاروں/شیئرز ہولڈرز کو کمپنی کی مالی کارکردگی اور مستقبل کے منظر نامے



# ڈائریکٹرز رپورٹ

## کارپوریٹ گورننس اور نامزدگی کمیٹی

بورڈ میں ایک کارپوریٹ گورننس اور نامزدگی کمیٹی بھی ہے جو مندرجہ ذیل ارکان پر مشتمل ہے:

1. جناب محمد زاہد چیئرمین، ایگزیکٹو ڈائریکٹر
2. ڈاکٹر حبیب الرحمان ممبر، نان ایگزیکٹو ڈائریکٹر
3. ڈاکٹر منظور ایچ قاضی ممبر، ایگزیکٹو ڈائریکٹر
4. ڈاکٹر سمیعہ کوثر احمد ممبر، نان ایگزیکٹو ڈائریکٹر
5. جناب جاوید کے صدیقی ممبر، آزاد ڈائریکٹر

اس کمیٹی کے ٹی او آرز میں متعدد کاموں کا ذکر ہے تاہم کمیٹی کا بنیادی مقصد بدلتے ہوئے ماحول اور جغرافیائی توسیع کے پیش نظر بورڈ اور اس کی کمیٹیوں کے ڈھانچے، سائز اور ساخت کا جائزہ لینا ہے اور اگر ضروری ہو تو تبدیلیوں کے حوالے سے بورڈ کو سفارش کرنا ہے۔ اس کے علاوہ کارپوریٹ اور ریگولیٹری تعمیل کی نگرانی کرنا ہے۔ زیر جائزہ سال کے دوران اس کمیٹی کا ایک اجلاس منعقد ہوا۔

## رسک مینجمنٹ کمیٹی

کوڈ کی دفعات کے تحت، بورڈ میں ایک رسک مینجمنٹ کمیٹی بھی ہے جس میں درج ذیل ڈائریکٹرز بطور ممبر شامل ہیں:

1. جناب قاسم فاروق احمد چیئرمین، نان ایگزیکٹو ڈائریکٹر
2. پروفیسر ڈاکٹر شعیب احمد خان ممبر، نان ایگزیکٹو ڈائریکٹر
3. ڈاکٹر محمد نسیم انصاری ممبر، آزاد ڈائریکٹر

رسک مینجمنٹ کمیٹی کے ٹی او آرز کے نمایاں پہلو رسک مینجمنٹ کے طریقہ کار کے موثر ہونے کا جائزہ لینا، کمپنی کو درپیش خطرات کی نشاندہی کرنا اور بورڈ کو رپورٹ پیش کرنا ہے۔ 30 جون 2021 کو ختم ہونے والے سال میں کمیٹی کا ایک اجلاس منعقد ہوا۔

## بورڈ اور آڈٹ کمیٹی کے اجلاس کی تعداد و حاضری

زیر جائزہ سال کے دوران، بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی کے بالترتیب سات (07) اور آٹھ (08) اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی اجلاسوں میں شرکت کا شمار درج ذیل ہے:

ڈائریکٹر کا نام	بورڈ میٹنگز میں شرکت کی تعداد	آڈٹ کمیٹی میں شرکت کی تعداد
ڈاکٹر حبیب الرحمن	07	08
ڈاکٹر منظور ایچ قاضی	07	لاگو نہیں
جناب محمد زاہد	07	لاگو نہیں
جناب شفقت علی چوہدری	03	لاگو نہیں
جناب قاسم فاروق احمد	07	لاگو نہیں
ڈاکٹر سمیعہ کوثر احمد	07	08

بورڈس ڈائریکٹرز پر مشتمل ہے جن میں تین آزاد، دو ایگزیکٹو اور ایک خاتون ڈائریکٹر شامل ہیں۔ بورڈ میں تنوع کے حوالے سے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 ("کوڈ") میں شامل غیر لازمی دفعات کی تعمیل میں، کمپنی کا بورڈ تین میڈیکل ڈاکٹرز، دو آئی ٹی پروفیشنلز، تین فارماسٹ، ایک بزنس مین اور ایک چارٹرڈ اکاؤنٹنٹ پر مشتمل ہے۔

بورڈ کے اختیارات اور ذمہ داریاں کمپنی کے میمورنڈم اور آرٹیکل آف ایسوسی ایشن کمپنیز ایکٹ، 2017 ("ایکٹ")، کوڈ اور دیگر متعلقہ قوانین میں شامل مختلف دفعات سے اخذ کئے گئے ہیں۔ بورڈ نے 30 جون 2021 کو ختم ہونے والے سال کے دوران سات (07) مرتبہ اپنا اجلاس منعقد کیا۔

## بورڈ آڈٹ کمیٹی

کمپنی کی آڈٹ کمیٹی دونان ایگزیکٹو ارکان اور دو آزاد ڈائریکٹرز پر مشتمل ہے جو کہ مندرجہ ذیل ہیں:

1. سید الیاس احمد  
چیئر مین، آزاد ڈائریکٹر
2. ڈاکٹر حبیب الرحمان  
ممبر، نان ایگزیکٹو ڈائریکٹر
3. ڈاکٹر سمیعہ کوثر احمد  
ممبر، نان ایگزیکٹو ڈائریکٹر
4. جناب جاوید کے صدیقی  
ممبر، آزاد ڈائریکٹر

آڈٹ کمیٹی کے چیئر مین ایک آزاد ڈائریکٹر ہے۔ آڈٹ کمیٹی کے تمام ارکان انتہائی قابل افراد ہیں۔ آڈٹ کمیٹی کا اجلاس سال میں چھ بار ہوا۔ ریگولیشنز اور تقاضوں کی تعمیل میں کمپنی کے بیرونی اور اندرونی آڈیٹرز کے ساتھ الگ الگ میٹنگز بھی منعقد کی گئیں۔

آڈٹ کمیٹی کے "حوالے کی شرائط" (ٹی او آر) کوڈ میں موجود دفعات کے مطابق بنائے گئے تھے اور کمیٹی ان کے مطابق کام کرتی ہے۔ کمیٹی کے ٹی او آر میں کمپنی کے اثاثوں کی حفاظت، مناسب اکاؤنٹنگ ریکارڈ یقینی بنانا، اندرونی کنٹرول اور رسک مینجمنٹ، ریگولیشنز اور قانونی تقاضوں کی تعمیل کے علاوہ وقتاً فوقتاً مختلف دورانیے کے مالی گوشواروں کا جائزہ لینے کے مقصد کے لئے نظام کی تشکیل شامل ہیں۔ یہ فہرست مکمل نہیں ہے اور کمپنی کے مفادات کی حفاظت کے بنیادی مقصد کو حاصل کرنے کے لیے کسی دوسرے مسئلے یا معاملے کو آڈٹ کمیٹی بورڈ کی طرف سے تفویض کرنے پر کمر بستگی ہے۔

آڈٹ کمیٹی کے مشاہدات/سفارشات کمیٹی کے چیئر مین بورڈ کو پہنچاتے ہیں۔ اپنے معمول کے اجلاسوں کے علاوہ آڈٹ کمیٹی ایک باری ایف او اور ہیڈ آف انٹرنل آڈٹ کی موجودگی کے بغیر بیرونی آڈیٹرز کے ساتھ ملی اور ایک بار ہیڈ آف انٹرنل آڈٹ کے ساتھ سی ایف او اور بیرونی آڈیٹرز کی موجودگی کے بغیر ملی۔

## کمیٹی برائے انسانی وسائل و معاوضہ

کمیٹی برائے انسانی وسائل و معاوضہ میں درج ذیل ارکان ہیں:

1. سید الیاس احمد  
چیئر مین، آزاد ڈائریکٹر
2. ڈاکٹر حبیب الرحمان  
ممبر، نان ایگزیکٹو ڈائریکٹر
3. ڈاکٹر منظور ایچ قاضی  
ممبر، ایگزیکٹو ڈائریکٹر
4. ڈاکٹر محمد نسیم انصاری  
ممبر، آزاد ڈائریکٹر

کمیٹی کے ٹی او آر کا مقصد یہ ہے کہ کمیٹی مارکیٹ کے رواج، ریگولیشنز اور دفعات اور سنٹیک ہولڈرز کے مفاد کے مطابق ایگزیکٹو ڈائریکٹرز اور دیگر سینئر ملازمین کو راغب کرنے اور منسلک رکھنے کے لئے درکار معاوضے کے پیکیج پر غور کرے۔ دیگر اہم شرائط کا تقاضا ہے کہ کمیٹی کی اکثریت نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہو جن میں ایک آزاد ڈائریکٹر بھی شامل ہو۔ اسی طرح کمیٹی کا چیئر مین ایک آزاد ڈائریکٹر ہو۔ کمیٹی منظور شدہ ٹی او آر کے مطابق کام کرتی ہے۔ زیر جائزہ سال میں کمیٹی کا ایک اجلاس منعقد ہوا۔

# ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز 30 جون 2021ء کو ختم ہونے والے سال کی سالانہ رپورٹ بمعہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

## نتیجہ عملی کارکردگی

اس سال کمپنی کی خالص آمدنی میں گزشتہ سال کے مقابلے میں 17% فیصد کا مجموعی اضافہ ہوا، تاہم آپریٹنگ لاگت 11,480.6 ملین روپے سے بڑھ کر 12.36 فیصد کے اضافے کے ساتھ 12,899.4 ملین روپے ہو گئی جس کی بنیادی وجوہات میں تنخواہوں، اجرتوں میں اضافہ، استعمال شدہ سپلائرز و ادویات کے حجم، مرمت و بحالی کے اخراجات، اثاثوں کی فرسودگی وغیرہ کے اخراجات میں اضافہ شامل ہے۔ ان تمام عوامل کی وجہ سے کمپنی کا خالص منافع بعد از ٹیکسیشن گزشتہ سال 505.1 ملین روپے کے مقابلے میں اس سال 699.9 ملین روپے رہا۔

## آمدنی فی شیئر

زیر جائزہ سال کے دوران آمدنی فی شیئر 38 فیصد اضافے کے ساتھ 8.18 روپے سے بڑھ کر 11.29 روپے رہی۔

## بونس شیئر

کمپنی کے بورڈ آف ڈائریکٹرز نے 25 ستمبر 2021ء کو اپنے اجلاس میں 50 شیئرز کے بدلے 1 بونس شیئر یعنی 2 فیصد کے تناسب سے زیر جائزہ سال کے لئے بونس شیئر کے اجراء کی تجویز کی ہے جس کو سالانہ اجلاس عام میں شیئر ہولڈرز سے منظور کرایا جائے گا۔

## بورڈ آف ڈائریکٹرز

ڈائریکٹرز کا انتخاب جون 2021ء میں ہوا اور ریٹائر ہونے والے تمام ڈائریکٹرز بلا مقابلہ منتخب ہو گئے۔ ہم شفا انٹرنیشنل ہسپتال لمیٹڈ ("کمپنی") کے بورڈ میں دوبارہ نو منتخب ڈائریکٹرز کو خوش آمدید کہتے ہیں اور امید کرتے ہیں کہ وہ کمپنی کی پائیدار ترقی کے لیے اسی عزم اور چوکسی سے کام جاری رکھیں گے۔

کمپنی کے بورڈ کی تشکیل مندرجہ ذیل ہے:

نام	کیٹیگری
سید الیاس احمد ڈاکٹر محمد نسیم انصاری جناب جاوید کے صدیقی	آزاد ڈائریکٹر
ڈاکٹر حبیب الرحمان جناب شفقت علی چوہدری جناب قاسم فاروق احمد ڈاکٹر سمیعہ کوثر احمد (خاتون ڈائریکٹر) پروفیسر ڈاکٹر شعیب احمد خان	نان ایگزیکٹو ڈائریکٹر
ڈاکٹر منظور ایچ قاضی جناب محمد زاہد	ایگزیکٹو ڈائریکٹر



# NOTICE OF THE 35TH ANNUAL GENERAL MEETING



# NOTICE OF THE 35TH ANNUAL GENERAL MEETING

Notice is hereby given that the 35<sup>th</sup> Annual General Meeting (AGM) of the members of Shifa International Hospitals Limited will be held at the registered office (C-0 Auditorium) of the Company at Sector H-8/4, Islamabad on Thursday, October 28, 2021 at 1100 hours to transact the following business:

## ORDINARY BUSINESS

1. To confirm the minutes of the Extraordinary General Meeting of the Company held on June 15, 2021.
2. To receive, consider and adopt the Annual Audited Accounts (consolidated and unconsolidated) of the Company for the year ended June 30, 2021 together with the directors' and auditors' report thereon.

As required under section 223 (7) of the Companies Act, 2017 financial statements of the Company have been uploaded on website of the Company which can be downloaded from the following link: <https://www.shifa.com.pk/annual-reports>

3. To consider and approve, as recommended by the Board of Directors, the issue of bonus shares in the proportion of 1 bonus share for every 50 shares of Rs. 10/- each i.e. 2%.
4. To appoint auditors for the year ending June 30, 2022 and to fix their remuneration. The Board of Directors, on the suggestion of Audit Committee, have recommended the name of retiring auditors M/s Grant Thornton Anjum Rahman, Chartered Accountants to be re-appointed as auditors of the Company.

By Order of the Board



MUHAMMAD NAEEM  
Company Secretary

ISLAMABAD  
September 30, 2021

## Notes:

- i) In light of the threat by the prevailing pandemic, the Securities & Exchange Commission of Pakistan vide Circular No. 5 dated March 17, 2020 has instructed listed companies to modify their usual planning for General Meetings for the safety and wellbeing of the shareholders and public at large. Accordingly, the Company intends to convene AGM with minimal physical interaction with shareholders while ensuring compliance with quorum requirements and requests the members to consolidate their attendance and voting at the AGM through proxies.

# NOTICE OF THE 35TH ANNUAL GENERAL MEETING

The Company, furthermore, has made arrangements to ensure that all participants, including shareholders, can now participate in the AGM proceeding via Zoom video-link. To attend the meeting via Zoom video-link, members are requested to register themselves by providing the following information through email at [muhammad.naeem@shifa.com.pk](mailto:muhammad.naeem@shifa.com.pk) on or before October 25, 2021:

Folio No. / CDC Account No.	Name of Shareholder	CNIC No.	Cell No.	Email Address

Members who are registered on or before October 25, 2021, after the necessary verification, will be provided a Zoom video-link by the Company via return email. The login facility will remain open from 1055 hours till the end of the meeting.

Shareholders who wish to provide suggestions/comments on the agenda of the AGM can email the Company at [muhammad.naeem@shifa.com.pk](mailto:muhammad.naeem@shifa.com.pk) or WhatsApp at 0300-8590160.

- ii) The share transfer books of the Company will remain closed from October 21, 2021 to October 28, 2021 (both days inclusive). No transfer will be accepted for registration during this period. Transfers received in order at the share registrar's office of the Company i.e. M/s Corplink (Pvt.) Limited situated at Wings Arcade, 1-K, Commercial, Model Town, Lahore at the close of business on Wednesday, October 20, 2021 will be considered in time for the entitlement of bonus shares and to attend & vote at the meeting.
- iii) A member entitled to attend and vote at this meeting is entitled to appoint another member as his/her proxy to attend and vote for him/her. Proxies in order to be effective must be received at the registered office of the Company at Sector H-8/4, Islamabad, not less than 48 hours before the time of holding the meeting. Proxy form is attached with the notice.
- iv) Members are requested to notify any change in their registered addresses immediately.
- v) CDC shareholders entitled to attend and vote at this meeting must bring their original CNIC or Passport along with the participant's ID numbers and account numbers to prove their identity. In case of proxy, the attested copy of CNIC or passport of the CDC shareholder must be enclosed. Representatives of corporate members should bring the usual documents required for such purpose.
- vi) Pursuant to the directive of the Securities & Exchange Commission of Pakistan, CNIC numbers of members are mandatorily required for the payment of dividend. Members are, therefore, requested to submit a copy of their CNIC (if not already provided) to the Company's Share Registrar, M/s Corplink (Pvt.) Limited.
- vii) Shareholders who have not collected their dividend/physical shares so far are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or shares, if any.
- viii) Pursuant to Notification vide SRO. 787(I)/2014 of September 08, 2014, the Securities & Exchange Commission of Pakistan has directed to facilitate the members of the Company receiving Annual Financial Statements and Notices through electronic mail system (e-mail). We are pleased to offer



this facility to our members who desire to receive Annual Financial Statements and Notices of the Company through email in future. In this respect members are hereby requested to send their consent on a standard request form which is available at Company website (<https://www.shifa.com.pk/wp-content/uploads/2019/12/Financial-Statements-Request-Form.pdf>) duly signed alongwith copy of CNIC/PoA to the Company's Share Registrar.

- ix) Shareholders who wish to receive the hard copy of Financial Statements are requested to fill the standard request form (available on the company's website <https://www.shifa.com.pk/wp-content/uploads/2014/05/Request-Form-2018.pdf>) and send it to the Company's registered address.
- x) Pursuant to Section 72 of the Companies Act, 2017 and directive issued by SECP vide its letter No. CSD/ED/Misc./ 2016-639-640 dated March 26, 2021, all listed companies are required to pursue their shareholders who still hold shares in physical form, requiring them to convert their shares in Book-Entry-Form.

In view of the aforesaid requirement, the shareholders having physical shares are requested to open their CDC sub-account with any of the brokers or investors account directly with CDC to convert their physical shares into book entry form as soon as possible

For any query/information, the shareholders may contact the Company and/or the Share Registrar at the following addresses/contact numbers:

**Company's Registered Office**

M/s Shifa International Hospitals Limited  
Sector H-8/4, Islamabad.  
Ph. No. +92-51-8464227

**Share Registrar's Office**

M/s Corplink (Pvt.) Limited  
Wings Arcade, 1-K, Commercial,  
Model Town, Lahore.  
Ph. No. +92-42-35916714

# STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019  
YEAR ENDED JUNE 30, 2021

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are Ten (10) as per the following:
  - a. Male: Nine (09)
  - b. Female: One (01)
2. The composition of the Board is as follows:

Category	Names
<b>Independent Directors*</b>	Syed Ilyas Ahmed Dr. Mohammad Naseem Ansari Mr. Javed K. Siddiqui
<b>Non-Executive Directors</b>	Dr. Habib-Ur-Rahman Mr. Shafquat Ali Chaudhary Mr. Qasim Farooq Ahmad Dr. Samea Kauser Ahmad (Female Director) Prof. Dr. Shoab Ahmed Khan
<b>Executive Directors</b>	Dr. Manzoor H. Qazi Mr. Muhammad Zahid

\*The Code requires that independent directors of a listed company shall not be less than one third of total number of directors. The total number of directors of the Company are ten and one third of the same is equal to 3.33. As decimal digit is less than 0.5, therefore, the figure 3.33 has been rounded off to 3.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. As at June 30, 2021 eighty percent (80%) of the existing Board members have attended the Directors' Training Program. Further, the Company also arranged directors' training program for one female executive during the year under review as required under the Regulations.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the Financial Statements before approval of the Board.
12. The Board has formed committees comprising of members given below:
  - a) **Audit Committee**
    - i. Syed Ilyas Ahmed (Chairman)
    - ii. Dr. Habib Ur Rahman
    - iii. Dr. Samea Kauser Ahmad
    - iv. Mr. Javed K. Siddiqui
  - b) **HR & Remuneration Committee**
    - i. Syed Ilyas Ahmed (Chairman)
    - ii. Dr. Habib Ur Rahman
    - iii. Dr. Manzoor H. Qazi
    - iv. Dr. Mohammad Naseem Ansari
  - c) **Corporate Governance & Nominations Committee**
    - i. Mr. Muhammad Zahid (Chairman)
    - ii. Dr. Habib Ur Rahman
    - iii. Dr. Manzoor H. Qazi
    - iv. Dr. Samea Kauser Ahmad
    - v. Mr. Javed K. Siddiqui
  - d) **Risk Management Committee**
    - i. Mr. Qasim Farooq Ahmad (Chairman)
    - ii. Prof. Dr. Shoab A. Khan
    - iii. Dr. Mohammad Naseem Ansari
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
  - a) Audit Committee: Quarterly
  - b) HR and Remuneration Committee: Yearly
  - c) Corporate Governance & Nominations Committee: Yearly
  - d) Risk Management Committee: Yearly
15. The Board has set up an effective internal audit function.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board



# STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019  
YEAR ENDED JUNE 30, 2021

of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.



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



**MR. MUHAMMAD ZAHID**  
Director

ISLAMABAD

September 25, 2021

# FINANCIAL PERFORMANCE OF SIX YEARS

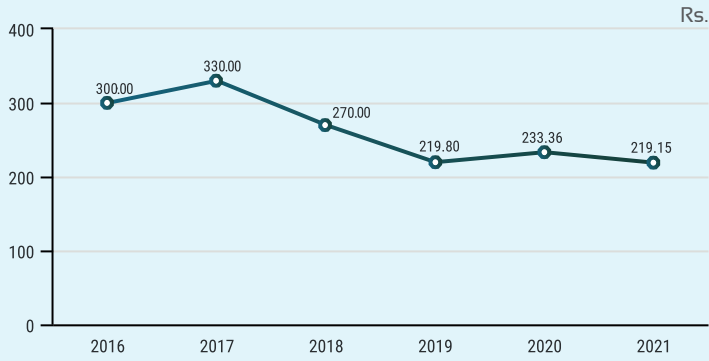


# SIX YEARS AT A GLANCE

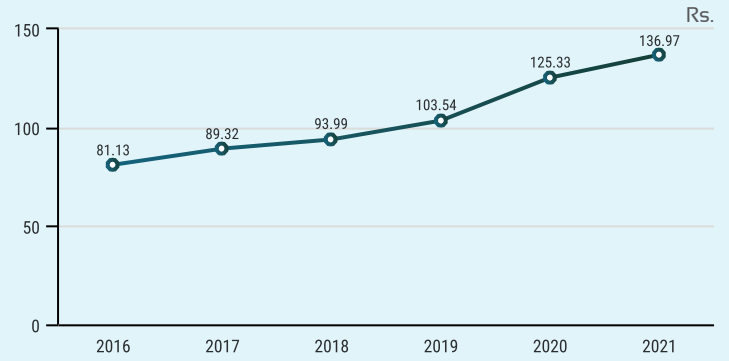
		2021	2020	2019	2018	2017	2016
<b>PERFORMANCE</b>							
Operating profit margin	%	9.31	10.50	9.94	8.04	10.04	13.16
Net profit margin	%	4.92	4.16	6.62	5.42	6.55	8.71
Return on equity	%	8.61	7.53	14.43	11.14	13.05	20.46
Return on assets	%	7.93	8.36	9.79	8.14	11.99	15.97
Asset turnover	Times	0.85	0.80	0.98	1.01	1.19	1.21
<b>CAPITAL MARKET/CAPITAL STRUCTURE ANALYSIS</b>							
Market value per share (year end)	Rs.	219.15	233.36	219.80	270.00	330.00	300.00
Breakup value per share	Rs.	136.97	125.33	103.54	93.99	89.32	81.13
Market price to breakup value	Times	1.60	1.86	2.12	2.87	3.69	3.70
Earnings per share	Rs.	11.29	8.18	14.25	10.21	11.12	14.68
Price earning ratio	Times	19.40	28.53	15.42	26.44	29.68	20.44
Dividend per share (total)	Rs.	-	2.55	4.50	5.00	3.00	6.50
Dividend yield/effective dividend rate	%	-	1.09	2.05	1.85	0.91	2.17
Interest cover	Times	3.67	2.67	12.29	14.41	13.99	10.54
Debt : equity	Ratio	35:65	34:66	31:69	25:75	9:91	16:84
<b>LIQUIDITY</b>							
Current ratio		1.23	1.32	0.81	0.83	0.97	1.37
Quick ratio		1.06	1.10	0.63	0.64	0.76	1.16
<b>HISTORICAL TRENDS</b>							
<b>UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>							
Rupees in '000'							
Authorized capital		1,000,000	1,000,000	1,000,000	1,000,000	545,379	545,379
Share capital		619,749	619,749	545,379	545,379	545,379	545,379
Share premium		2,751,283	2,751,283	1,046,025	1,046,025	1,046,025	1,046,025
Surplus on revaluation of PP&E		792,396	760,346	772,019	723,310	726,760	742,191
Unappropriated profit		4,325,259	3,636,170	3,283,636	2,811,117	2,553,295	2,090,865
<b>Share holders' equity</b>		<b>8,488,687</b>	<b>7,767,548</b>	<b>5,647,059</b>	<b>5,125,831</b>	<b>4,871,459</b>	<b>4,424,460</b>
Non current liabilities		3,317,760	3,962,551	2,717,345	1,882,076	581,874	927,597
Current liabilities		4,886,521	3,529,154	3,573,255	3,137,871	2,295,152	1,842,642
<b>Total</b>		<b>16,692,968</b>	<b>15,259,253</b>	<b>11,937,659</b>	<b>10,145,778</b>	<b>7,748,485</b>	<b>7,194,699</b>
Property, plant and equipment		6,791,843	6,991,936	6,845,816	6,028,882	5,457,545	4,606,615
Investment property		-	-	1,642,085	1,401,837	-	-
Intangible assets		31,343	57,414	83,711	33,477	10,585	-
Long term investment - at cost		3,178,758	2,933,524	79,833	18,120	18,120	18,000
Long term deposits		96,260	111,740	87,211	60,736	45,273	39,677
Current assets		5,996,707	4,669,661	2,891,682	2,602,726	2,216,962	2,530,407
Non current assets held for sale		598,057	494,978	307,321	-	-	-
<b>Total</b>		<b>16,692,968</b>	<b>15,259,253</b>	<b>11,937,659</b>	<b>10,145,778</b>	<b>7,748,485</b>	<b>7,194,699</b>
<b>UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS</b>							
Rupees in '000'							
Net revenue		14,219,718	12,151,762	11,754,393	10,270,597	9,257,009	8,730,803
Operating costs		(12,899,400)	(11,480,652)	(10,642,312)	(9,508,191)	(8,464,606)	(7,668,538)
Other income		107,479	637,219	44,290	63,084	136,579	86,760
Expected credit (losses)/reversal		(103,529)	(32,278)	11,853	-	-	-
<b>Operating profit</b>		<b>1,324,268</b>	<b>1,276,051</b>	<b>1,168,224</b>	<b>825,490</b>	<b>928,982</b>	<b>1,149,025</b>
Finance costs		(360,375)	(478,598)	(95,087)	(57,280)	(66,389)	(108,997)
Provision for taxation		(263,969)	(292,262)	(295,803)	(211,522)	(256,166)	(279,930)
<b>Profit after taxation</b>		<b>699,924</b>	<b>505,191</b>	<b>777,334</b>	<b>556,688</b>	<b>606,427</b>	<b>760,098</b>
<b>UNCONSOLIDATED STATEMENT OF CASH FLOWS</b>							
Rupees in '000'							
Net cash flows from operating activities		1,549,681	321,405	1,725,551	902,302	1,037,835	1,033,182
Net cash used in investing activities		(1,117,057)	(1,180,120)	(1,996,448)	(2,101,707)	(1,323,953)	(498,613)
Net cash flows from/ (used in) financing activities		98,357	2,348,331	592,927	892,154	(514,959)	398,912
Changes in cash & cash equivalent (C&CE)		530,981	1,489,616	322,030	(307,251)	(801,077)	933,481
Cash & cash equivalents at beginning of the year		2,398,052	794,696	473,479	781,194	1,582,690	649,702
Effect of exchange rate change on C&CE		(116,336)	113,740	(813)	(464)	(419)	(493)
Cash & cash equivalents at end of year		<b>2,812,697</b>	<b>2,398,052</b>	<b>794,696</b>	<b>473,479</b>	<b>781,194</b>	<b>1,582,690</b>



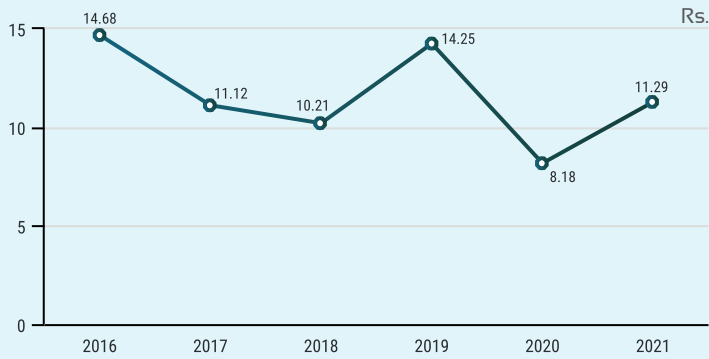
### Market Value Per Share



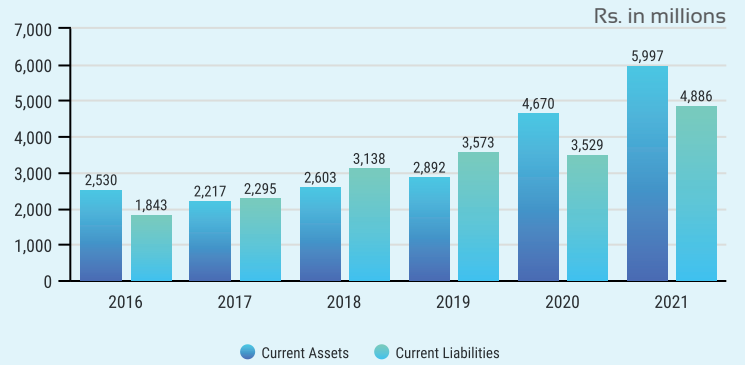
### Breakup Value Per Share



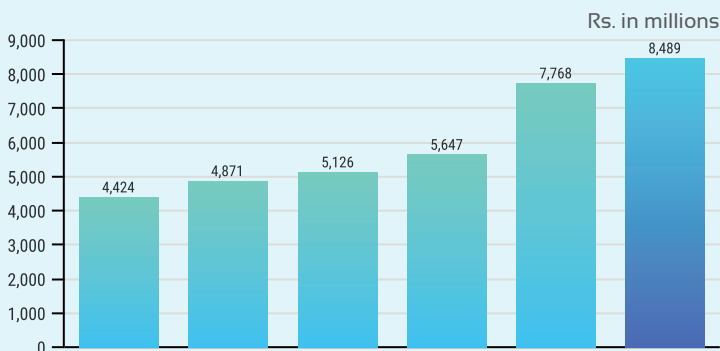
### Earnings Per Share



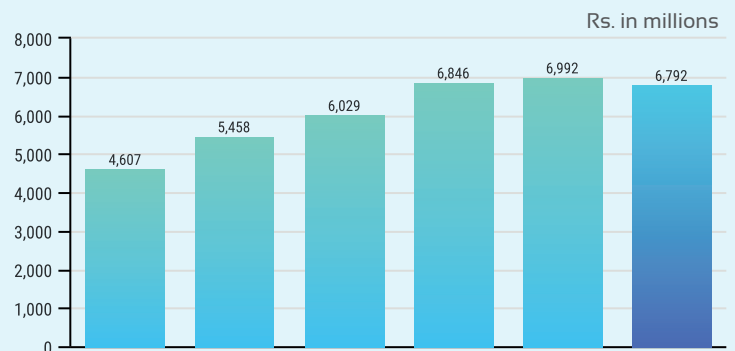
### Current Assets & Current Liabilities



### Shareholder's Equity



### Property, Plant and Equipment



# HORIZONTAL ANALYSIS

	2021		2020	
	Rupees in '000'	21 Vs. 20 %	Rupees in '000'	20 Vs. 19 %
<b>UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>				
<b>SHARE CAPITAL &amp; RESERVES</b>				
Share capital	619,749	-	619,749	14
Share premium	2,751,283	-	2,751,283	163
Surplus on revaluation of PP&E	792,396	4	760,346	(2)
Unappropriated profit	4,325,259	19	3,636,170	11
<b>Shareholders' equity</b>	<b>8,488,687</b>	<b>9</b>	<b>7,767,548</b>	<b>38</b>
Non current liabilities	3,317,760	(16)	3,962,551	46
Current liabilities	4,886,521	38	3,529,154	(1)
<b>Total</b>	<b>16,692,968</b>	<b>9</b>	<b>15,259,253</b>	<b>28</b>
<b>ASSETS</b>				
Property, plant and equipment	6,791,843	(3)	6,991,936	2
Investment property	-	-	-	(100)
Intangible assets	31,343	(45)	57,414	(31)
Long term investments - at cost	3,178,758	8	2,933,524	3,575
Long term deposits	96,260	(14)	111,740	28
Current assets	5,996,707	28	4,669,661	61
Non current assets held for sale	598,057	21	494,978	61
<b>Total</b>	<b>16,692,968</b>	<b>9</b>	<b>15,259,253</b>	<b>28</b>
<b>UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS</b>				
<b>Net revenue *</b>	<b>14,219,718</b>	<b>17</b>	12,151,762	3
Operating costs **	(12,899,400)	12	(11,480,652)	8
Other income	107,479	(83)	637,219	1,339
Expected credit (losses)/reversal	(103,529)	221	(32,278)	(372)
<b>Operating profit</b>	<b>1,324,268</b>	<b>3.8</b>	1,276,051	9
Finance costs	(360,375)	(24.7)	(478,598)	403
Provision for taxation	(263,969)	(10)	(292,262)	(1)
<b>Profit after taxation</b>	<b>699,924</b>	<b>39</b>	505,191	(35)

\*Revenue earned during the year under review increased from Rs. 12,152 million to Rs. 14,220 million as compared to last year showing 17% growth.

\*\* With the increase in cost and volume of supplies and medicines consumed, increase in depreciation/amortization, repair & maintenance and salaries, wages and benefits expenses etc., the operating cost has been increased to Rs. 12,899 million from Rs. 11,481 million.

2019		2018		2017		2016	
Rupees in '000'	19 Vs. 18 %	Rupees in '000'	18 Vs. 17 %	Rupees in '000'	17 Vs. 16 %	Rupees in '000'	16 Vs. 15 %
545,379	-	545,379	-	545,379	-	545,379	8
1,046,025	-	1,046,025	-	1,046,025	-	1,046,025	2,515
772,019	6.7	723,310	(0.5)	726,760	(2)	742,191	(1)
3,283,636	17	2,811,117	10	2,553,295	22	2,090,865	22
5,647,059	10	5,125,831	5	4,871,459	10	4,424,460	47
2,717,345	44	1,882,076	223	581,874	(37)	927,597	(28)
3,573,255	14	3,137,871	37	2,295,152	25	1,842,642	1
11,937,659	18	10,145,778	31	7,748,485	8	7,194,699	18
6,845,816	14	6,028,882	10	5,457,545	18	4,606,615	3
1,642,085	17	1,401,837	100	-	-	-	-
83,711	150	33,477	216	10,585	100	-	-
79,833	341	18,120	-	18,120	1	18,000	-
87,211	44	60,736	34	45,273	14	39,677	4
2,891,682	11	2,602,726	17	2,216,962	(12)	2,530,407	60
307,321	100	-	-	-	-	-	-
11,937,659	18	10,145,778	31	7,748,485	8	7,194,699	18
11,754,393	14	10,270,597	11	9,257,009	6	8,730,803	18
(10,642,312)	12	(9,508,191)	12	(8,464,606)	10	(7,668,538)	17
44,290	(30)	63,084	(54)	136,579	57	86,760	57
11,853	100	-	-	-	-	-	-
1,168,224	42	825,490	(11)	928,982	(19)	1,149,025	30
(95,087)	66	(57,280)	(14)	(66,389)	(39)	(108,997)	(31)
(295,803)	40	(211,522)	(17)	(256,166)	(8)	(279,930)	44
777,334	40	556,688	(8)	606,427	(20)	760,098	43



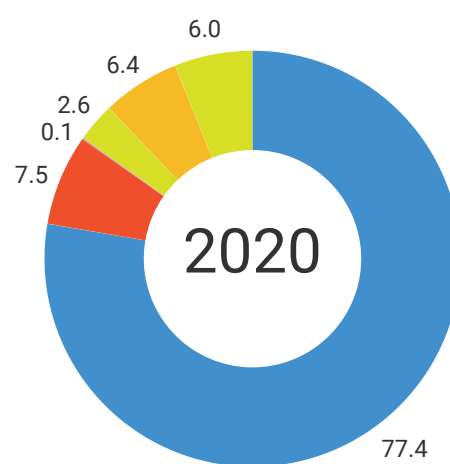
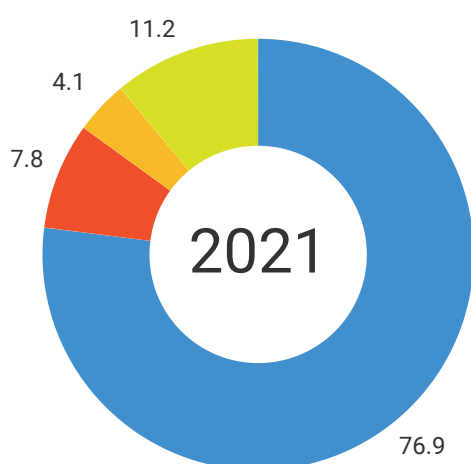
# VERTICAL ANALYSIS

	2021		2020	
	Rupees in '000'	%	Rupees in '000'	%
<b>UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>				
<b>SHARE CAPITAL &amp; RESERVES</b>				
Share capital	619,749	4	619,749	4
Share premium	2,751,283	16	2,751,283	18
Surplus on revaluation of PP&E	792,396	5	760,346	5
Unappropriated profit	4,325,259	26	3,636,170	24
<b>Shareholders' equity</b>	<b>8,488,687</b>	<b>51</b>	<b>7,767,548</b>	<b>51</b>
Non current liabilities	3,317,760	20	3,962,551	26
Current liabilities	4,886,521	29	3,529,154	23
<b>Total</b>	<b>16,692,968</b>	<b>100</b>	<b>15,259,253</b>	<b>100</b>
<b>ASSETS</b>				
Property, plant and equipment	6,791,843	40.7	6,991,936	45.8
Investment property	-	-	-	-
Intangible assets	31,343	0.2	57,414	0.4
Long term investments - at cost	3,178,758	19.0	2,933,524	19.2
Long term deposits	96,260	0.6	111,740	0.7
Current assets	5,996,707	35.9	4,669,661	30.6
Non current assets held for sale	598,057	3.6	494,978	3.2
<b>Total</b>	<b>16,692,968</b>	<b>100</b>	<b>15,259,253</b>	<b>100</b>
<b>UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS</b>				
<b>Net revenue</b>	<b>14,219,718</b>	<b>100</b>	12,151,762	100
Operating costs	(12,899,400)	(91.0)	(11,480,652)	94.5
Other income	107,479	1.0	637,219	5.2
Expected credit (losses)/reversal	(103,529)	(1.0)	(32,278)	0.3
<b>Operating profit</b>	<b>1,324,268</b>	<b>9</b>	1,276,051	10.5
Finance costs	(360,375)	(3.0)	(478,598)	3.9
Provision for taxation	(263,969)	(2.0)	(292,262)	2.4
<b>Profit after taxation</b>	<b>699,924</b>	<b>5.0</b>	505,191	4.2

2019		2018		2017		2016	
Rupees in '000'	%	Rupees in '000'	%	Rupees in '000'	%	Rupees in '000'	%
545,379	5	545,379	5	545,379	7	545,379	8
1,046,025	9	1,046,025	10	1,046,025	13	1,046,025	14
772,019	6	723,310	7	726,760	9	742,191	10
3,283,636	27	2,811,117	28	2,553,295	33	2,090,865	29
5,647,059	47	5,125,831	50	4,871,459	62	4,424,460	61
2,717,345	23	1,882,076	19	581,874	8	927,597	13
3,573,255	30	3,137,871	31	2,295,152	30	1,842,642	26
11,937,659	100	10,145,778	100	7,748,485	100	7,194,699	100
6,845,816	57.3	6,028,882	59.4	5,457,545	70.4	4,606,615	64
1,642,085	13.8	1,401,837	13.8	-	-	-	-
83,711	0.7	33,477	0.3	10,585	0.2	-	-
79,833	0.7	18,120	0.2	18,120	0.2	18,000	0.3
87,211	0.7	60,736	0.6	45,273	0.6	39,677	0.6
2,891,682	24.2	2,602,726	25.7	2,216,962	28.6	2,530,407	35.1
307,321	2.6	-	-	-	-	-	-
11,937,659	100	10,145,778	100	7,748,485	100	7,194,699	100
11,754,393	100	10,270,597	100	9,257,009	100	8,730,803	100
(10,642,312)	90.5	(9,508,191)	92.6	(8,464,606)	91.4	(7,668,538)	87.8
44,290	0.4	63,084	0.6	136,579	1.5	86,760	1.0
11,853	0.1	-	-	-	-	-	-
1,168,224	10	825,490	8	928,982	10.1	1,149,025	13.2
(95,087)	0.8	(57,280)	0.6	(66,389)	0.7	(108,997)	1.3
(295,803)	2.6	(211,522)	2	(256,166)	2.8	(279,930)	3.2
777,334	6.6	556,688	5.4	606,427	6.6	760,098	8.7

# STATEMENT OF VALUE ADDITION

	2021		2020	
	Rupees in '000'	%	Rupees in '000'	%
<b>Value added</b>				
Total Revenue inclusive of other income	14,327,197		12,788,981	
Supplies and other operating costs	8,083,955		6,796,178	
<b>Total value added</b>	<b>6,243,242</b>		<b>5,992,803</b>	
<b>Value allocated</b>				
<b>To employees</b>				
Salaries, wages and other benefits	4,803,017	76.9	4,647,038	77.4
<b>To Government</b>				
Income tax, sales tax and federal excise duty etc	484,734	7.8	447,181	7.5
<b>To society</b>				
Donation	-	-	8,000	0.1
<b>To providers of capital</b>				
Dividend to shareholders	-	-	158,036	2.6
Finance cost of borrowed funds	255,567	4.1	385,393	6.4
	255,567	4.1	543,429	9.0
Retained in the Company	699,924	11.2	347,155	6.0
<b>Total value allocated</b>	<b>6,243,242</b>	<b>100</b>	<b>5,992,803</b>	<b>100</b>



- Salaries, wages and other benefits
- Income tax and sales tax etc.
- Donation
- Dividend to shareholders
- Finance cost of borrowed funds
- Retained in the Company



# UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

# INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Shifa International Hospitals Limited

## Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the board of directors of Shifa International Hospitals Limited (the Company) for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2021.



**Grant Thornton Anjum Rahman**

Chartered Accountants  
Islamabad  
September 25, 2021.

# INDEPENDENT AUDITOR'S REPORT

## To the members of Shifa International Hospitals Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of **Shifa International Hospitals Limited** (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2021 and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current year. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.



**Following is the Key audit matter:**

<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p><b>Revenue from contract with customers:</b></p> <p>(Refer to note 26 to the unconsolidated financial statements)</p> <p>The Company principally generates revenue from providing of inpatient and outpatient services and supply of medicines. We identified revenue recognition as a key audit matter because it is one of key performance indicator which gives rise to an inherent risk of misstatement.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the Company's processes and related internal controls for revenue recognition and tested the design, implementation and operating effectiveness of those controls;</li> <li>• Performed test of details of sampled revenue by inspecting the underlying supporting documents including medical record bills, sales report and bank statements;</li> <li>• Performed cut off procedures to ensure revenue has been recorded in the correct period;</li> <li>• Evaluated and tested on sample basis the authority metrics (controls) over changes in charge master;</li> <li>• Verified on sample basis the trade debts through obtaining confirmations from debtors and performing other alternate procedures; and</li> <li>• Assessed the appropriateness of disclosures in the financial statements.</li> </ul>

**Information Other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Hassaan Riaz.

**Grant Thornton Anjum Rahman**

Chartered Accountants  
Islamabad  
September 25, 2021.





# UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2021

	Note	2021 (Rupees in '000')	2020
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 100,000,000 (2020: 100,000,000) ordinary shares of Rs. 10 each		<b>1,000,000</b>	1,000,000
Issued, subscribed and paid up capital	<b>4</b>	<b>619,749</b>	619,749
<b>Capital reserves</b>			
Share premium	<b>5</b>	<b>2,751,283</b>	2,751,283
Surplus on revaluation of property, plant and equipment	<b>6</b>	<b>792,396</b>	760,346
<b>Revenue reserves</b>			
Unappropriated profit		<b>4,325,259</b>	3,636,170
		<b>8,488,687</b>	7,767,548
<b>NON - CURRENT LIABILITIES</b>			
Long term financing - secured	<b>7</b>	<b>2,360,408</b>	3,141,102
Deferred taxation	<b>8</b>	<b>350,314</b>	438,995
Lease liabilities	<b>9</b>	<b>607,038</b>	382,454
		<b>3,317,760</b>	3,962,551
<b>CURRENT LIABILITIES</b>			
Trade and other payables	<b>10</b>	<b>3,251,095</b>	2,984,085
Unclaimed dividend		<b>35,158</b>	36,665
Markup accrued	<b>11</b>	<b>16,913</b>	34,784
Current portion of long term financing - secured	<b>7</b>	<b>1,405,722</b>	290,556
Current portion of lease liabilities	<b>9</b>	<b>177,633</b>	183,064
		<b>4,886,521</b>	3,529,154
		<b>16,692,968</b>	15,259,253
<b>CONTINGENCIES AND COMMITMENTS</b>	<b>12</b>		

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.

  
CHIEF EXECUTIVE

  
DIRECTOR

# UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2021

		2021	2020
	Note	(Rupees in '000')	
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	13	6,791,843	6,991,936
Intangible assets	14	31,343	57,414
Long term investments - at cost	15	3,178,758	2,933,524
Long term deposits	16	96,260	111,740
		<b>10,098,204</b>	10,094,614
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	17	165,312	151,312
Stock-in-trade	18	658,280	646,353
Trade debts	19	859,157	511,624
Loans and advances	20	337,659	390,186
Deposits, prepayments and other receivables	21	72,095	93,656
Markup accrued		677	253
Other financial assets	22	622,464	3,000
Tax refunds due from the government (net of provision)	23	471,366	478,225
Cash and bank balances	24	2,809,697	2,395,052
		<b>5,996,707</b>	4,669,661
Non - current assets held for sale	25	598,057	494,978
		<b>16,692,968</b>	15,259,253



CHIEF FINANCIAL OFFICER



# UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2021

		2021	2020
	Note	(Rupees in '000')	
Net revenue	26	14,219,718	12,151,762
Other income	27	107,479	637,219
Operating costs	28	(12,899,400)	(11,480,652)
Finance costs	29	(360,375)	(478,598)
Expected credit losses	21.2 & 39.1.3	(103,529)	(32,278)
Profit before taxation		963,893	797,453
Provision for taxation	30	(263,969)	(292,262)
Profit after taxation		699,924	505,191
<b>Earnings per share - basic and diluted - (Rupees)</b>	<b>31</b>	<b>11.29</b>	8.18

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

# UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2021

	2021	2020
	(Rupees in '000')	
Profit after taxation	699,924	505,191
<b>Other comprehensive income</b>		
Items that will not be subsequently reclassified in statement of profit or loss		
Loss on remeasurement of staff gratuity fund benefit plan	(45,924)	(22,542)
Deferred tax relating to remeasurement of staff gratuity fund benefit plan	13,318	6,538
Loss on remeasurement of staff gratuity fund benefit plan (net of tax)	(32,606)	(16,004)
Surplus on revaluation of property, plant and equipment	53,821	9,710
Total comprehensive income for the year	721,139	498,897

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

# UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2021

	2021	2020
	(Rupees in '000')	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	<b>963,893</b>	797,453
Adjustments for:		
Depreciation / amortization on tangible assets	<b>865,473</b>	791,810
Amortization on intangible assets	<b>26,071</b>	26,297
Expected credit losses	<b>103,529</b>	32,278
Property, plant and equipment written off	<b>977</b>	5,273
Gain on disposal of tangible assets	<b>(41,975)</b>	(471,572)
Provision for compensated absences	<b>46,378</b>	46,706
Provision for bonus for employees	<b>190,931</b>	59,269
Provision for gratuity	<b>143,917</b>	123,824
Provision for slow moving stores	<b>6,161</b>	1,438
Liabilities written back	<b>(478)</b>	(8,113)
Gains on investments and bank deposits	<b>(31,280)</b>	(12,302)
Loss / (gain) on foreign currency translation	<b>116,336</b>	(113,740)
Finance costs	<b>360,375</b>	478,598
Operating cash flows before changes in working capital	<b>2,750,308</b>	1,757,219
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	<b>(19,264)</b>	(20,492)
Stock-in-trade	<b>(11,927)</b>	(149,595)
Trade debts	<b>(411,280)</b>	37,564
Loans and advances	<b>57,527</b>	22,617
Deposits, prepayments and other receivables	<b>(18,221)</b>	(32,630)
Increase / (decrease) in current liabilities:		
Trade and other payables	<b>15,649</b>	(469,230)
Cash generated from operations	<b>2,362,792</b>	1,145,453
Finance costs paid	<b>(305,325)</b>	(408,244)
Income tax paid	<b>(332,473)</b>	(296,459)
Payment to SIHL Employees' Gratuity Fund	<b>(134,468)</b>	(73,273)
Compensated absences paid	<b>(40,845)</b>	(46,072)
Net cash generated from operating activities	<b>1,549,681</b>	321,405

# UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2021

	2021	2020
Note	(Rupees in '000')	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition to property, plant and equipment (PPE)	(518,537)	(812,256)
Addition to investment property	-	(58,432)
Outlay against long term investments	(245,234)	(403,466)
Investment in other financial assets - net	(596,666)	-
Proceeds from disposal of PPE and items classified as held for sale	231,424	106,028
Markup received	8,058	12,535
Decrease / (increase) in long term deposits	3,898	(24,529)
Net cash used in investing activities	(1,117,057)	(1,180,120)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of further share capital	-	1,779,628
Long term financing - repayments	(381,608)	(140,214)
Long term financing - proceeds	633,450	1,014,133
Deferred grant received	82,630	58,963
Lease liabilities - repayments	(234,608)	(194,137)
Dividend paid	(1,507)	(170,042)
Net cash generated from financing activities	98,357	2,348,331
Net increase in cash and cash equivalents	530,981	1,489,616
<b>Cash and cash equivalents at beginning of the year</b>	<b>2,398,052</b>	<b>794,696</b>
Effect of exchange rate changes on cash and cash equivalents	(116,336)	113,740
<b>Cash and cash equivalents at end of the year</b>	<b>2,812,697</b>	<b>2,398,052</b>

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



# UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2021

	Share capital	Share premium	Surplus on revaluation of property, plant and equipment	Un-appropriated profit	Total
(Rupees in '000')					
<b>Balance as at July 01, 2019</b>	545,379	1,046,025	772,019	3,283,636	5,647,059
Issue of further share capital	74,370	1,705,258	-	-	1,779,628
<b>Total comprehensive income for the year</b>					
Profit after taxation	-	-	-	505,191	505,191
Other comprehensive income - net of tax	-	-	9,710	(16,004)	(6,294)
	-	-	9,710	489,187	498,897
Realization of revaluation surplus on disposal of assets	-	-	(12,963)	12,963	-
Transfer of revaluation surplus on property, plant and equipment in respect of incremental depreciation / amortization	-	-	(8,420)	8,420	-
<b>Distribution to owners</b>					
Dividend 2019: Rs. 2.55 per share	-	-	-	(158,036)	(158,036)
Balance as at June 30, 2020	619,749	2,751,283	760,346	3,636,170	7,767,548
<b>Balance as at July 01, 2020</b>	<b>619,749</b>	<b>2,751,283</b>	<b>760,346</b>	<b>3,636,170</b>	<b>7,767,548</b>
<b>Total comprehensive income for the year</b>					
Profit after taxation	-	-	-	699,924	699,924
Other comprehensive income - net of tax	-	-	53,821	(32,606)	21,215
	-	-	53,821	667,318	721,139
Realization of revaluation surplus on disposal of assets	-	-	(12,541)	12,541	-
Transfer of revaluation surplus on property, plant and equipment in respect of incremental depreciation / amortization	-	-	(9,230)	9,230	-
<b>Distribution to owners</b>					
Dividend 2020: Nil	-	-	-	-	-
<b>Balance as at June 30, 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>

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 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 Geographical locations of business units of the Company are as follows:

H-8 Hospital, Pitras Bukhari Road, Sector H-8/4, Islamabad  
Faisalabad Hospital, Main Jaranwala Road, Faisalabad  
G-10/4 Hospital, G-10 Markaz, Islamabad  
Shifa Pharmacy, Opposite OPF College, F-8 Markaz Islamabad  
Shifa Pharmacy, Saidpur Road, Rawalpindi  
Shifa Pharmacy, Blue Area, Islamabad  
Shifa Pharmacy, Gulburg Greens, Islamabad  
Shifa Pharmacy, Trauma Center, Islamabad International Airport  
Shifa Pharmacy, Iskandarabad, Mianwali  
Shifa Pharmacy, National Radio Telecommunication Corporation, Haripur  
Shifa Pharmacy, PIA Rawalpindi Airport  
Shifa Pharmacy, WAPDA, Mangla  
Shifa Pharmacy, WAPDA, Faisalabad  
F-11 Medical Center, Savoy Arcade, F-11 Markaz Islamabad

Percentage share in total revenue given in note 26.	2021	2020
H - 8/4, Islamabad	96%	96%
Faisalabad	3%	3%
G -10/4, Islamabad	1%	1%
	100%	100%

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

Where the provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards or IFASs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

## 2.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention, except for certain items as disclosed in relevant accounting policies.

In these unconsolidated financial statements, being the separate financial statements of the Company, investment in subsidiaries and associates are stated at cost rather than on the basis of reporting results of the investee. Consolidated financial statements are prepared separately.

## 2.3 Functional and presentation currency

These unconsolidated financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.

## 2.4 Use of estimates and judgments

The preparation of unconsolidated financial statements in conformity with accounting and reporting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgments made by management in the application of the accounting and reporting standards that have significant effect on the unconsolidated financial statements and estimates with a significant risk of material adjustment in the next year are as follows.

- i) Estimate of fair value of financial liabilities at initial recognition - notes 3.3 and 7
- ii) Provision for taxation - notes 3.4, 8 and 30
- iii) Right of use asset and corresponding lease liability - notes 3.5, 9 and 13
- iv) Employee benefits - notes 3.7, 10.3 and 10.4
- v) Provisions and contingencies - notes 3.8, 3.9 and 12
- vi) Estimate of useful life of property, plant and equipment - notes 3.10 and 13
- vii) Estimate of useful life of intangible assets - notes 3.11 and 14
- viii) Impairment of non-financial assets - note 3.12
- ix) Estimate of recoverable amount of investment in subsidiaries and associated companies - notes 3.13 and 15
- x) Expected credit loss allowance - notes 3.14.2, 21.2 and 39.1.3
- xi) Provision for slow moving spares - notes 3.15, 3.16, 13.8.2 and 17

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

## 2.5 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

### 2.5.1 Standards, amendments to published standards and interpretations that are effective during the current year:

Certain standards, amendments and interpretations to IFRS are effective during the year but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these unconsolidated financial statements.

### 2.5.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

		Effective date (annual periods beginning on or after)
IAS 1	Presentation of financial statements (Amendments)	January 1, 2023
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2023
IAS 12	Income Taxes (Amendments)	January 1, 2023
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IFRS 3	Business Combinations (Amendments)	January 1, 2022
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2021
IFRS 9	Financial Instruments (Amendments)	January 1, 2021
IFRS 16	Leases (Amendments)	January 1, 2021

The management anticipates that adoption of above standards, amendments and interpretations in future periods, will have no material impact on the unconsolidated financial statements other than in presentation / disclosures.

### 2.5.3 Further, the following standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 17	Insurance Contracts

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these unconsolidated financial statements are the same as those applied in earlier period presented.

### 3.1 Share capital and dividend

Dividend is recognized as a liability in the period in which it is declared. Movement in reserves is recognized in the year in which it is approved.



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

## 3.2 Financing and finance cost

Financing are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, financing are stated at amortized cost with any difference between cost and redemption value being recognised in the unconsolidated statement of profit or loss over the period of the financing on an effective interest basis. Financing costs are recognised as an expense in the period in which these are incurred.

## 3.3 Government grants

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy.

Government grants are recognized at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the finance cost are recognized and finance cost are reported net of grant in - note 29.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

## 3.4 Taxation

Taxation for the year comprises current and deferred tax. Taxation is recognized in the unconsolidated statement of profit or loss except to the extent that it relates to items recognized directly in unconsolidated statement of changes in equity or in other comprehensive income.

### Current

Provision for current taxation is based on taxable income at the current rates of tax after taking into account applicable tax credits, rebates, losses and exemptions available, if any.

### Deferred

Deferred tax is accounted for using balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the unconsolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that is no longer probable that the related tax benefit will be realized.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity or on different taxable entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

The Company takes into account the current income tax law and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

## **3.5 Leases**

### **3.5.1 Right of use assets**

The Company recognizes right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined as those of similar assets or the lease term as specified in contract. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has not elected to recognise right-of-use assets and lease liabilities for short-term leases of properties that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### **3.5.2 Lease liability**

The lease liability is initially measured at the present value of the future lease payments discounted using the Company's incremental borrowing rate. Lease payments in the measurement of the lease liability comprise the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

## **3.6 Trade and other payable**

Liabilities for trade and other payables are carried at amortised cost, which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

## **3.7 Employee benefits**

### **Defined benefit plan**

The Company operates approved funded gratuity scheme for all its employees who have completed the minimum qualifying period of service as defined in the scheme. Provision is made annually to cover obligations under the scheme on the basis of actuarial valuation and is charged to the unconsolidated statement of profit or loss. The most recent valuation was carried out as at June 30, 2021 using the "Projected Unit Credit Method". The actuarial gains or losses at each evaluation date are charged to other comprehensive income. The results of actuarial valuation are summarized in note 10.4 of these unconsolidated financial statements.

The amount recognized in the unconsolidated statement of financial position represents the present value of defined benefit obligations as reduced by the fair value of plan assets.

Calculation of gratuity asset requires assumptions to be made of future outcomes which mainly include increase in remuneration, expected long term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions and determined by actuary.

### **Compensated absences**

The Company provides for compensated absences of its employees on unavailed balance of leaves in the period in which the leave is earned. Accrual to cover the obligations is made using the current salary levels of the employees.

## **3.8 Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each reporting date and adjusted prospectively to reflect the current best estimates.

## **3.9 Contingencies**

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

The Company discloses significant contingent liabilities for the pending litigations and claims against the Company based on its judgment and the advice of the legal advisors for the estimated financial outcome. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the reporting date. However, based on the best judgment of the Company and its legal advisors, the likely outcome of these litigations and claims is remote and there is no need to recognize any liability at the reporting date.

## **3.10 Property, plant and equipment**

Property, plant and equipment except freehold and leasehold lands and capital work-in-progress are stated at cost less accumulated depreciation and impairment in value, if any. Leasehold land is stated at revalued amount being the fair value at the date of revaluation, less any subsequent accumulated amortization and impairment losses while freehold land is stated at revalued amount being the fair value at the date of revaluation, less any subsequent impairment losses, if any.

Any revaluation increase arising on the revaluation of land is recognized in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognized in unconsolidated statement of profit or loss, in which case the increase is credited to unconsolidated statement of profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of land is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The surplus on leasehold land to the extent of incremental depreciation charged is transferred to unappropriated profit.

Capital work-in-progress and stores held for capital expenditure are stated at cost less impairment loss recognized, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific items of property, plant and equipment when available for intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs that do not meet the recognition criteria are charged to the unconsolidated statement of profit or loss as and when incurred.

Depreciation / amortization is charged to the unconsolidated statement of profit or loss commencing when the asset is ready for its intended use, applying the straight-line method over the estimated useful life.

In respect of additions and disposals during the year, depreciation / amortization is charged when the asset is available for use and up to the month preceding the asset's classified as held for sale or derecognized, whichever is earlier.

Assets are derecognized when disposed off or when no future economic benefits are expected to flow from its use. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized on net basis within "other income" in the unconsolidated statement of profit or loss.



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

The Company reviews the useful lives of property, plant and equipment on a regular basis. Similarly revaluation of lands are made with sufficient regularity. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation / amortization charge and impairment.

## 3.11 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any. Subsequent cost on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

Amortization is charged to the unconsolidated statement of profit or loss on a straight line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Amortization on additions to intangible assets is charged from the month in which an item is acquired or capitalized while no amortization is charged for the month in which the item is disposed off.

The Company reviews the useful lives of intangible assets on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of intangibles with the corresponding effect on the amortization charge and impairment.

## 3.12 Impairment of non - financial assets

The Company assesses at each reporting date whether there is any indication that assets except deferred tax assets and inventory may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the unconsolidated statement of profit or loss except for the impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of depreciation/amortization) had no impairment loss been recognized for the asset in prior years. Reversal of impairment loss is recognized in the unconsolidated statement of profit or loss.

## 3.13 Investments

All purchases and sales of investments are recognized using settlement date accounting. Settlement date is the date on which that investments are delivered to or by the Company. All investments are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

## 3.13.1 Investment in subsidiaries

Investment in subsidiary is initially recognized at cost. At subsequent reporting date, recoverable amounts are estimated to determine the extent of impairment loss, if any, and carrying amount of investment is adjusted accordingly. Impairment losses are recognized as expense in the unconsolidated statement of profit or loss. Where impairment loss is subsequently reversed, the carrying amounts of investment are increased to its revised recoverable amount, limited to the extent of initial cost of investment. Reversal of impairment losses are recognized in the unconsolidated statement of profit or loss.

The profits or losses of subsidiaries are carried forward in their financial statements and are not dealt within these unconsolidated financial statements except to the extent of dividend declared by the subsidiaries. Gains and losses on disposal of investment are included in other income. When the disposal on investment in subsidiary results in loss of control such that it becomes an associate, the retained investment is carried at cost.

## 3.13.2 Investment in associate

Investments in associate are initially recognized at cost. At subsequent reporting date, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as expense in the unconsolidated statement of profit or loss. Where impairment losses are subsequently reversed, the carrying amounts of these investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the unconsolidated statement of profit or loss. The profits and losses of associate are carried forward in the financial statements and are not dealt within these unconsolidated financial statements except to the extent of dividend declared by the associate. Gains and losses on disposal of investments are included in the unconsolidated statement of profit or loss.

## 3.14 Financial assets

### Initial measurement

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The Company classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- Amortized cost.

### Subsequent measurement

#### i) Debt instrument at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the unconsolidated statement of profit or loss. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the unconsolidated statement of profit or loss.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

## ii) Equity instrument at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in the unconsolidated statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the unconsolidated statement of profit or loss.

## iii) Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest/markup or dividend income, are recognized in unconsolidated statement of profit or loss.

## iv) Financial asset at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognized in the unconsolidated statement of profit or loss.

### 3.14.1 Other financial assets

Investment in Units of Mutual Funds are classified at fair value through profit or loss and is initially measured at fair value and subsequently is measured at fair value determined using the net assets value of the funds at each reporting date. Net gains and losses are recognized in the unconsolidated statement of profit or loss.

Investments in term deposit receipts are classified as amortized cost and are initially measured at fair value. Transaction costs directly attributable to the acquisition are included in the carrying amount. Subsequently these investments are measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest/markup income, losses and impairment are recognized in the unconsolidated statement of profit or loss.

### 3.14.2 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial asset carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company applies the simplified approach for trade debts which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company recognises life time ECL for trade debts, using the simplified approach. The expected credit losses on trade debts are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Life time expected credit losses against other receivables is also recognized due to significant increase in credit risk since initial recognition.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date reduced by security deposit held.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

The Company recognizes an impairment loss in the profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The Gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

The Company write off financial assets that are still subject to enforcement activities. Subsequent recoveries of amounts previously written off will result in impairment gains.

### **3.14.3 Derecognition**

Financial assets are derecognized when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

### **3.14.4 Financial liabilities**

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the unconsolidated statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the unconsolidated statement of profit or loss. Any gain or loss on de-recognition is also recognized in the unconsolidated statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

### **3.14.5 Off-setting financial assets and financial liabilities**

Financial assets and liabilities are offset and the net amount is reported in the unconsolidated statement of financial position, if the Company has a legally enforceable right to set off the recognized amounts, and the Company either intends to settle on a net basis, or realize the asset and settle the liability simultaneously. Legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

### **3.15 Stores, spare parts and loose tools**

These are valued at cost, determined on moving average cost basis or net realizable value, whichever is lower. For items which are slow moving or identified as surplus to the Company's requirement, a provision is made for excess of book value over estimated net realizable value.

The Company reviews the carrying amount of stores, spare parts and loose tools on a regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of stores and spares with a corresponding affect on the provision.



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

## 3.16 Stock-in-trade

Stock-in-trade is valued at lower of cost, determined on moving average basis or net realizable value. The cost includes expenditure incurred in acquiring the stock items and other cost incurred in bringing them to their present location and condition.

The Company reviews the carrying amount of stock in trade on a regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of stock in trade with a corresponding affect on the provision.

## 3.17 Trade debts, loans, deposits, interest accrued and other receivables

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Past years experience of credit loss is used to base the calculation of credit loss.

## 3.18 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cheques in hand, balances with banks and highly liquid short term investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value with maturity of three months or less from the date of acquisition.

## 3.19 Non - current assets held for sale

Non - current assets are classified as held for sale when their carrying amounts are expected to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount immediately prior to their classification as held for sale and fair value less cost to sell. Once classified as held for sale, the assets are not subject to depreciation or amortization. In case where classification criteria of non current asset held for sale is no longer met such asset is classified on its carrying amount before the asset was classified as held for sale, adjusted for depreciation/revaluation that would have been recognized had the asset not been classified as held for sale. The required adjustment to the carrying amount of a non-current asset that ceases to be classified as held for sale is charged in the unconsolidated statement of profit or loss.

## 3.20 Foreign currencies

Transactions in currencies other than Pak Rupees are recorded at the rates of exchange prevailing on the dates of transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rate prevailing on the reporting date. Gains and losses arising on retranslation are included in the unconsolidated statement of profit or loss for the year.

## 3.21 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. Revenue from operations of the Company are recognized when the services are provided, and thereby the performance obligations are satisfied.

Revenue consists of inpatient revenue, outpatient revenue, pharmacy, cafeteria, rent of building and other services. Company's contract performance obligations are fulfilled at point in time when the services are provided to customer in case of inpatient, outpatient and other services and goods are delivered to customer in case of pharmacy and cafeteria revenue. Revenue is recognized at that point in time, as the control has been transferred to the customers.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

Receivable is recognized when the services are provided and goods are delivered to customers as this is the point in time that the consideration is unconditional because only passage of time is required before the payment is due. The Company recognizes contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as 'advances from customers' in the unconsolidated statement of financial position.

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Rental income is recognized on a straight line basis over the term of the rent agreement.

Scrap sales and miscellaneous receipts are recognized on realized amounts.

### **3.22 Asset held under Ijarah financing**

Assets held under Ijarah financing are accounted for using the guidelines of Islamic Financial Accounting Standard-2 (IFAS 2), "Ijarah". The assets are not recognized on the Company's statement of financial position and payments made under Ijarah financing are recognized in the statement of profit or loss on a straight line basis over the term of the Ijarah.

### **3.23 Earnings per share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholder and weighted average number of ordinary shares outstanding for the effects of all potential ordinary shares.

### **3.24 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market is accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

All assets and liabilities for which fair value is measured or disclosed in the unconsolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the unconsolidated financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## 4 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Ordinary shares of Rs.10 each fully paid in cash.

	2021	2020		2021	2020
	Number			(Rupees in '000')	
	<b>61,974,886</b>	54,537,900	Opening balance	<b>619,749</b>	545,379
	-	7,436,986	Shares issued	-	74,370
	<b>61,974,886</b>	61,974,886	Closing balance	<b>619,749</b>	619,749

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

**4.2** 7,436,986 (2020: 7,436,986) ordinary shares representing 12% (2020: 12%) shareholding in the Company are owned by International Finance Corporation (IFC). IFC has the right to nominate one director at the board of directors of the Company as long as IFC holds ordinary shares representing 5% of total issued share capital of the Company. Further, the Company if intends to amend or repeal the memorandum and articles, effects the rights of IFC on its shares issuance of preference shares ranking seniors to the equity securities held by IFC, incur any financial debt to any shareholder, change the nature of the business of the Company etc. shall seek consent of IFC.

**4.3** The Company has no reserved shares for issuance under options and sales contracts.

## 5 SHARE PREMIUM

This represents premium of Rs. 5, Rs. 250 and Rs. 229.29 per share received on issue of 8,000,000, 4,024,100 and 7,436,986 ordinary shares of Rs. 10 each in the year 1994, 2016 and 2020 respectively. This reserve cannot be utilized except for the purposes mentioned under section 81 of the Companies Act, 2017.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

		2021	2020
<b>6</b>	<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>	<b>(Rupees in '000')</b>	
	Balance at beginning of the year	<b>760,346</b>	772,019
	Revaluation surplus during the year	<b>53,821</b>	9,710
	Realization of revaluation surplus on disposal of assets	<b>(12,541)</b>	(12,963)
	Transferred to unappropriated profits in respect of incremental depreciation / amortization charged during the year	<b>(9,230)</b>	(8,420)
	Balance at end of the year	<b>792,396</b>	760,346

**6.1** Surplus on revaluation of property, plant and equipment in respect of leasehold and freehold lands is not available for distribution of dividend to the shareholders of the Company in accordance with section 241 of the Companies Act, 2017.

		2021	2020
<b>7</b>	<b>LONG TERM FINANCING - SECURED</b>	<b>(Rupees in '000')</b>	
	<b>From banking companies:</b>		
	Syndicated Islamic Finance Facility	<b>1,854,086</b>	1,995,778
	Diminishing Musharakah Facility - 1	<b>434,274</b>	435,234
	Diminishing Musharakah Facility - 2	<b>500,000</b>	500,000
	Islamic Refinance Facility to Combat COVID -19 (IRFCC)	<b>127,789</b>	-
	Deferred income - Government grant	<b>25,526</b>	-
		<b>153,315</b>	-
	State Bank of Pakistan (SBP) - refinance scheme	<b>780,354</b>	447,453
	Deferred income - Government grant	<b>44,101</b>	53,193
		<b>824,455</b>	500,646
		<b>3,766,130</b>	3,431,658
	Less: Current portion	<b>1,405,722</b>	290,556
		<b>2,360,408</b>	3,141,102

**7.1** The Company has fully availed all the above facilities, except those disclosed in note 33.

**7.2** This represents syndicated Islamic finance facility, arranged and lead by Meezan Bank Limited, obtained on markup basis at 3 months KIBOR plus 0.85% ( 2020: 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. During the last year the Company has availed one year deferment in repayment of principal under SBP circular # 13 dated March 26, 2020 in view of Covid 19 outbreak, according to which the Company was prohibited to pay dividend on its ordinary shares till May 22, 2021.



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

- 7.3** This represents a long term Islamic finance facility obtained from Al Baraka Bank (Pakistan) Limited of Rs. 442.9 million (2020: Rs. 499.4 million). Principal amount is repayable in 36 equal monthly installments carrying markup at 3 months KIBOR plus 0.80% (June 2020: 3 months KIBOR plus 0.80%) per annum. The financing is secured by first exclusive charge of Rs. 781.3 million against equipment/machinery. In the wake of Covid-19 outbreak, the bank under SBP circular # 13 dated March 26, 2020 has deferred the principal payment till April 15, 2021, originally it was payable by May, 2020. This also includes a long term Islamic finance facility obtained under the Diminishing Musharakah basis from First Habib Modaraba of Rs. 37.6 million (2020: Rs. 20.3 million). Principal amount is repayable in 60 equal monthly installments carrying markup at 3 months KIBOR plus 0.70% (2020: 3 months KIBOR plus 0.70%) per annum.
- 7.4** This represents a long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 500 million. Principal amount shall be repaid by October 01, 2024 in 12 equal quarterly installments carrying markup at 3 months KIBOR plus 0.85% (2020: 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.
- 7.5** This represents a long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 153.3 million (2020: Nil) 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 markup. 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 markup, the loan has been recognized at present value using effective interest rate of 3 months KIBOR plus 0.85% along with the recognition of government grant.

	2021	2020
	(Rupees in '000')	
Balance at beginning of the year	-	-
Received during the year	<b>29,847</b>	-
Amortization during the year	<b>(4,321)</b>	-
Balance at end of the year	<b>25,526</b>	-

- 7.6** This represents long term finance facility aggregating to Rs. 1,012.2 million (2020: Rs. 500 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.1,600.3 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.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

		2021	2020		
	Note	(Rupees in '000')			
Balance at beginning of the year		53,193	-		
Received during the year		52,783	58,937		
Amortization during the year		(61,875)	(5,744)		
Balance at end of the year		44,101	53,193		
<b>8</b>	<b>DEFERRED TAXATION</b>				
Deferred tax liability	8.1	504,648	543,986		
Deferred tax asset	8.2	(154,334)	(104,991)		
Net deferred tax liability		350,314	438,995		
<b>8.1</b>	<b>Deferred tax liability on taxable temporary differences:</b>				
Accelerated depreciation / amortization allowance		504,648	534,882		
Right of use assets net of lease liabilities		-	9,104		
		504,648	543,986		
<b>8.2</b>	<b>Deferred tax asset on deductible temporary differences:</b>				
Right of use assets net of lease liabilities		(13,428)	-		
Specific provisions		(67,944)	(48,087)		
Retirement benefit obligation		(72,962)	(56,904)		
		(154,334)	(104,991)		
<b>8.3</b>	<b>Movement in deferred taxation</b>	<b>Opening balance</b>	<b>Statement of profit or loss</b>	<b>Other comprehensive Income</b>	<b>Closing balance</b>
	<b>Deferred tax liabilities / (assets)</b>	<b>(Rupees in '000')</b>			
	<b>2021</b>				
	The balance of deferred tax is in respect of following temporary differences:				
	<b>Effect of taxable temporary differences</b>				
	Accelerated depreciation / amortization allowance	534,882	(30,234)	-	504,648
	Right of use assets net of lease liabilities	9,104	(22,532)	-	(13,428)
	<b>Effect of deductible temporary differences</b>				
	Specific provisions	(48,087)	(19,857)	-	(67,944)
	Retirement benefit obligation	(56,904)	(2,740)	(13,318)	(72,962)
		438,995	(75,363)	(13,318)	350,314

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

Movement in deferred taxation	Opening balance	Statement of profit or loss	Other comprehensive Income	Closing balance
Deferred tax liabilities / (assets)	(Rupees in '000')			
2020				
The balance of deferred tax is in respect of following temporary differences:				
<b>Effect of taxable temporary differences</b>				
Accelerated depreciation / amortization allowance	494,137	40,745	-	534,882
Right of use assets net of lease liabilities	-	9,104	-	9,104
<b>Effect of deductible temporary differences</b>				
Specific provisions	(63,926)	15,839	-	(48,087)
Retirement benefit obligation	(45,896)	(4,470)	(6,538)	(56,904)
	384,315	61,218	(6,538)	438,995

8.4 Deferred tax assets and liabilities on temporary differences are measured at the rate of 29% (2020: 29%).

9	LEASE LIABILITIES	2021	2020
		(Rupees in '000')	
	Balance at beginning of the year	565,518	418,714
	Modification / addition during the year	380,841	274,965
	Interest expense	72,920	65,976
	Payment during the year	(234,608)	(194,137)
	Balance at end of the year	784,671	565,518
	Less: Current portion	177,633	183,064
		607,038	382,454

9.1 Lease liabilities are payable as follows:

	Minimum lease payments	Interest	Present value of minimum lease payments
2021	(Rupees in '000')		
Less than one year	284,989	107,356	177,633
Between one to five years	622,811	176,481	446,330
More than five years	293,587	132,879	160,708
	1,201,387	416,716	784,671
2020			
Less than one year	249,342	66,278	183,064
Between one to five years	352,330	151,711	200,619
More than five years	338,078	156,243	181,835
	939,750	374,232	565,518

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

**9.2** Rental contracts are made for a fixed period subject to renewal upon mutual consent of Company and lessor. Wherever practicable, the Company seeks to include extension option to provide operational flexibility. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Management exercises significant judgement in determining whether these extensions are reasonably certain to be exercised. The Company's obligation under lease arrangements for generators is secured by the lessor's title to leased assets.

**9.3** The year-end balance of lease liabilities include a balance of Rs. 397.946 million (2020: Rs. 165.039 million) in respect of building obtained under a lease arrangement from Shifa Neuro Sciences Institute Islamabad (Private) Limited for a total period of six years. Related amounts include lease modification of Rs.268.870 million (2020: Rs. Nil) interest expense of Rs.29.749 million (2020: Rs.13.965 million) and lease payments of Rs. 64.719 million (2020: Rs. 18.266 million).

			2021	2020
10	TRADE AND OTHER PAYABLES	Note	(Rupees in '000')	
	Creditors	10.1	1,523,919	1,497,440
	Accrued liabilities		473,803	398,276
	Advances from customers		272,842	277,537
	Medical consultants' charges		493,854	389,566
	Security deposits	10.2	112,835	112,391
	Compensated absences	10.3	113,857	108,324
	Retention money		8,391	4,330
	Payable to Shifa International Hospitals Limited (SIHL) Employees' Gratuity Fund	10.4	251,594	196,221
			<b>3,251,095</b>	2,984,085
<b>10.1</b>	<b>This include payable to related parties (unsecured) as detailed below:</b>			
	Tameer -e- Millat Foundation (TMF)		13,073	11,978
	Shifa Tameer -e- Millat University (STMU)		5,041	27,468
	Shifa Development Services (Private) Limited (SDSPL)		44,607	-
			<b>62,721</b>	39,446

Maximum amount due from TMF, STMU and SDSPL at the end of any month during the year was Rs. 23,249 thousand (2020: Rs. 11,978 thousand), Rs. 39,744 thousand (2020: Rs. 37,944 thousand) and Rs. 44,607 thousand (2020: Nil) respectively.

**10.2** This include security deposits retained from employees Rs. 33,219 thousand (2020: Rs. 32,815 thousand) which is held in separate bank account and obtained from customers Rs. 79,616 thousand (2020: Rs. 79,576 thousand) which is utilizable for the purpose of the business in accordance with agreements with customers.



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

			2021	2020
10.3	Compensated absences	Note	(Rupees in '000')	
	Balance at beginning of the year		108,324	107,690
	Provision made for the year		46,378	46,706
			154,702	154,396
	Payments made during the year		(40,845)	(46,072)
	Balance at end of the year		113,857	108,324
10.4	<b>The amounts recognized in the unconsolidated statement of financial position are as follows:</b>			
	Present value of defined benefit obligation	10.4.1	798,687	667,697
	Fair value of plan assets	10.4.2	(547,093)	(471,476)
			251,594	196,221
10.4.1	<b>Movement in the present value of defined benefit obligation is as follows:</b>			
	Balance at beginning of the year		667,697	579,986
	Interest cost		53,470	76,141
	Current service cost		128,179	111,683
	Past service cost		4,852	-
	Benefits paid		(77,096)	(88,739)
	Benefits payable		(1,840)	(2,598)
	Remeasurement loss / (gain) on defined benefit obligation		23,425	(8,776)
	Balance at end of the year		798,687	667,697
10.4.2	<b>Movement in the fair value of plan assets is as follows:</b>			
	Balance at beginning of the year		471,476	456,858
	Expected return on plan assets		42,584	64,000
	Contributions		134,468	73,273
	Benefits paid		(77,096)	(88,739)
	Benefits payable		(1,840)	(2,598)
	Remeasurement loss on plan assets		(22,499)	(31,318)
	Balance at end of the year		547,093	471,476

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

	2021	2020
<b>10.4.3 Charge for the year is as follows:</b>	<b>(Rupees in '000')</b>	
Current service cost	128,179	111,683
Interest cost	53,470	76,141
Past service cost	4,852	-
Expected return on plan assets	(42,584)	(64,000)
	<b>143,917</b>	<b>123,824</b>
<b>10.4.4 Remeasurements recognized in other comprehensive income (OCI) is as follows:</b>		
Remeasurement loss / (income) on obligation	23,425	(8,776)
Remeasurement loss on plan assets	22,499	31,318
Remeasurement loss recognized in OCI	<b>45,924</b>	<b>22,542</b>
<b>10.4.5 Movement in liability recognized in unconsolidated statement of financial position:</b>		
Balance at beginning of the year	196,221	123,128
Charge for the year	143,917	123,824
Total amount of remeasurement recognized in OCI during the year	45,924	22,542
Contributions during the year	(134,468)	(73,273)
Balance at end of the year	<b>251,594</b>	<b>196,221</b>
<b>10.4.6 Plan assets comprise of:</b>		
Term deposit receipts	388,947	383,659
Ordinary shares of SIHL	16,858	17,951
Cash and bank balances	143,128	72,464
Payable to outgoing members	(1,840)	(2,598)
	<b>547,093</b>	<b>471,476</b>

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

	2021	2020
<b>10.4.7 Principal actuarial assumptions used in the actuarial valuation are as follows:</b>		
Discount rate used for interest cost in profit or loss	<b>8.50%</b>	14.25%
Discount rate used for year end obligation	<b>10.00%</b>	8.50%
Expected rate of salary growth		
Salary increase FY 2021	<b>N/A</b>	6.00%
Salary increase FY 2022	<b>7.00%</b>	7.50%
Salary increase FY 2023 onward	<b>9.00%</b>	7.50%
Mortality rate	<b>SLIC 2001-2005 set back 1 year</b>	SLIC 2001-2005 set back 1 year
Withdrawal rates	<b>Age based</b>	Age based
Retirement assumption	<b>Age 60</b>	Age 60

## 10.4.8 Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased / decreased as a result of a change in respective assumptions by one percent.

	2021		2020	
	Defined benefit obligation		Defined benefit obligation	
	Effect of 1% increase	Effect of 1% decrease	Effect of 1% increase	Effect of 1% decrease
	<b>(Rupees in '000')</b>			
Discount rate	<b>741,390</b>	<b>864,740</b>	619,487	723,401
Future salary increase	<b>865,362</b>	<b>739,826</b>	724,022	618,072

**10.4.9** The average duration of the defined benefit obligation as at June 30, 2021 is 8 years (2020: 8 years).

## 10.4.10 Risk associated with the scheme

### Final salary risk

The risk that the final salary at the time of cessation of service is greater than what is assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

### Demographic risks

#### a) Mortality risk

The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

## b) Withdrawal risk

The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

## Investment risk

The risk of the investment under performing and being not sufficient to meet the liabilities.

		2021	2020
<b>11</b>	<b>MARKUP ACCRUED</b>	<b>(Rupees in '000')</b>	
	Long term financing - secured	<b>16,913</b>	34,750
	Running finance - secured	-	34
		<b>16,913</b>	34,784

## 12 CONTINGENCIES AND COMMITMENTS

### 12.1 Contingencies

- 12.1.1** Claims aggregating to Rs. 3 million (2020: Rs. 3 million) are lodged in Peshawar and Islamabad High Courts by patients and their heirs 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.
- 12.1.2** The penalty of Rs. 20 million (2020: 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.
- 12.1.3** 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 (2020: Rs. 33.9 million) on behalf of the Company in its ordinary course of business.



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

## 12.1.4 Contingencies related to income tax and sales tax are as follows:

- 12.1.4.1** 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.
- 12.1.4.2** 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.
- 12.1.4.3** 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.
- 12.1.4.4** 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.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

**12.1.4.5** 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.

**12.1.4.6** 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.

		2021	2020
<b>12.2</b>	<b>Commitments</b>	<b>(Rupees in '000')</b>	
<b>12.2.1</b>	Capital expenditure contracted	45,109	45,662
<b>12.2.2</b>	Letters of credit	79,116	11,047

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

## 13. PROPERTY, PLANT AND EQUIPMENT

Particulars	Owned assets										Right of use assets			Total		
	Freehold land	Leasehold land	Building on freehold land	Building on leasehold land	Leasehold Improvements	Biomedical equipment	Air conditioning equipment and machinery	Electrical and other equipment	Furniture and fittings	Construction equipment	Computer installations	Vehicles	Capital work-in-progress (note 13.8)		Office premises	Electrical and other equipment
<b>Cost/Revalued amount</b>	(Rupees in 000)															
Balance as at July 01, 2019	1,118,225	719,344	-	2,552,109	45,173	3,389,682	454,557	655,167	200,827	2,795	444,938	112,335	910,601	418,714	-	11,024,467
Additions	-	183,933	-	-	-	215,731	21,592	42,375	16,279	51	92,359	13,688	159,161	284,432	57,000	1,086,601
Revaluation	3,600	6,110	-	-	-	-	-	-	-	-	(820)	(6,577)	-	-	-	9,710
Disposals	(90,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(97,397)
Write offs	-	-	-	-	-	(19,083)	(297)	(5,078)	(395)	(58)	(1,629)	-	(743,831)	-	-	(26,540)
Transfers	3,753	5,314	58,898	63,962	16,437	595,467	-	-	-	-	-	-	-	-	-	-
Reclassified as held for sale (note 25)	(494,978)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(494,978)
Balance as at June 30, 2020	540,600	914,701	58,898	2,616,071	61,610	4,181,797	475,852	692,464	216,711	2,788	534,848	119,446	325,931	703,146	57,000	11,501,863
Balance as at July 01, 2020	540,600	914,701	58,898	2,616,071	61,610	4,181,797	475,852	692,464	216,711	2,788	534,848	119,446	325,931	703,146	57,000	11,501,863
Additions	-	-	-	-	-	59,820	28,867	24,963	11,548	-	30,469	8,701	353,273	392,422	-	910,063
Revaluation	12,815	41,006	-	-	-	-	-	(4,400)	-	-	(419)	(9,741)	-	-	-	53,821
Disposals	-	-	-	-	-	(3,535)	(7)	(3,511)	(182)	-	(2,773)	-	-	-	-	(14,560)
Write offs	-	-	-	-	-	255,719	-	11,534	212	-	547	2,000	(270,012)	-	-	(10,008)
Transfers	-	-	-	-	-	-	-	-	(5,000)	-	-	-	-	-	-	(5,000)
Transfers to SDSPL	(292,072)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(292,072)
Reclassified as held for sale (note 25)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2021	261,343	955,707	58,898	2,616,071	61,610	4,493,801	504,712	721,050	223,289	2,788	562,672	120,406	409,192	1,095,568	57,000	12,144,107
<b>Depreciation/amortization</b>																
Balance as at July 01, 2019	-	78,112	-	635,962	18,601	1,894,516	206,694	409,870	108,312	1,408	315,031	91,431	-	-	-	3,759,937
Charge for the year	-	10,893	982	75,537	9,371	299,740	46,978	60,823	17,153	248	62,587	8,007	-	173,516	11,084	776,919
On disposals	-	-	-	-	-	-	-	-	-	-	(729)	(4,933)	-	-	-	(5,662)
On write offs	-	-	-	-	-	(14,591)	(297)	(4,468)	(387)	(17)	(1,507)	-	-	-	-	(21,267)
Balance at June 30, 2020	-	89,005	982	711,499	27,972	2,179,665	253,375	466,225	125,078	1,639	375,382	94,505	-	173,516	11,084	4,509,927
Balance as at July 01, 2020	-	89,005	982	711,499	27,972	2,179,665	253,375	466,225	125,078	1,639	375,382	94,505	-	173,516	11,084	4,509,927
Charge for the year	-	12,018	2,945	75,854	12,322	330,331	49,920	58,434	17,452	250	67,758	8,589	-	210,600	19,000	865,473
On disposals	-	-	-	-	-	(2,892)	(3)	(4,400)	-	-	(419)	(9,286)	-	-	-	(14,105)
On write offs	-	-	-	-	-	(2,892)	(3)	(3,211)	(158)	-	(2,767)	-	-	-	-	(9,031)
Balance as at June 30, 2021	-	101,023	3,927	787,353	40,294	2,507,104	303,292	517,048	142,372	1,889	439,954	93,808	-	384,116	30,084	5,352,264
Carrying values as at June 30, 2020	540,600	825,696	57,916	1,904,572	33,638	2,002,132	222,477	226,239	91,633	1,149	159,466	24,941	325,931	529,630	45,916	6,991,936
Carrying value as at June 30, 2021	261,343	854,684	54,971	1,828,718	21,316	1,986,697	201,420	204,002	80,917	899	122,718	26,598	409,192	711,452	26,916	6,791,843
Annual rate of depreciation %	-	1.34-3.03	2.5-10	2.5-10	20	10	10-15	10-15	10	10-20	25	20	-	-	-	33.3

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

**13.1** The Company had its leasehold land revalued in 1999, 2004, 2009, 2014, 2018, 2019, 2020 and 2021 while freehold lands in 2009, 2014, 2018, 2019, 2020 and 2021 by independent valuer, using fair market value basis. These revaluations resulted in net surplus of Rs. 180,873 thousand, Rs. 63,891 thousand, Rs. 392,360 thousand, Rs. 184,284 thousand, Rs. 5,541 thousand, Rs. 57,739 thousand, Rs. 9,710 thousand and Rs. 53,821 thousand respectively.

**13.2** Had there been no revaluation the carrying value would have been as under:

	Cost	Accumulated amortization	Carrying value
<b>Freehold land</b>			
(Rupees in '000')			
<b>2021</b>	<b>234,928</b>	-	<b>234,928</b>
2020	422,843	-	422,843
<b>Leasehold land</b>			
<b>2021</b>	<b>197,646</b>	<b>7,187</b>	<b>190,459</b>
2020	197,646	4,318	193,328

**13.3** Particulars of Company's freehold and leasehold lands are as follow:

Location	Nature	2021	2020
		Area (Kanal)	
Shifa Cooperative Housing Society, Islamabad Expressway	Freehold land	2	27
Motorway, Mouza Noon, Islamabad.	Freehold land	100	100
H-8/4, Islamabad *	Leasehold land	87.8	87.8

\*The covered area includes multi-storey buildings.

**13.4** Property, plant and equipment include items with aggregate cost of Rs. 2,055,773 thousand (2020: Rs. 1,676,452 thousand) representing fully depreciated assets that are still in use of the Company.

**13.5** Property, plant and equipment of the Company are encumbered under an aggregate charge of Rs. 6,810.59 million (2020: Rs. 5,877.25 million) in favor of banking companies under various financing arrangements as disclosed in note 7.

**13.6** The forced sale values (FSV) of the revalued leasehold and freehold lands have been assessed at Rs. 683,747 thousand and Rs. 209,074 thousand respectively.



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

13.7 Detail of property, plant and equipment disposed off during the year, having carrying value of more than Rs. 500 thousand:

Asset particulars	Note	Cost / Carrying value	Carrying value	Sale proceeds	Gain on disposal	Purchaser	Mode of Disposal
( Rupees in '000' )							
Islamabad Motorway Land	25.2	163,125	163,125	173,500	10,375	Various third parties through Softsys (Private) Limited	Negotiation
Shifa Cooperative Housing Society	25.2	25,869	25,869	49,500	23,631	Various third parties	Negotiation
		188,994	188,994	223,000	34,006		
Other assets having carrying value less than Rs. 500,000	13	14,560	455	8,424	7,969		
<b>2021</b>		<b>203,554</b>	<b>189,449</b>	<b>231,424</b>	<b>41,975</b>		
2020		474,289	394,681	861,877	467,196		

		2021	2020
<b>13.8</b>	<b>Capital work-in-progress</b>	<b>Note</b>	<b>(Rupees in '000')</b>
	Construction work-in-progress	13.8.1	135,776
	Stores held for capital expenditure	13.8.2	976
	Installation of equipment in progress		272,440
			409,192
			41,816
			1,870
			282,245
			325,931

13.8.1 This represents design and build works being performed by Shifa Development Services (Private) Limited under two separate agreements with the Company.

		2021	2020
<b>13.8.2</b>	<b>Stores held for capital expenditure</b>	<b>Note</b>	<b>(Rupees in '000')</b>
	Stores held for capital expenditure		4,524
	Less: provision for slow moving items	13.8.2.1	3,548
			976
<b>13.8.2.1</b>	Balance at beginning of the year		2,651
	Charged during the year		897
	Balance at end of the year		3,548
			4,521
			2,651
			1,870
			2,030
			621
			2,651

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

			2021	2020
14	INTANGIBLE ASSETS	Note	(Rupees in '000')	
	Cost		105,185	105,185
	Addition / deletion		-	-
	Accumulated amortization	14.1	(73,842)	(47,771)
	Net book value		31,343	57,414
<b>14.1</b>	<b>Movement in accumulated amortization is as follow:</b>			
	<b>Accumulated amortization:</b>			
	Balance at beginning of the year		47,771	21,474
	Charge during the year		26,071	26,297
	Balance at end of the year		73,842	47,771
<b>14.2</b>	Value of intangibles include cost of Oracle Financials software and other softwares. Amortization of intangibles has been recorded at rate of 25 % (2020: 25%) per annum.			
<b>14.3</b>	Intangible assets include item with aggregate cost of Rs. 10,810 thousand (2020: Rs. Nil) representing fully amortized asset that is still in use of the Company.			

			2021	2020
15	LONG TERM INVESTMENTS - AT COST	Note	(Rupees in '000')	
	<b>In subsidiary companies (unquoted):</b>			
	Shifa Development Services (Private) Limited (SDSPL)	15.2	9,966	9,966
	Shifa Neuro Sciences Institute Islamabad (Private) Limited (SNS)	15.3	1,697,521	1,697,521
	Shifa National Hospital Faisalabad (Private) Limited (SNH Faisalabad)	15.4	455,502	225,268
	Shifa Medical Centre Islamabad (Private) Limited (SMC Islamabad)	15.5	947,488	947,488
	Shifa International DWC-LLC (SIDL)	15.6	23,280	23,280
	<b>In associated company (unquoted):</b>			
	Shifa Care (Private) Limited (SCPL)	15.7	45,001	30,001
			3,178,758	2,933,524

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

15.1 The breakup values of these investments are given below:

	2021	2020
	Rupees / Share	
Shifa Development Services (Private) Limited (SDSPL)	20.93	3.89
Shifa Neuro Sciences Institute Islamabad (Private) Limited (SNS)	10.15	10.07
Shifa National Hospital Faisalabad (Private) Limited (SNH Faisalabad)	12.03	(1.02)
Shifa Medical Centre Islamabad (Private) Limited (SMC Islamabad)	10.05	9.80
Shifa International DWC-LLC (SIDL)	5.19	22.78
Shifa Care (Private) Limited (SCPL)	7.99	7.48

15.2 This represents investment in 1,650,000 (2020: 1,650,000) fully paid ordinary shares of Rs. 10 each of SDSPL. The above investment in ordinary shares represents 55% (2020: 55%) shareholding in SDSPL held by the Company.

15.3 This represents investment in 169,752,100 (2020: 169,752,100) fully paid ordinary shares of Rs. 10 each of SNS. The above investment in ordinary shares represents 100% (2020: 100%) shareholding in SNS held by the Company.

15.4 This represent investment in 45,550,200 (2020: 3,791,442 and 18,735,330 against share deposit money) fully paid ordinary shares of Rs. 10 each of SNH Faisalabad. The above investment in ordinary shares represents 60% (2020: 100%) shareholding in SNH Faisalabad held by the Company.

15.5 This represents investment in 94,748,837 (2020: 94,748,837) ordinary shares of Rs. 10 each of SMC Islamabad. The above investment in ordinary shares represents 56% (2020: 56%) shareholding in SMC Islamabad held by the Company.

15.6 This represents investment in 555,000 (2020: 555,000) ordinary shares of AED 1 each of SIDL in Dubai having a registered office located at Business Center Logistics City, Dubai Aviation City, P.O Box 390667, United Arab Emirates. The above investment in ordinary shares represents 100% (2020: 100%) shareholding held by the Company.

15.7 This represents investment in 4,500,050 (2020: 3,000,050) fully paid ordinary shares of Rs. 10 each of SCPL. The above investment in ordinary shares represents 50% (2020: 50%) shareholding in SCPL held by the Company. Summary of results of SCPL are as under:

	2021	2020
Summarized statement of financial position	(Rupees in '000')	
Current assets	24,767	2,522
Non-current assets	49,641	42,729
Current liabilities	(2,485)	(307)
Net assets	71,923	44,944

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

	2021	2020
<b>Reconciliation to carrying amounts:</b>	<b>(Rupees in '000')</b>	
Opening net assets	44,944	21,739
Total comprehensive loss for the year	(3,021)	(7,904)
Equity	30,000	31,109
Closing net assets	71,923	44,944
Company's share in carrying value of net assets	35,962	22,472
Company's share in total comprehensive income	(1,511)	(3,952)
<b>Summarized statement of profit or loss</b>		
Revenue for the year – Gross	-	-
Loss for the year	(3,021)	(7,904)
Other comprehensive loss for the year	-	-
Total comprehensive loss for the year	(3,021)	(7,904)

**15.7.1** The above information is based on audited financial statements of SCPL.

		2021	2020
<b>16</b>	<b>LONG TERM DEPOSITS</b>	<b>Note</b>	<b>(Rupees in '000')</b>
	Ijarah key money deposits	16.1	18,502
	Less: current portion of Ijarah key money deposits	21	2,596
			-
	Security deposits	16.2	95,834
			15,906
			96,260
			111,740

**16.1** This represents Ijarah key money deposits adjustable on expiry of respective Ijarah financing arrangements against transfer of titles of relevant assets.

**16.2** This represents security deposits given to various institutions/persons and are refundable on termination of relevant services / arrangements.

		2021	2020
<b>17</b>	<b>STORES, SPARE PARTS AND LOOSE TOOLS</b>	<b>Note</b>	<b>(Rupees in '000')</b>
	Stores		150,642
	Spare parts		18,684
	Loose tools		590
			189,180
	Less: provision for slow moving items	17.1	18,604
			23,868
			165,312
<b>17.1</b>	Balance at beginning of the year		17,787
	Charged during the year		817
	Balance at end of the year		23,868



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

## 18 STOCK-IN-TRADE

This represents medicines being carried at moving average cost.

19	TRADE DEBTS	Note	2021 (Rupees in '000')	2020
	Related party - Shifa Foundation	19.1	17,139	17,875
	Related party - SIHT	19.1	24,335	25,783
	Others		970,694	597,551
			<b>1,012,168</b>	641,209
	Less: allowance for expected credit losses	39.1.3	153,011	129,585
			<b>859,157</b>	511,624

**19.1** Maximum amount due from Shifa Foundation and Shifa Integrated Health Technology (Private) Limited (SIHT) at the end of any month during the year was Rs. 21,265 thousand (2020: Rs. 52,502 thousand) and Rs. 70,322 thousand (2020: Rs. 25,783 thousand) respectively.

20	LOANS AND ADVANCES	Note	2021 (Rupees in '000')	2020
	Considered good - secured			
	Executives	20.1	3,291	2,726
	Other employees		14,522	19,517
			<b>17,813</b>	22,243
	Consultants - unsecured		2,825	1,571
	Suppliers / contractors - unsecured		317,021	366,372
			<b>337,659</b>	390,186
<b>20.1</b>	<b>Reconciliation of carrying amount of advances given to executives:</b>			
	Balance at beginning of the year		2,726	3,617
	Disbursements during the year		19,341	11,053
			<b>22,067</b>	14,670
	Less: Repayments during the year		18,776	11,944
	Balance at end of the year		<b>3,291</b>	2,726

**20.1.1** The above advances were given in accordance with the Company's service rules. The maximum amount due from executives at the end of any month during the year was Rs. 5,743 thousand (2020: Rs. 3,383 thousand).

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

21	DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	2021	2020
			(Rupees in '000')	
	Current portion of Ijarah key money deposits	16	15,906	2,596
	Short term prepayments		26,501	22,762
	Other receivables	21.1	87,097	85,925
			129,504	111,283
	Less: allowance for expected credit losses against other receivables	21.2	57,409	17,627
			72,095	93,656

**21.1** This include Rs. Nil (2020: Rs. 14,285 thousand), Rs. 39,782 thousand (2020: Rs. 37,740 thousand) and Rs. 26,656 thousand (2020: Rs. 10,809 thousand) due from Shifa Development Services (Private) Limited (SDSPL), Shifa Pan African Hospitals Limited (SPAHL) and Shifa International DWC LLC (SIDL), respectively. Maximum amount due at the end of any month during the year from SDSPL was Rs. Nil (2020: Rs. 47,792 thousand) while the referred amounts of SPAHL and SIDL represent maximum balances.

21.2	Allowance for expected credit losses against other receivables	Note	2021	2020
			(Rupees in '000')	
	Balance at beginning of the year		17,627	17,627
	Charge during the year	21.2.1	39,782	-
	Balance at end of the year		57,409	17,627

**21.2.1** Due to certain factors including but not limited to Covid-19 pandemic, death of two out of three partners of Fatma properties (project sponsor of Shifa Pan African Hospitals Limited (SPAHL), Dar Es Salaam, Tanzania) and resultantly lack of interest of rest of potential investors etc, both sponsors have agreed to find alternate options to provide investment from other investors for the hospital project. In the meantime, the Company deems it prudent to provide for the expenditure incurred so far till the final agreement will reach.

22	OTHER FINANCIAL ASSETS	Note	2021	2020
			(Rupees in '000')	
	Investment in Term Deposit Receipt - at amortized cost	22.1	3,000	3,000
	Investment in Mutual Fund - at fair value through profit or loss	22.2	619,464	-
			622,464	3,000

**22.1** This represents term deposit receipt (TDR) having face value of Rs. 3 million with three months maturity. Profit payable on monthly basis at the rate ranging from 5% to 6.60% per annum (2020: 6.00% to 12.60% per annum).

**22.2** This represents investment in 6,157,748.3 (2020: Nil) units of UBL Al-Ameen Islamic Cash Fund. Fair value of the investment was determined using quoted repurchase price as at June 30, 2021.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

		2021	2020
<b>23</b>	<b>TAX REFUNDS DUE FROM THE GOVERNMENT (NET OF PROVISION)</b>	<b>Note</b>	<b>(Rupees in '000')</b>
	Balance at the beginning of the year		412,810
	Income tax paid / deducted at source during the year		296,459
			<b>810,698</b>
	Provision for taxation for the year	30	(231,044)
	Balance at the end of the year		478,225
<b>24</b>	<b>CASH AND BANK BALANCES</b>		
	<b>Cash at banks in:</b>		
	<b>Current accounts</b>		
	Local currency		223,305
	Foreign currency		1,893,210
			<b>1,984,182</b>
	<b>Saving accounts:</b>		
	Local currency		258,564
	Foreign currency		168
		24.1	<b>817,378</b>
		24.2	<b>2,801,560</b>
	Cash in hand		19,805
			<b>2,809,697</b>

**24.1** These carry effective profit rates ranging from 0.51% - 6.30% and 0.01% (2020: 2.35% - 9.51% and 0.10%) per annum in respect of local and foreign currency accounts respectively.

**24.2** Balances with banks includes Rs. 112,835 thousand (2020: Rs. 112,391 thousand) in respect of security deposits (Note 10.2).

		2021	2020
<b>25</b>	<b>NON - CURRENT ASSETS HELD FOR SALE</b>	<b>Note</b>	<b>(Rupees in '000')</b>
	Balance at beginning of the year		307,321
	Addition during the year	25.1	494,978
	Disposed off during the year	25.2	(307,321)
	Balance at end of the year	25.3	494,978

**25.1** This represents the carrying value of Rs. 292.07 million of Shifa Cooperative Housing Society land located at Islamabad Expressway measuring 25 kanals (2020: Rs. 104.4 million and Rs. 390.6 million of lands located at Faisalabad and Islamabad Motorways with the area measuring 48.2 kanals and 173.6 kanals respectively).

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

**25.2** During the year the Company has sold its land measuring 72.5 kanals located at Islamabad Motorway and two plots located at Shifa Cooperative Housing Society, Islamabad Expressway (2020: 6.7 kanals located at sector F-11 Islamabad) at a market value of Rs. 173.5 million and Rs. 49.5 million respectively (2020: at a market value of Rs. 760.2 million in consideration of 76,022,500 ordinary shares of subsidiary).

**25.3** Details of freehold lands held for sale at year end are given below:

Location of lands	Note	Area in Kanals
Motorway, Mouza Noon, Islamabad.		101.1
Motorway, chak # 4, Jeem Bay, Tehseel saddar, Faisalabad.	25.3.1	48.2
Shifa Cooperative Housing Society, Islamabad		23.0

**25.3.1** Board of directors of SIHL has decided to transfer this land to Shifa National Hospital Faisalabad (Private) Limited.

26	NET REVENUE	Note	2021	2020
			(Rupees in '000')	
	Inpatients		5,390,908	4,824,613
	Outpatients		3,366,662	2,846,938
	Pharmacy	26.1	5,271,449	4,294,236
	Other services	26.2	342,755	320,349
			14,371,774	12,286,136
	Less: discount		128,866	119,154
	Less: Sales tax		23,190	15,220
	Net revenue		14,219,718	12,151,762

**26.1** This includes revenue of Rs. 690,806 thousand (2020: Rs. 500,068 thousand) from external pharmacy outlets.

**26.2** This represents Rs. 301,369 thousand (2020: Rs. 298,888 thousand), Rs. 15,297 thousand (2020: Rs. 21,461 thousand) and Rs. 26,089 thousand (2020: Nil) against cafeteria sales, operating leases to related parties / other parties and corporate services to subsidiaries / associate respectively.

**26.3** The net revenue is excluding physician share of Rs. 1,302,168 thousand (2020: 1,029,891 thousand).

27	OTHER INCOME	Note	2021	2020
			(Rupees in '000')	
	<b>Income from financial assets:</b>			
	Profit on bank deposits		8,482	12,302
	Dividend income from mutual fund - investments at fair value through profit or loss		22,225	-
	Un-realized gain on investments at fair value through profit or loss		573	-
			31,280	12,302



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

		2021	2020
		(Rupees in '000')	
	Note		
<b>Income from other than financial assets:</b>			
Gain on disposal of tangible assets		41,975	471,572
Gain on foreign currency translation		-	113,740
Liabilities written back		478	8,113
Sale of scrap - net of sales tax		9,658	14,595
Miscellaneous		24,088	16,897
		<b>76,199</b>	624,917
		<b>107,479</b>	637,219
<b>28</b>	<b>OPERATING COSTS</b>		
Salaries, wages and benefits	28.1	4,803,017	4,647,038
Utilities		542,751	538,578
Supplies consumed		1,623,965	1,262,992
Medicines consumed		3,815,914	3,168,954
Communication		40,619	38,140
Travelling and conveyance		11,638	23,316
Printing and stationery		104,623	98,978
Repairs and maintenance		589,211	489,401
Auditors' remuneration	28.2	3,861	4,202
Legal and professional		25,623	20,706
Rent		12,773	13,976
Rates and taxes		17,706	18,569
Advertising and sales promotion		48,317	40,843
Fee, subscription and membership		58,796	77,643
Vehicle and equipment rentals	28.3	8,874	26,894
Cleaning and washing		120,628	121,289
Insurance		12,600	13,921
Property, plant and equipment written off	28.4	977	5,273
Provision for slow moving stores		6,161	1,438
Depreciation/amortization on tangible assets	13 & 28.6	865,473	791,810
Amortization on intangible assets	14	26,071	26,297
Exchange loss on foreign currency translation		116,336	-
Donation	28.5	-	8,000
Miscellaneous		43,466	42,394
		<b>12,899,400</b>	11,480,652

**28.1** This include employee retirement benefits (gratuity) of Rs. 143,917 thousand (2020: Rs. 123,824 thousand), expense for compensated absences of Rs. 46,378 thousand (2020: Rs. 46,706 thousand) and bonus to employees of Rs. 190,931 thousand (2020: Rs. 59,269 thousand).

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

	2021	2020
<b>28.2 Auditors' remuneration</b>	<b>(Rupees in '000')</b>	
Annual audit fee	1,973	1,790
Half yearly review fee	1,048	904
Statutory certifications	840	1,508
	<b>3,861</b>	<b>4,202</b>

**28.2.1** The above fee is inclusive of sales tax amounting to Rs. 526 thousand (2020: Rs. 636 thousand).

**28.3** This include ujarah payments under an Ijarah. As required under Islamic Financial Accounting Standard (IFAS 2) "Ijarah" (notified through SRO 431 (I)/2007 by Securities & Exchange Commission of Pakistan) ujarah payments under an Ijarah are recognized as an expense in the statement of profit or loss on straight line basis over the Ijarah term.

The amounts of future ujarah payments and the periods in which these will be due are as follows:

	2021	2020
	<b>(Rupees in '000')</b>	
Within one year	12,447	9,272
After one year but not more than five years	-	12,491
Total ujarah payments	<b>12,447</b>	<b>21,763</b>

**28.4** This represents assets written off that were determined to be irreparable after carrying out detailed physical verification exercised by the management.

## **28.5 Donation**

This represented donation given to Shifa Tameer-e-Millat University (STMU) which is related party of the Company due to common directorship as detailed below:

Name of common directors	Interest in donee	Address of the donee
Dr. Manzoor H. Qazi	Director	H-8/4, Islamabad
Dr. Habib ur Rahman	Director	H-8/4, Islamabad
Dr. Samea Kauser Ahmad	Director	H-8/4, Islamabad

**28.6** This include amortization on investment property amounting to Rs. Nil (2020: Rs.14,925 thousand) disposed off during the last year.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

			2021	2020
29	FINANCE COSTS	Note	(Rupees in '000')	
	<b>Mark-up on:</b>			
	Long term loans - secured		255,567	384,102
	Running finance and murabaha facilities		-	1,291
	Lease liabilities		72,920	65,976
	Credit card payment collection charges		30,698	21,175
	Bank charges and commission		1,190	6,054
			<b>360,375</b>	478,598
<b>30</b>	<b>PROVISION FOR TAXATION</b>			
	Current			
	- for the year		339,332	229,025
	- prior year		-	2,019
		23	339,332	231,044
	Deferred		(75,363)	61,218
			<b>263,969</b>	292,262
<b>30.1</b>	<b>Reconciliation of tax charge for the year</b>			
	Profit before taxation		963,893	797,453
	Provision for taxation		263,969	292,262
			<b>(Percentage)</b>	
	Effective tax rate		27.39%	36.65%
	<b>Reconciliation of effective tax rate</b>			
	Applicable tax rate		29.00%	29.00%
	Add: Net tax effects of amounts that are inadmissible for tax purposes/others		37.83%	35.13%
	Less: Net tax effect of amounts that are deductible for tax purposes/others		39.44%	27.48%
	Average effective tax rate charged on income		<b>27.39%</b>	36.65%

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

			2021	2020
31	EARNINGS PER SHARE - BASIC AND DILUTED	Note	(Rupees in '000')	
	Profit after taxation for the year		699,924	505,191
			(Numbers in '000')	
	Weighted average number of ordinary shares in issue during the year	31.1	61,975	61,752
			(Rupees)	
	Earnings per share - basic and diluted		11.29	8.18

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

## 32 CAPACITY UTILIZATION

The actual inpatient available bed days, occupied bed days and room occupancy ratio of SIHL are given below:

	2021	2020	2021	2020	2021	2020
	Available bed days		Occupied bed days		Occupancy Ratio	
SIHL H-8/4 Islamabad	184,023	179,842	102,702	105,629	55.81%	58.73%
SIHL Faisalabad	28,105	18,538	6,498	5,247	23.12%	28.30%

32.1 The under utilization reflects the pattern of patient turnover which is beyond the management's control.

			2021	2020
33	UNAVAILED CREDIT FACILITIES		(Rupees in '000')	
	Unavailed credit facilities at year end are as under:			
	Running / Murabaha financing		-	500,000
	Letter of credit		100,000	400,000
	Diminishing Musharakah		51,962	100,763
	Ijarah financing		51,709	71,736
	Running Musharkah		500,000	-
	Letter of gurantee		23,666	16,100
	SBP refinance scheme (Capex)		252,356	200,000
			979,693	1,288,599

## 34 NUMBER OF EMPLOYEES

The Company had 5,047 employees (2020: 4,787) at the year end and average number of employees during the year were 4,915 (2020: 4,817).



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

## 35 RELATED PARTIES 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.

Related parties transactions / balances are given below:

		2021	2020
	Note	(Rupees in '000')	
<b>Shifa Foundation:</b>			
<b>Opening balance - receivable</b>		17,875	28,647
Revenue from services earned by the Company	35.1	12,607	144,556
Revenue from rent earned by the Company		600	600
Expenses paid and reimbursed to the Company		23	7,701
Other services provided to the Company		(3,424)	(16,076)
Revenue from COVID -19 clinical trial services	35.2	16,498	-
Receipts / adjustments		(27,040)	(147,553)
<b>Closing balance - receivable</b>		17,139	17,875
<b>Tameer-e-Millat Foundation:</b>			
<b>Opening balance - payable</b>		(11,978)	(11,789)
Revenue from rent earned by the Company		311	311
Supplies provided to the Company	35.3	(79,335)	(35,780)
Other services provided to the Company	35.4	(22,320)	(18,946)
Rental services received by the Company		(4,942)	(8,490)
Payments / adjustments		105,191	62,716
<b>Closing balance - payable</b>		(13,073)	(11,978)
<b>Shifa Tameer-e-Millat University:</b>			
<b>Opening balance - payable</b>		(27,468)	(24,074)
Revenue from services earned by the Company	35.1	11,294	33,791
Revenue from rent earned by the Company		2,907	9,648
Other services provided to the Company	35.4	(53,780)	(68,283)
Expenses paid by and reimbursed to the Company		2,968	12,239
Donation paid by the Company		-	(8,000)
Payments / adjustments		59,038	17,211
<b>Closing balance - payable</b>		(5,041)	(27,468)

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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		2021	2020
	Note	(Rupees in '000')	
<b>Shifa Integrated Health Technology (Private) Limited</b>			
<b>Opening balance - receivable</b>		25,783	-
Revenue from services earned by the Company	35.1	351,638	51,858
Expenses paid by and reimbursed to the Company		4,850	739
Other services provided to the Company	35.4	(22,414)	(11,672)
Receipts / adjustments		(335,522)	(15,142)
<b>Closing balance - receivable</b>		24,335	25,783
<b>Shifa Development Services (Private) Limited</b>			
<b>Opening Balance - receivable</b>		14,285	1,984
Revenue from rent earned by the Company		820	-
Expenses paid by and reimbursed to the Company		190	1,207
Other services provided to the Company	35.4	(84,749)	(49,350)
Furniture and improvements sold by the Company		5,000	-
Payments / adjustments		19,847	60,444
<b>Closing balance - (payable) / receivable</b>		(44,607)	14,285
<b>Shifa Medical Center Islamabad (Private) Limited</b>			
<b>Opening balance</b>		-	-
Investment made by the Company in Nil (2020: 94,748,737) ordinary shares		-	(947,487)
Other services provided by the Company	35.4	10,229	-
Receipt / adjustments		(10,229)	947,487
<b>Closing balance</b>		-	-
<b>Shifa National Hospital Faisalabad (Private) Limited</b>			
<b>Opening balance</b>		-	-
Investment made by the Company in 23,023,428 (2020: 22,526,672) ordinary shares		(230,234)	(225,267)
Other services provided by the Company	35.4	10,229	-
Payments / adjustments		220,005	225,267
<b>Closing balance</b>		-	-
<b>Shifa Neuro Sciences Institute Islamabad (Private) Limited</b>			
<b>Opening balance</b>		-	-
Investment made by the Company in Nil (2020: 169,752,000) ordinary shares		-	(1,697,520)
Rent paid by the Company		(64,719)	-
Other services provided by the Company	35.4	4,795	-
Payments / adjustments		59,924	1,697,520
<b>Closing balance</b>		-	-

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	Note	2021 (Rupees in '000')	2020
<b>Shifa International DWC-LLC</b>			
<b>Opening balance - receivable</b>		<b>10,809</b>	-
Receipts / adjustments		<b>26,204</b>	13,388
Patient referral services provided to the Company		<b>(10,357)</b>	(2,579)
<b>Closing balance - receivable</b>		<b>26,656</b>	10,809
<b>Shifa Care (Private) Limited</b>			
<b>Opening balance</b>		-	-
Investment made by the Company in 1,500,000 (2020: 3,000,000) ordinary shares		<b>(15,000)</b>	(30,000)
Other services provided by the Company	<b>35.4</b>	<b>836</b>	-
Revenue from rent earned by the Company		-	3,960
Expenses paid by and reimbursed to the Company		<b>50</b>	3,356
Receipts / adjustments		<b>14,114</b>	22,684
<b>Closing balance</b>		-	-
<b>SIHL Employees' Gratuity Fund</b>			
<b>Opening balance - payable</b>		<b>(196,221)</b>	(123,128)
Provision / OCI charge		<b>(189,841)</b>	(146,366)
Payment made by the Company during the year	<b>35.5</b>	<b>134,468</b>	73,273
<b>Closing balance - payable</b>		<b>(251,594)</b>	(196,221)
<b>Remuneration including benefits and perquisites of key management personnel</b>	<b>35.6</b>	<b>333,771</b>	325,554

**35.1** Revenue earned from related parties includes medical, surgical, clinical and lab services rendered to referred inpatients and outpatients, sale of medicines and provision of cafeteria services. These transactions are executed on terms agreed between the parties.

**35.2** This represents the amount received from Shifa Foundation (SF) against provision of logistical support / supplies etc. for the clinical trial of Covid Vaccine (the Project). The Project is sponsored by National Institute of Health (NIH) and originally given to the Company which has contractual collaborative arrangement (the Arrangement) in place with SF whereby the Project was deemed assigned to SF and under the Arrangement Company was entitled for recovery against supplies / services provided.

**35.3** This mainly includes cafeteria supplies, uniforms and dairy products etc. These transactions are executed on terms agreed between the parties.

**35.4** This represents services of nursing education / training, employees' children education, media and consultancy services. These transactions are based on terms agreed between the parties.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

- 35.5** Transactions with the Fund are carried out based on the terms of employment of employees and according to actuarial advice.
- 35.6** This includes employee retirement benefits (gratuity) amounting to Rs. 20,342 thousand (2020: Rs. 15,497 thousand).
- 35.7** Basis of relationship with related parties with whom the Company had entered into transactions or had agreements and / or arrangements in place during the financial year are as follow:

Sr #	Name of related party (RP)	Basis of relationship	Percentage of	
			Company's shareholding in RP	RP's shareholding in the Company
1	Shifa Foundation	Common Directorship	N/A*	0.92%
2	Tameer-e-Millat Foundation	Common Directorship	N/A	12.57%
3	SIHL Employees' Gratuity Fund	Benefit Plan	N/A	0.12%
4	Shifa Tameer-e-Millat University	Common Directorship	N/A	0.02%
5	Shifa Development Services (Private) Limited	Subsidiary & Common Directorship	55%	Nil
6	Shifa Neuro Sciences Institute Islamabad (Private) Limited	Subsidiary & Common Directorship	100%	Nil
7	Shifa National Hospital Faisalabad (Private) Limited	Subsidiary & Common Directorship	60%	Nil
8	Shifa Medical Centre Islamabad (Private) Limited	Subsidiary & Common Directorship	56%	Nil
9	Shifa International DWC LLC	Subsidiary & Common Directorship	100%	Nil
10	Shifa CARE (Private) Limited	Associate & Common Directorship	50%	Nil
11	Shifa Integrated Health Technology (Private) Limited	Common Directorship	N/A	N/A
12	International Finance Corporation (IFC)	Associate	Nil	12%

\*N/A stands for not applicable.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

## 36 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these financial statements in respect of remuneration and allowances, including all benefits, to chief executive, directors and executives of the Company are given below:

	Chief Executive		Executive Directors		Non Executive Directors		Executives	
	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees in '000')							
Managerial remuneration	45,240	45,352	24,405	22,183	8,800	7,855	182,837	180,544
Rent and utilities	6,190	6,205	2,722	2,474	1,266	1,567	35,978	32,676
Annual bonus	1,650	2,090	-	3,251	-	307	7,394	9,788
Gratuity	-	-	-	-	-	-	20,342	15,497
Medical insurance	76	-	76	64	293	61	1,805	1,837
Leave encashment	-	-	4,335	-	-	-	6,338	5,953
	<b>53,156</b>	<b>53,647</b>	<b>31,538</b>	<b>27,972</b>	<b>10,359</b>	<b>9,790</b>	<b>254,694</b>	<b>246,295</b>
Number of persons	1	1	1	1	8	8	33	38

**36.1** In addition to above, the chief executive is provided with a Company maintained car, while one other director and twenty six executives availed car facility.

**36.2** Managerial remuneration includes Rs. 3,450 thousand (2020: Rs. 2,700 thousand) paid to directors in respect of meeting attending fee.

**36.3** Traveling expenses of directors for official purposes are reimbursed by the Company.

## 37 CASH AND CASH EQUIVALENTS

	Note	2021	2020
Investment in Term Deposit Receipt - at amortized cost	22	3,000	3,000
Cash and bank balances	24	2,809,697	2,395,052
		<b>2,812,697</b>	<b>2,398,052</b>



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

38	RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES	2021					2020								
		Long term financing	Liabilities Government Grant	Lease liabilities	Share capital	Equity Share premium	Unappropriated profit	Total	Long term financing	Liabilities Government Grant	Lease liabilities	Share capital	Equity Share premium	Unappropriated profit	Total
		(Rupees in '000')													
	<b>Balance at beginning of the year</b>	3,378,465	53,193	565,518	619,749	2,751,283	3,636,170	11,004,378							
	<b>Changes from financing cash flows</b>														
	Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Proceeds	633,450	-	-	-	-	-	633,450	-	-	-	-	-	-	-
	Repayments	(381,608)	-	-	-	-	-	(381,608)	-	-	-	-	-	-	-
	Repayments of lease liabilities	-	-	(234,608)	-	-	-	(234,608)	-	-	-	-	-	-	-
	Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Grant received	-	82,630	-	-	-	-	82,630	-	-	-	-	(1,507)	-	
	Total changes from financing cash flows	251,842	82,630	(234,608)	-	-	-	82,630	-	-	-	-	(1,507)	98,357	
	<b>Other changes</b>														
	Liability related	66,196	-	453,761	-	-	-	519,957	-	-	-	-	-	-	-
	Equity related	-	-	-	-	-	-	-	667,318	-	-	-	-	-	-
	Total comprehensive changes	-	-	-	-	-	-	519,957	667,318	-	-	-	-	-	-
	Other changes in appropriate profit	-	-	-	-	-	-	-	21,771	-	-	-	-	-	-
	Changes in unclaimed dividend	-	-	-	-	-	-	-	1,507	-	-	-	-	-	-
	Amortisation of government grant	-	(66,196)	-	-	-	-	(66,196)	-	-	-	-	-	-	-
	Total of liability and equity related changes	-	(66,196)	-	-	-	-	(66,196)	690,596	-	-	-	-	-	-
	<b>Balance at end of the year</b>	<b>3,696,503</b>	<b>69,627</b>	<b>784,671</b>	<b>619,749</b>	<b>2,751,283</b>	<b>4,325,259</b>	<b>12,247,092</b>							
		2020													
	<b>Balance at beginning of the year</b>	2,498,776	-	418,714	545,379	1,046,025	3,283,636	7,792,530							
	<b>Changes from financing cash flows</b>														
	Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Proceeds	1,014,133	-	-	-	-	-	1,014,133	-	-	-	-	-	-	-
	Repayments	(140,214)	-	-	-	-	-	(140,214)	-	-	-	-	-	-	-
	Repayments of lease liabilities	-	-	(194,137)	-	-	-	(194,137)	-	-	-	-	-	-	-
	Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Grant received	-	58,963	-	-	-	-	58,963	-	-	-	-	(170,042)	-	
	Total changes from financing cash flows	873,919	58,963	(194,137)	-	-	-	58,963	-	-	-	-	(170,042)	-	
	<b>Other changes</b>														
	Liability related	5,770	-	340,941	-	-	-	346,711	-	-	-	-	-	-	-
	Equity related	-	-	-	-	-	-	-	489,187	-	-	-	-	-	-
	Total comprehensive changes	5,770	-	340,941	-	-	-	346,711	489,187	-	-	-	-	-	-
	Other changes in appropriate profit	-	-	-	-	-	-	-	21,383	-	-	-	-	-	-
	Changes in unclaimed dividend	-	-	-	-	-	-	-	12,006	-	-	-	-	-	-
	Amortisation of government grant	-	(5,770)	-	-	-	-	(5,770)	-	-	-	-	-	-	-
	Total of liability and equity related changes	-	(5,770)	-	-	-	-	(5,770)	522,576	-	-	-	-	-	-
	<b>Balance at end of the year</b>	<b>3,378,465</b>	<b>53,193</b>	<b>565,518</b>	<b>619,749</b>	<b>2,751,283</b>	<b>3,636,170</b>	<b>11,004,378</b>							

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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## 39 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

Credit risk

Liquidity risk

Market risk

### Risk management framework

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

### 39.1 Credit risk

Credit risk represents the financial loss that would be recognized at the reporting date if counter-parties failed completely to perform as contracted. The Company does not have significant exposure to any individual counter-party. To reduce exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management also regularly monitors the credit exposure towards the customers and makes allowance for ECLs for those credit exposure. Furthermore, the Company has credit control in place to ensure that services are rendered to customers with an appropriate credit history.

#### 39.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2021	2020
	(Rupees in '000')	
Deposits	96,260	95,834
Trade debts	859,157	511,624
Other receivables	29,688	68,298
Markup accrued	677	253
Other financial assets	622,464	3,000
Bank balances	2,801,560	2,375,247
	<b>4,409,806</b>	3,054,256

The Company is exposed to credit risk from its operating and short term investing activities. The Company's credit risk exposures are categorized under the following headings:

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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## 39.1.2 Counterparties

The Company conducts transactions with the following major types of counterparties:

### Trade debts

Trade debts are essentially due from government companies / institutions, private companies (panel companies) and individuals to whom the Company is providing medical services. Normally the services are rendered to the panel companies on agreed rates and limits from whom the Company does not expect any inability to meet their obligations. The Company manages credit risk in trade debts by limiting significant exposure to the customers not having good credit history. Furthermore, the Company has credit control in place to ensure that services are rendered to customers with an appropriate credit history and makes allowance for ECLs against those balances considered doubtful of recovery.

### Bank balances and investments

The Company limits its exposure to credit risk by investing in liquid securities and maintaining bank accounts only with counterparties that have a high credit ratings and therefore management does not expect any counterparty to fail to meet its obligations.

The maximum exposure to credit risk for trade debts at the reporting date by type of customer was:

	2021	2020
	(Rupees in '000')	
Government companies	632,053	324,556
Private companies	198,282	150,204
Individuals	140,359	122,791
Related parties	41,474	43,658
	<b>1,012,168</b>	641,209

## 39.1.3 Impairment losses

The aging of trade debts at the reporting date was:

	2021		2020	
	Gross debts	Allowance for ECL	Gross debts	Allowance for ECL
	(Rupees in '000')			
Not past due	254,806	-	166,662	-
1 - 4 months	357,614	21,481	262,290	50,608
5 - 7 months	155,994	27,545	65,209	10,491
8 - 12 months	119,806	44,095	37,111	10,824
Above 12 months	123,948	59,890	109,937	57,662
	<b>1,012,168</b>	<b>153,011</b>	641,209	129,585

The movement in the allowance for impairment in respect of trade debts during the year was as follows:

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

		2021	2020
	Note	(Rupees in '000')	
Balance at beginning of the year		129,585	97,307
Add: Expected credit losses		63,747	32,278
Less: bad debts written off		40,321	-
Balance at end of the year	19	153,011	129,585

**39.1.4** The Company believes that no impairment allowance is necessary in respect of markup accrued, deposits, other receivables and other financial assets as the recovery of such amounts is possible except in case of other receivables for which impairment loss has been recorded (Note 21.2.1).

The ageing of Shifa Foundation (SF), Shifa Integrated Health Technology (Private) Limited (SIHT) and Shifa Pan African Hospitals Limited (SPAH) at the reporting date was:

		2021		2020	
		Gross debts / Other receivables	Allowance for ECL	Gross debts / Other receivables	Allowance for ECL
	Note	(Rupees in '000')			
<b>SF</b>					
1 - 4 months	19	17,139	-	17,875	-
<b>SIHT</b>					
1 - 4 months	19	24,335	-	25,783	-
<b>SPAH</b>					
1 - 4 months		-	-	-	-
5 - 7 months	21.2	2,042	2,042	-	-
8 - 12 months	21.2	-	-	37,740	-
Above 12 months	21.2	37,740	37,740	-	-

**39.1.5** Cash and investments are held only with reputable banks and their mutual funds with high quality external credit rating assessed by external rating agencies. Following are the credit ratings of banks with which balances are held or credit lines available:

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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Bank	Rating Agency	Rating	
		Short term	Long term
Habib Bank Limited	JCR - VIS	A1+	AAA
United Bank Limited (UBL)	JCR - VIS	A1+	AAA
MCB Bank Limited	PACRA	A1+	AAA
Dubai Islamic Bank	JCR - VIS	A1+	AA
The Bank of Punjab	PACRA	A1+	AA+
Askari Bank Limited	PACRA	A1+	AA+
Faysal Bank Limited	JCR - VIS	A1+	AA
Bank Alfalah Limited	PACRA	A1+	AA+
Bank Al Habib Limited	PACRA	A1+	AAA
Silk Bank Limited	JCR - VIS	A2	A-
Meezan Bank Limited	JCR - VIS	A1+	AAA
Al Baraka Bank (Pakistan) Limited	JCR - VIS	A1	A+
UBL - Al Ameen Islamic Cash Fund	JCR - VIS	-	AA+(f)

## 39.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. For this purpose the Company has credit facilities as mentioned in notes 7 and 33 to the financial statements. Further liquidity position of the Company is monitored by the board through budgets, cash flow projections and comparison with actual results.

Following is the maturity analysis of financial liabilities:

	Carrying amount	Six months or less	Six to twelve months	One to two years	Two to five years	Above five years
<b>2021</b>	<b>(Rupees in '000')</b>					
Long term financing- secured	3,766,130	665,362	740,360	1,284,106	1,076,302	-
Trade and other payables	2,695,928	2,695,928	-	-	-	-
Unclaimed dividend	35,158	35,158	-	-	-	-
Mark up accrued	16,913	16,913	-	-	-	-
	6,514,129	3,413,361	740,360	1,284,106	1,076,302	-



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

2020	Carrying amount	Six months or less	Six to twelve months	One to two years	Two to five years	Above five years
	(Rupees in '000')					
Long term financing-secured	3,431,658	1,439	289,117	1,090,410	2,050,692	-
Trade and other payables	2,508,729	2,508,729	-	-	-	-
Unclaimed dividend	36,665	36,665	-	-	-	-
Mark up accrued	34,784	34,784	-	-	-	-
	6,011,836	2,581,617	289,117	1,090,410	2,050,692	-

Maturity analysis of lease liabilities is given in note 9.

## 39.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, markup rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. The Company is exposed to currency, mark up rate and market price risk.

### 39.3.1 Foreign currency risk

#### Exposure to foreign currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings and cash in foreign currency bank account. The Company's exposure to foreign currency risk is as follows:

	2021			2020		
	(Amount in '000')					
	Euro	USD	AED	Euro	USD	AED
Bank balances	-	10,587.93	-	-	11,264.76	24.86
Receivables	-	-	622.57	-	-	236.35
Letter of credit	(62.00)	(285.65)	-	(58.50)	-	-
	(62.00)	10,302.28	622.57	(58.50)	11,264.76	261.21
	(Rupees in '000')					
Bank balances	-	1,663,668	-	-	1,892,241	1,137
Receivables	-	-	26,656	-	-	10,809
Letter of credit	(11,622)	(44,988)	-	(11,047)	-	-
	(11,622)	1,618,680	26,656	(11,047)	1,892,241	11,946

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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The following significant exchange rates applied during the year:

	Average rate		Closing rate	
	2021	2020	2021	2020
	(Rupees)			
USD 1 - Buying	160.10	158.07	157.13	167.98
USD 1 - Selling	160.47	158.45	157.49	168.35
AED 1 - Buying	43.59	43.03	42.82	45.73
AED 1 - Selling	43.69	43.13	42.91	45.83
Euro 1 - Buying	190.92	174.85	187.04	188.43
Euro 1 - Selling	191.34	175.26	187.45	188.84

## Foreign currency sensitivity analysis

A 10 percent variation of PKR against USD, AED and EURO at June 30 would have effected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular markup rates, remain constant.

	Change in Foreign Exchange Rates	Effect on Profit	Effect on Equity
	%	(Rupees in '000')	
<b>2021</b>			
Foreign currencies	+10%	163,371	163,371
Foreign currencies	-10%	(163,371)	(163,371)
<b>2020</b>			
Foreign currencies	+10%	189,314	189,314
Foreign currencies	-10%	(189,314)	(189,314)

### 39.3.2 Markup rate risk

The markup rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from long term financing, short term investments and deposits with banks. At the reporting date the markup rate profile of the Company's markup-bearing financial instruments are:

	Note	2021	2020
		(Rupees in '000')	
<b>Financial assets</b>			
Investment - at amortized cost	22	3,000	3,000
Bank balances	24	817,378	258,732
		<b>820,378</b>	261,732

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

		2021	2020
	Note	(Rupees in '000')	
<b>Financial liabilities</b>			
Long term financing - secured	7	(3,766,130)	(3,431,658)
		<b>(2,945,752)</b>	<b>(3,169,926)</b>

The effective markup rates for the financial assets and liabilities are mentioned in respective notes to the financial statements.

### Markup rate sensitivity analysis

If markup rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended June 30, 2021 would decrease / increase by Rs. 10,348 thousand (2020: decrease / increase by Rs. 14,536 thousand). This is mainly attributable to the Company's exposure to markup rates on its variable rate borrowings.

### 39.3.3 Price risk

The Company's price risk arises from investments in units as disclosed in - note 22.2 which are designated at fair value through profit or loss, however, in accordance with the investment strategy the performance of units is actively monitored and they are managed on a fair value basis.

### Price risk sensitivity analysis

A change of Rs. 1 in the value of investments at fair value through profit or loss would have increased or decreased profit or loss by Rs. 8,744 thousand (2020:Nil)

### 39.4 Financial instrument by category

	Amortized cost	Fair value through profit or loss	Fair value through other comprehensive income	Total
2021	(Rupees in '000')			
<b>Financial assets</b>				
<b>Maturity upto one year</b>				
Trade debts	859,157	-	-	859,157
Other receivables	29,688	-	-	29,688
Markup accrued	677	-	-	677
Other financial assets	3,000	619,464	-	622,464
Cash and bank balances	2,809,697	-	-	2,809,697
<b>Maturing after one year</b>				
Long term deposits	96,260	-	-	96,260
	<b>3,798,479</b>	<b>619,464</b>	-	<b>4,417,943</b>

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

	Amortized cost	Fair value through profit or loss	Fair value through other comprehensive income	Total
2021	(Rupees in '000')			
<b>Financial liabilities</b>				
<b>Maturing upto one year</b>				
Trade and other payables	2,695,928	-	-	2,695,928
Unclaimed dividend	35,158	-	-	35,158
Markup accrued	16,913	-	-	16,913
Current portion of long term financing - secured	1,405,722	-	-	1,405,722
Current portion of lease liabilities	177,633	-	-	177,633
<b>Maturing after one year</b>				
Long term financing - secured	2,360,408	-	-	2,360,408
Lease liabilities	607,038	-	-	607,038
	<b>7,298,800</b>	-	-	<b>7,298,800</b>
2020				
<b>Financial assets</b>				
<b>Maturity upto one year</b>				
Trade debts	511,624	-	-	511,624
Other receivables	68,298	-	-	68,298
Markup accrued	253	-	-	253
Other financial assets	3,000	-	-	3,000
Cash and bank balances	2,395,052	-	-	2,395,052
<b>Maturing after one year</b>				
Long term deposits	95,834	-	-	95,834
	<b>3,074,061</b>	-	-	<b>3,074,061</b>
<b>Financial liabilities</b>				
<b>Maturing upto one year</b>				
Trade and other payables	2,508,729	-	-	2,508,729
Unclaimed dividend	36,665	-	-	36,665
Markup accrued	34,784	-	-	34,784
Current portion of long term financing - secured	290,556	-	-	290,556
Current portion of lease liabilities	183,064	-	-	183,064
<b>Maturing after one year</b>				
Long term financing - secured	3,141,102	-	-	3,141,102
Lease liabilities	382,454	-	-	382,454
	<b>6,577,354</b>	-	-	<b>6,577,354</b>

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

## 39.5 Fair value

### Fair value versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

	2021		2020	
	Carrying value	Fair value	Carrying value	Fair value
<b>Assets carried at amortized cost</b>	<b>(Rupees in '000')</b>			
Long term deposits	96,260	96,260	95,834	95,834
Trade debts	859,157	859,157	511,624	511,624
Other receivables	29,688	29,688	68,298	68,298
Markup accrued	677	677	253	253
Other financial assets	3,000	3,000	3,000	3,000
Cash and bank balances	2,809,697	2,809,697	2,395,052	2,395,052
	<b>3,798,479</b>	<b>3,798,479</b>	3,074,061	3,074,061
<b>Assets carried at fair value</b>				
Other financial assets	619,464	619,464	-	-
<b>Liabilities carried at amortized cost</b>				
Long term financing - secured	2,360,408	2,360,408	3,141,102	3,141,102
Lease liabilities	607,038	607,038	382,454	382,454
Trade and other payables	2,695,928	2,695,928	2,508,729	2,508,729
Unclaimed dividend	35,158	35,158	36,665	36,665
Markup accrued	16,913	16,913	34,784	34,784
Current portion of long term financing - secured	1,405,722	1,405,722	290,556	290,556
Current portion of lease liabilities	177,633	177,633	183,064	183,064
	<b>7,298,800</b>	<b>7,298,800</b>	6,577,354	6,577,354

The basis for determining fair values is as follows:

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. For instruments carried at amortized cost, since the majority of the interest bearing investments are variable rate based instruments, there is no difference in carrying amount and the fair value. Further, for fixed rate instruments, since there is no significant difference in market rate and the rate of instrument and therefore most of the fixed rate instruments are short term in nature, fair value significantly approximates to carrying value.



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

## 40 FAIR VALUE HIERARCHY

### Other financial assets

Fair value of investment in mutual funds (Note 22.2) has been determined using quoted repurchase price at reporting date and categorized under level 1 of fair value hierarchy.

### Fair value of land

Lands owned by the Company are valued by independent valuers to determine the fair values of lands as at reporting date. The fair value of lands subject to revaluation model fall under level 2 of fair value hierarchy.

There were no transfer amongst the levels during the year. Further, there were no changes in the valuation techniques during the year.

## 41 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to ensure the Company's ability not only to continue as a going concern but also to meet its requirements for expansion and enhancement of its business, maximize return of shareholders and optimize benefits for other stakeholders to maintain an optimal capital structure and to reduce the cost of capital.

In order to achieve the above objectives, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares through bonus or right issue or sell assets to reduce debts or raise debts, if required.

## 42 DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX

		2021	2020
Description	Explanation	(Rupees in '000')	
Bank balances	Placed under interest	285,248	89,278
	Placed under sharia permissible arrangement	532,130	169,454
		817,378	258,732
Return on bank deposit for the year	Placed under interest	3,986	3,222
	Placed under sharia permissible arrangement	4,337	8,702
		8,323	11,924
Interest and dividend income on investment for the year	Placed under interest	159	378
	Placed under sharia permissible arrangement	22,225	-
		22,384	378
Segment revenue	Disclosed in note 26		
Exchange gain earned		-	113,740
Loans obtained as per Islamic mode		2,788,360	2,931,012
Mark up paid on Islamic mode of financing		305,325	406,082
Interest paid on any conventional loan		-	2,162

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

## **Relationship with sharia compliant banks**

The Company has obtained long term loans and has maintained bank balances and term deposits with sharia compliant banks as given below:

- Askari Bank Limited
- Al-Baraka Bank (Pakistan) Limited
- Habib Bank Limited
- Faysal Bank Limited
- Bank Alfalah Limited
- The Bank Of Punjab
- Meezan Bank Limited
- Dubai Islamic Bank

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## **43 OPERATING SEGMENTS**

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The financial statements have been prepared on the basis of single reportable segment. All revenue of the Company is earned from customers located in Pakistan. All non-current assets of the Company at June 30, 2021 are located in Pakistan. There is no segment with more than 10% of total revenue of the Company for the year.

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## **44 IMPACT OF COVID-19 (CORONA VIRUS)**

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A novel strain of coronavirus (COVID-19) classified as a pandemic by the World Health Organization on 11 March 2020 has impacted the countries globally including Pakistan. Due to this pandemic during last financial year the operations of the hospital were interrupted that resulted shortfalls against budgeted revenues and cash flows. Consequently, the Company availed the loan facility under refinance scheme for wages & salaries of State Bank of Pakistan (SBP) and the deferment of existing loans repayment commitments under regulatory relief of SBP that enabled the Company to consolidate its liquidity position. In addition to above the Company has implemented various measures that has enabled the Company to continue its operations without interruption during the current year and thereafter. Due to above the management of the Company believes that the pandemic has no adverse impact on Company's financial position and the results of operations during the current year except the matter referred in note 21.2.1. The management of the Company will continue to monitor the situation and will take all possible measures to overcome the effects of the pandemic.

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## **45 DATE OF AUTHORIZATION FOR ISSUE**

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These unconsolidated financial statements were approved and authorized for issue by the board of directors of the Company on September 25, 2021.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

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## 46 NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE

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The Board of Directors of the Company, in their meeting held on September 25, 2021, proposed bonus shares at the rate of 2% in proportion of one ordinary share for every fifty shares held (total 1,239,497 bonus shares having face value of Rs. 10 each) for approval of the members in Annual General Meeting to be held on October 28, 2021.

These unconsolidated financial statements do not reflect the proposed appropriation, which will be accounted for in the unconsolidated statement of changes in equity as appropriation from share premium in the year ending June 30, 2022.

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## 47 GENERAL

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- Figures have been rounded off to the nearest one thousand Pak Rupees unless otherwise stated.
- Immaterial reclassification has been made wherever necessary.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



# CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021





# INDEPENDENT AUDITOR'S REPORT

## To the members of Shifa International Hospitals Limited

### Opinion

We have audited the annexed consolidated financial statements of **Shifa International Hospitals Limited** and its subsidiary (the Group), which comprise the consolidated statement of financial position as at June 30, 2021 and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Key audit matter	How the matter was addressed in our audit
<p><b>Revenue from contract with customers:</b></p> <p>(Refer to note 27 to the consolidated financial statements)</p> <p>The Group principally generates revenue from providing of inpatient and outpatient services and supply of medicines. We identified revenue recognition as a key audit matter because it is one of key performance indicator which gives rise to an inherent risk of misstatement.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the Group’s processes and related internal controls for revenue recognition and tested the design, implementation and operating effectiveness of those controls;</li> <li>• Performed test of details of sampled revenue by inspecting the underlying supporting documents including medical record bills, sales report and bank statements;</li> <li>• Performed cut off procedures to ensure revenue has been recorded in the correct period;</li> <li>• Evaluated and tested on sample basis the authority metrics (controls) over changes in charge master;</li> <li>• Verified on sample basis the trade debts through obtaining confirmations from debtors and performing other alternate procedures; and</li> <li>• Assessed the appropriateness of disclosures in the financial statements.</li> </ul>

### Information Other than the Financial Statements and Auditor’s Report Thereon

Management is responsible for other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Hassaan Riaz.



**Grant Thornton Anjum Rahman**

Chartered Accountants

Islamabad

September 25, 2021.





# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2021

	Note	2021 (Rupees in '000')	2020
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 100,000,000 (2020: 100,000,000) ordinary shares of Rs. 10 each		1,000,000	1,000,000
Issued, subscribed and paid up capital	4	619,749	619,749
<b>Capital reserves</b>			
Share premium	5	2,751,283	2,751,283
Surplus on revaluation of property, plant and equipment	6	1,409,434	1,225,930
<b>Revenue reserves</b>			
Unappropriated profit		3,832,409	3,103,034
		8,612,875	7,699,996
<b>NON - CONTROLLING INTEREST</b>	7	1,119,806	948,384
<b>NON - CURRENT LIABILITIES</b>			
Long term financing - secured	8	2,360,408	3,141,102
Deferred taxation	9	331,599	438,995
Lease liabilities	10	265,587	263,493
		2,957,594	3,843,590
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	3,232,390	3,064,693
Unclaimed dividend		35,158	36,665
Markup accrued	12	16,913	34,784
Current portion of long term financing - secured	8	1,405,722	290,556
Current portion of lease liabilities	10	118,456	135,305
		4,808,639	3,562,003
		17,498,914	16,053,973
<b>CONTINGENCIES AND COMMITMENTS</b>	13		

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.

  
CHIEF EXECUTIVE

  
DIRECTOR

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2021

		2021	2020
	Note	(Rupees in '000')	
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	14	10,225,908	9,890,149
Intangible assets	15	32,052	58,076
Long term investment	16	35,961	22,472
Long term deposits	17	74,007	77,288
		<b>10,367,928</b>	10,047,985
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	18	165,312	151,312
Stock-in-trade	19	658,280	646,353
Trade debts	20	904,040	605,899
Loans and advances	21	348,919	418,186
Deposits, prepayments and other receivables	22	47,857	79,269
Markup accrued		677	253
Other financial assets	23	1,102,202	607,137
Tax refunds due from the government (net of provision)	24	480,548	504,181
Cash and bank balances	25	2,929,472	2,602,798
		<b>6,637,307</b>	5,615,388
Non - current assets held for sale	26	493,679	390,600
		<b>17,498,914</b>	16,053,973



CHIEF FINANCIAL OFFICER

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2021

		2021	2020
	Note	(Rupees in '000')	
Net revenue	27	14,223,673	12,259,488
Other income	28	171,924	188,128
Operating costs	29	(12,863,969)	(11,647,600)
Finance costs	30	(330,711)	(464,692)
Expected credit losses	22.2 & 40.1.3	(158,091)	(32,596)
Share of loss of an associate	16	(1,511)	(3,952)
Profit before taxation		1,041,315	298,776
Provision for taxation	31	(300,518)	(311,678)
<b>Profit / (loss) after taxation</b>		<b>740,797</b>	(12,902)
<b>Attributable to:</b>			
Equity holders of Shifa International Hospitals Limited		724,091	731
Non-controlling interest		16,706	(13,633)
		<b>740,797</b>	(12,902)
<b>Earnings per share - basic and diluted - (Rupees)</b>	<b>32</b>	<b>11.68</b>	0.01

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2021

	2021	2020
	(Rupees in '000')	
Profit / (loss) after taxation	740,797	(12,902)
<b>Other comprehensive income</b>		
Items that will not be subsequently reclassified in statement of profit or loss		
Loss on remeasurement of staff gratuity fund benefit plan	(45,924)	(22,542)
Deferred tax relating to remeasurement of staff gratuity fund benefit plan	13,318	6,538
Loss on remeasurement of staff gratuity fund benefit plan (net of tax)	(32,606)	(16,004)
Foreign currency translation adjustment	(804)	1,552
Surplus on revaluation of property, plant and equipment	298,914	13,562
Total comprehensive income / (loss) for the year	1,006,301	(13,792)
<b>Attributable to:</b>		
Equity holders of Shifa International Hospitals Limited	896,150	(1,331)
Non-controlling interest	110,151	(12,461)
	1,006,301	(13,792)

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2021

	2021	2020
	(Rupees in '000')	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,041,315	298,776
Adjustments for:		
Depreciation / amortization on tangible assets	840,804	781,841
Amortization on intangible assets	26,267	26,423
Expected credit losses	158,091	32,596
Property, plant and equipment written off	977	5,273
Gain on disposal of tangible assets	(41,975)	(14,292)
Provision for compensated absences	46,378	46,706
Provision for bonus for employees	190,931	59,269
Provision for gratuity	143,917	123,824
Provision for slow moving stores	6,161	1,438
Share of loss of an associate	1,511	3,952
Liabilities written back	(26,568)	(8,113)
Gains on investments and bank deposits	(71,226)	(16,602)
Loss / (gain) on foreign currency translation	120,044	(117,629)
Finance costs	330,711	464,692
Operating cash flows before changes in working capital	2,767,338	1,688,154
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(19,264)	(20,492)
Stock-in-trade	(11,927)	(149,595)
Trade debts	(404,330)	(53,649)
Loans and advances	69,267	27,361
Deposits, prepayments and other receivables	(20,490)	(20,145)
Decrease in current liabilities:		
Trade and other payables	(57,568)	(398,035)
Cash generated from operations	2,323,026	1,073,599
Finance costs paid	(305,325)	(408,302)
Income tax paid	(370,962)	(341,690)
Payment to SIHL Employees' Gratuity Fund	(134,468)	(73,273)
Compensated absences paid	(40,845)	(46,072)
Net cash generated from operating activities	1,471,426	204,262

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2021

	2021	2020
Note	(Rupees in '000')	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition to property, plant and equipment (PPE)	(1,060,173)	(1,306,503)
Addition to investment property	-	(58,432)
Purchase of intangible assets	(243)	(788)
Investment in associate	(15,000)	-
Investments in other financial assets - net	(858,868)	(151,253)
Outlay against long term investment	-	(15,555)
Proceeds from disposal of PPE and items classified as held for sale	231,424	106,028
Markup received	8,069	16,833
Decrease in long term deposits	3,281	9,923
Net cash used in investing activities	(1,691,510)	(1,399,747)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of further share capital	-	1,779,628
Non-controlling interest	78,000	961,493
Long term financing - repayments	(381,608)	(140,214)
Long term financing - proceeds	633,450	1,014,133
Deferred grant received	82,630	58,963
Lease liabilities - repayments	(169,895)	(175,870)
Dividend paid	(1,507)	(170,042)
Net cash generated from financing activities	241,070	3,328,091
Net increase in cash and cash equivalents	20,986	2,132,606
<b>Cash and cash equivalents at beginning of the year</b>	<b>3,058,682</b>	<b>806,895</b>
Effect of exchange rate changes on cash and cash equivalents	(120,848)	119,181
<b>Cash and cash equivalents at end of the year</b>	<b>38</b>	<b>2,958,820</b>

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2021

	Share capital	Share premium	Surplus on revaluation of property, plant and equipment	Un-appropriated profit	Non - controlling interest	Total
(Rupees in '000')						
<b>Balance as at July 01, 2019</b>	545,379	1,046,025	1,234,923	3,250,167	2,593	6,079,087
Issue of further share capital	74,370	1,705,258	-	-	-	1,779,628
<b>Total comprehensive income for the year</b>						
Profit after taxation	-	-	-	731	(13,633)	(12,902)
Other comprehensive income - net of tax	-	-	12,390	(14,452)	1,172	(890)
	-	-	12,390	(13,721)	(12,461)	(13,792)
Realization of revaluation surplus on disposal of assets	-	-	(12,963)	12,963	-	-
Transfer of revaluation surplus of property, plant and equipment in respect of incremental depreciation / amortization	-	-	(8,420)	8,420	-	-
NCI recognized during the year	-	-	-	-	961,493	961,493
<b>Distribution to owners</b>						
Dividend 2019: Rs. 2.55 per share	-	-	-	(158,036)	-	(158,036)
<b>Change in ownership interests</b>						
Acquisition of shareholding by NCI without a change in control	-	-	-	3,241	(3,241)	-
<b>Balance as at June 30, 2020</b>	619,749	2,751,283	1,225,930	3,103,034	948,384	8,648,380
<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 year</b>						
Profit after taxation	-	-	-	724,091	16,706	740,797
Other comprehensive income - net of tax	-	-	205,469	(33,410)	93,445	265,504
	-	-	205,469	690,681	110,151	1,006,301
Realization of revaluation surplus on disposal of assets	-	-	(12,541)	12,541	-	-
Transfer of revaluation surplus of property, plant and equipment in respect of incremental depreciation / amortization	-	-	(9,424)	9,437	(13)	-
NCI recognized during the year	-	-	-	-	78,000	78,000
<b>Distribution to owners</b>						
Dividend 2020: Nil	-	-	-	-	-	-
<b>Changes in ownership interests</b>						
Acquisition of shareholding by NCI without a change in control	-	-	-	16,716	(16,716)	-
<b>Balance as at June 30, 2021</b>	619,749	2,751,283	1,409,434	3,832,409	1,119,806	9,732,681

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

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## 1 STATUS AND NATURE OF BUSINESS

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- 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

**1.8** Geographical locations of business units of the SIHL are as follows:

H-8 Hospital, Pitras Bukhari Road, Sector H-8/4, Islamabad  
Faisalabad Hospital, Main Jaranwala Road, Faisalabad  
G-10/4 Hospital, G-10 Markaz, Islamabad  
Shifa Pharmacy, Opposite OPF College, F-8 Markaz Islamabad  
Shifa Pharmacy, Saidpur Road, Rawalpindi  
Shifa Pharmacy, Blue Area, Islamabad  
Shifa Pharmacy, Gulburg Greens, Islamabad  
Shifa Pharmacy, Trauma Center, Islamabad International Airport  
Shifa Pharmacy, Iskandarabad, Mianwali  
Shifa Pharmacy, National Radio Telecommunication Corporation, Haripur  
Shifa Pharmacy, PIA Rawalpindi Airport  
Shifa Pharmacy, WAPDA, Mangla  
Shifa Pharmacy, WAPDA, Faisalabad  
F-11 Medical Center, Savoy Arcade, F-11 Markaz Islamabad

Percentage share in total revenue given in note 27.	2021	2020
H - 8/4, Islamabad	96%	96%
Faisalabad	3%	3%
G -10/4, Islamabad	1%	1%
	100%	100%

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards or IFASs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

### 2.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, except for certain items as disclosed in relevant accounting policies.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

## 2.3 Functional and presentation currency

These consolidated financial statements are presented in Pak Rupee, which is the Group's functional and presentation currency.

## 2.4 Use of estimates and judgments

The preparation of consolidated financial statements in conformity with accounting and reporting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgments made by management in the application of the accounting and reporting standards that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are as follows:

- i) Estimate of fair value of financial liabilities at initial recognition - notes 3.4 and 8
- ii) Provision for taxation - notes 3.5, 9 and 31
- iii) Right of use asset and corresponding lease liability - notes 3.6, 10 and 14
- iv) Employee benefits - notes 3.8, 11.3 and 11.4
- v) Provisions and contingencies - notes 3.9, 3.10 and 13
- vi) Estimate of useful life of property, plant and equipment - notes 3.11 and 14
- vii) Estimate of useful life of intangible assets - notes 3.12 and 15
- viii) Impairment of non-financial assets - notes 3.13
- ix) Estimate of recoverable amount of investment in associated company - notes 3.14 and 16
- x) Expected credit loss allowance - notes 3.15.2, 22.2 and 40.1.3
- xi) Provision for slow moving spares - notes 3.16, 3.17, 14.8.2 and 18

## 2.5 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

### 2.5.1 Standards, amendments to published standards and interpretations that are effective during the current year:

Certain standards, amendments and interpretations to IFRS are effective during the year but are considered not to be relevant or to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

## 2.5.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

		Effective date (annual periods beginning on or after)
IAS 1	Presentation of financial statements (Amendments)	January 1, 2023
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2023
IAS 12	Income Taxes (Amendments)	January 1, 2023
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IFRS 3	Business Combinations (Amendments)	January 1, 2022
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2021
IFRS 9	Financial Instruments (Amendments)	January 1, 2021
IFRS 16	Leases (Amendments)	January 1, 2021

The management anticipates that adoption of above standards, amendments and interpretations in future periods, will have no material impact on the Consolidated financial statements other than in presentation / disclosures.

## 2.5.3 Further, the following standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 17	Insurance Contracts

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are the same as those applied in earlier period presented.

### 3.1 Basis of consolidation

These consolidated financial statements include the financial statements of Shifa International Hospitals Limited and its subsidiaries, SDSPL 55% owned (2020: 55% owned), SNS Islamabad 100% owned (2020: 100% owned), SMC Islamabad 56% owned (2020: 56% owned), SNH Faisalabad 60% owned (2020: 100% owned) and SIDL 100% owned (2020: 100% owned).

#### Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are derecognized from the date the control ceases.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities (including contingent liabilities) assumed in a business combination are measured initially at their fair values at the acquisition date. 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.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

## **Associate (equity accounted investee)**

Entity in which the Group has significant influence directly or indirectly (through subsidiaries) but not control and which is neither subsidiary nor joint venture of the members of the Group is associate and is accounted for under the equity method of accounting (equity accounted investee). The investment is initially recognized at cost. The consolidated financial statements include the associate's share of profit or loss and movements in other comprehensive income, after adjustments, if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date it ceases. Share of post acquisition profit / loss of associate is recognized in the consolidated statement of profit or loss and consolidated statement of comprehensive income. Distributions received from associate reduce the carrying amount of investment.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that investment (including any long-term interests that, in substance, form part of the Group's net investment in the associate) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

## **Non controlling interest (NCI)**

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

## **Loss of control**

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in consolidated statement of profit or loss. Any interest retained in the former subsidiary is measured at fair value when the control is lost.

## **3.2 Share capital and dividend**

Dividend is recognized as a liability in the period in which it is declared. Movement in reserves is recognized in the year in which it is approved.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

## 3.3 Financing and finance cost

Financing are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, financing are stated at amortized cost with any difference between cost and redemption value being recognised in the consolidated statement of profit or loss over the period of the financing on an effective interest basis. Financing costs are recognised as an expense in the period in which these are incurred.

## 3.4 Government grants

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy.

Government grants are recognized at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Group will be able to comply with the conditions associated with the grants.

Grants that compensate the Group for expenses incurred, are recognized on a systematic basis in the income for the year in which the finance cost are recognized and finance cost are reported net of grant in - note 30.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

## 3.5 Taxation

Taxation for the year comprises current and deferred tax. Taxation is recognized in the consolidated statement of profit or loss except to the extent that it relates to items recognized directly in consolidated statement of changes in equity or in other comprehensive income.

### Current

Provision for current taxation is based on taxable income at the current rates of tax after taking into account applicable tax credits, rebates, losses and exemptions available, if any.

### Deferred

Deferred tax is accounted for using balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that is no longer probable that the related tax benefit will be realized.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity or on different taxable entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

The Group takes into account the current income tax law and decisions taken by appellate authorities. Instances where the Group's view differs from the view taken by the income tax department at the assessment stage and where the Group considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Deferred tax asset of Rs. 41,563 thousand (2020: 31,562 thousand) on deductible temporary difference of Rs. 142,089 thousand (2020: 108,840 thousand) has not been recorded in respect of subsidiaries.

## **3.6 Leases**

### **3.6.1 Right of use assets**

The SIHL recognizes right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined as those of similar assets or the lease term as specified in contract. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The SIHL has not elected to recognise right-of-use assets and lease liabilities for short-term leases of properties that have a lease term of 12 months or less and leases of low-value assets. The SIHL recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### **3.6.2 Lease liability**

The lease liability is initially measured at the present value of the future lease payments discounted using the SIHL's incremental borrowing rate. Lease payments in the measurement of the lease liability comprise the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the SIHL's estimate of the amount expected to be payable under a residual value guarantee, or if the SIHL changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

## 3.7 Trade and other payable

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

## 3.8 Employee benefits

### Defined benefit plan

The SIHL operates approved funded gratuity scheme for all its employees who have completed the minimum qualifying period of service as defined in the scheme. Provision is made annually to cover obligations under the scheme on the basis of actuarial valuation and is charged to the consolidated statement of profit or loss. The most recent valuation was carried out as at June 30, 2021 using the "Projected Unit Credit Method". The actuarial gains or losses at each evaluation date are charged to other comprehensive income. The results of actuarial valuation are summarized in note 11.4 of these consolidated financial statements.

The amount recognized in the consolidated statement of financial position represents the present value of defined benefit obligations as reduced by the fair value of plan assets.

Calculation of gratuity asset requires assumptions to be made of future outcomes which mainly include increase in remuneration, expected long term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions and determined by actuary.

### Compensated absences

The Group provides for compensated absences of its employees on unavailed balance of leaves in the period in which the leave is earned. Accrual to cover the obligations is made using the current salary levels of the employees.

## 3.9 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each reporting date and adjusted prospectively to reflect the current best estimates.

## 3.10 Contingencies

A contingent liability is disclosed when the Group has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Group; or the Group has a present

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

The Group discloses significant contingent liabilities for the pending litigations and claims against the Group based on its judgment and the advice of the legal advisors for the estimated financial outcome. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the reporting date. However, based on the best judgment of the Group and its legal advisors, the likely outcome of these litigations and claims is remote and there is no need to recognize any liability at the reporting date.

## 3.11 Property, plant and equipment

Property, plant and equipment except freehold and leasehold lands and capital work-in-progress are stated at cost less accumulated depreciation and impairment in value, if any. Leasehold land is stated at revalued amount being the fair value at the date of revaluation, less any subsequent accumulated amortization and impairment losses while freehold land is stated at revalued amount being the fair value at the date of revaluation, less any subsequent impairment losses, if any.

Any revaluation increase arising on the revaluation of land is recognized in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognized in consolidated statement of profit or loss, in which case the increase is credited to consolidated statement of profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of land is charged to consolidated statement of profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The surplus on leasehold land to the extent of incremental depreciation charged is transferred to unappropriated profit.

Capital work-in-progress and stores held for capital expenditure are stated at cost less impairment loss recognized, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific items of property, plant and equipment when available for intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs that do not meet the recognition criteria are charged to the consolidated statement of profit or loss as and when incurred.

Depreciation / amortization is charged to the consolidated statement of profit or loss commencing when the asset is ready for its intended use, applying the straight-line method over the estimated useful life.

In respect of additions and disposals during the year, depreciation / amortization is charged when the asset is available for use and up to the month preceding the asset's classified as held for sale or derecognized, whichever is earlier.

Assets are derecognized when disposed off or when no future economic benefits are expected to flow from its use. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized on net basis within "other income" in the consolidated statement of profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

The Group reviews the useful lives of property, plant and equipment on a regular basis. Similarly revaluation of lands are made with sufficient regularity. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation / amortization charge and impairment.

## 3.12 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any. Subsequent cost on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

Amortization is charged to the consolidated statement of profit or loss on a straight line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Amortization on additions to intangible assets is charged from the month in which an item is acquired or capitalized while no amortization is charged for the month in which the item is disposed off.

The Group reviews the useful lives of intangible assets on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of intangibles with the corresponding effect on the amortization charge and impairment.

## 3.13 Impairment of non - financial assets

The Group assesses at each reporting date whether there is any indication that assets except deferred tax assets and inventory may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the consolidated statement of profit or loss except for the impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of depreciation / amortization) had no impairment loss been recognized for the asset in prior years. Reversal of impairment loss is recognized in the consolidated statement of profit or loss.

## 3.14 Investments

All purchases and sales of investments are recognized using settlement date accounting. Settlement date is the date on which that investments are delivered to or by the Group. All investments are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

## 3.15 Financial assets

### Initial measurement

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

The Group classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- Amortized cost.

## Subsequent measurement

### i) Debt instrument at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the consolidated statement of profit or loss. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the consolidated statement of profit or loss.

### ii) Equity instrument at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in the consolidated statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the consolidated statement of profit or loss.

### iii) Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in consolidated statement of profit or loss.

### iv) Financial asset at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognized in the consolidated statement of profit or loss.

#### 3.15.1 Other financial assets

Investment in units of Mutual Funds are classified at fair value through profit or loss and is initially measured at fair value and subsequently is measured at fair value determined using the net assets value of the funds at each reporting date. Net gains and losses are recognized in the consolidated statement of profit or loss.

Investments in term deposit receipts are classified as amortized cost and are initially measured at fair value. Transaction costs directly attributable to the acquisition are included in the carrying amount. Subsequently these investments are measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest/markup income, losses and impairment are recognized in the consolidated statement of profit or loss.

#### 3.15.2 Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its financial asset carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group applies the simplified approach for trade debts which requires expected lifetime losses to be recognised from initial recognition of the receivables.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The Group recognises life time ECL for trade debts, using the simplified approach. The expected credit losses on trade debts are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Life time expected credit losses against other receivables is also recognized due to significant increase in credit risk since initial recognition.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date reduced by security deposit held.

The Group recognizes an impairment loss in the consolidated statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The Gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

The Group write off financial assets that are still subject to enforcement activities. Subsequent recoveries of amounts previously written off will result in impairment gains.

### 3.15.3 Derecognition

Financial assets are derecognized when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

### 3.15.4 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the consolidated statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the consolidated statement of profit or loss. Any gain or loss on de-recognition is also recognized in the consolidated statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

### 3.15.5 Off-setting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position, if the Group has a legally enforceable right to set off the recognized amounts,



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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and the Group either intends to settle on a net basis, or realize the asset and settle the liability simultaneously. Legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counter party.

## **3.16 Stores, spare parts and loose tools**

These are valued at cost, determined on moving average cost basis or net realizable value, whichever is lower. For items which are slow moving or identified as surplus to the SIHL's requirement, a provision is made for excess of book value over estimated net realizable value.

The SIHL reviews the carrying amount of stores, spare parts and loose tools on a regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of stores and spares with a corresponding affect on the provision.

## **3.17 Stock-in-trade**

Stock-in-trade is valued at lower of cost, determined on moving average basis or net realizable value. The cost includes expenditure incurred in acquiring the stock items and other cost incurred in bringing them to their present location and condition.

The SIHL reviews the carrying amount of stock in trade on a regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of stock in trade with a corresponding affect on the provision.

## **3.18 Trade debts, loans, deposits, interest accrued and other receivables**

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Past years experience of credit loss is used to base the calculation of credit loss.

## **3.19 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, cheques in hand, balances with banks and highly liquid short term investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value with maturity of three months or less from the date of acquisition and short term borrowings.

## **3.20 Non - current assets held for sale**

Non - current assets are classified as held for sale when their carrying amounts are expected to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount immediately prior to their classification as held for sale and fair value less cost to sell. Once classified as held for sale, the assets are not subject to depreciation or amortization. In case where classification criteria of non current asset held for sale is no longer met such asset is classified on its carrying amount before the asset was classified as held for sale, adjusted for depreciation / revaluation that would have been recognized had the asset not been classified as held for sale. The required adjustment to the carrying amount of a non-current asset that ceases to be classified as held for sale is charged in the consolidated statement of profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 3.21 Foreign currencies

Transactions in currencies other than Pak Rupees are recorded at the rates of exchange prevailing on the dates of transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rate prevailing on the reporting date. Gains and losses arising on retranslation are included in the consolidated statement of profit or loss for the year.

## 3.22 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. Revenue from operations of the Group are recognized when the services are provided, and thereby the performance obligations are satisfied.

Revenue consists of inpatient revenue, outpatient revenue, pharmacy, cafeteria, rent of building and other services. Group's contract performance obligations are fulfilled at point in time when the services are provided to customer in case of inpatient, outpatient and other services and goods are delivered to customer in case of pharmacy and cafeteria revenue. Revenue is recognized at that point in time, as the control has been transferred to the customers.

Receivable is recognized when the services are provided and goods are delivered to customers as this is the point in time that the consideration is unconditional because only passage of time is required before the payment is due. The Group recognizes contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as 'advances from customers' in the consolidated statement of financial position.

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Rental income is recognized on a straight line basis over the term of the rent agreement.

Scrap sales and miscellaneous receipts are recognized on realized amounts.

## 3.23 Asset held under Ijarah financing

Assets held under Ijarah financing are accounted for using the guidelines of Islamic Financial Accounting Standard-2 (IFAS 2), "Ijarah". The assets are not recognized on the Group's consolidated statement of financial position and payments made under Ijarah financing are recognized in the consolidated statement of profit or loss on a straight line basis over the term of the Ijarah.

## 3.24 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the SIHL by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the consolidated profit or loss attributable to ordinary shareholder and weighted average number of ordinary shares outstanding for the effects of all potential ordinary shares.

## 3.25 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market is accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## 4 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Ordinary shares of Rs.10 each fully paid in cash.

2021		2020		2021		2020	
Number				(Rupees in '000')			
61,974,886	54,537,900	Opening balance		619,749	545,379		
-	7,436,986	Shares issued		-	74,370		
61,974,886	61,974,886	Closing balance		619,749	619,749		

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

4.2 7,436,986 (2020: 7,436,986) ordinary shares representing 12% (2020: 12%) shareholding in the SIHL are owned by International Finance Corporation (IFC). IFC has the right to nominate one director at the board of directors of the Company as long as IFC holds ordinary shares representing 5% of total issued share capital of the SIHL. Further, the SIHL if intends to amend or repeal the memorandum and articles, effects the rights of IFC on its shares issuance of preference shares ranking seniors to the equity securities held by IFC, incur any financial debt to any shareholder, change the nature of the business of the SIHL etc. shall seek consent of IFC.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

4.3 The SIHL has no reserved shares for issuance under options and sales contracts.

## 5 SHARE PREMIUM

This represents premium of Rs. 5, Rs. 250 and Rs. 229.29 per share received on issue of 8,000,000, 4,024,100 and 7,436,986 ordinary shares of Rs. 10 each in the year 1994, 2016 and 2020 respectively. This reserve cannot be utilized except for the purposes mentioned under section 81 of the Companies Act, 2017.

	2021	2020
<b>6 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>	<b>(Rupees in '000')</b>	
Balance at beginning of the year	<b>1,225,930</b>	1,234,923
Revaluation surplus during the year	<b>298,914</b>	13,562
Transfer to non-controlling interest	<b>(93,445)</b>	(1,172)
Realization of revaluation surplus on disposal of assets	<b>(12,541)</b>	(12,963)
Transferred to unappropriated profits in respect of incremental depreciation / amortization charged during the year	<b>(9,424)</b>	(8,420)
Balance at end of the year	<b>1,409,434</b>	1,225,930

6.1 Surplus on revaluation of property, plant and equipment in respect of leasehold and freehold lands is not available for distribution of dividend to the shareholders of the Group in accordance with section 241 of the Companies Act, 2017.

## 7 NON - CONTROLLING INTEREST

7.1 Following is the summarized financial information, before inter-company eliminations, of SDSPL, SNH Faisalabad and SMC Islamabad:

### Summarized statement of financial position

NCI percentage	SDSPL		SNH Faisalabad		SMC Islamabad		Total	
	45%	45%	40%	-	44%	44%		
	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees in '000')							
Current assets	142,531	122,130	70,550	75,513	505,193	765,184	718,274	962,827
Non-current assets	10,498	982	843,030	342,666	1,194,831	892,340	2,048,359	1,235,988
Share deposit money	-	-	-	413,021	-	-	-	413,021
Current liabilities	79,595	109,285	320	9,034	8,020	7,151	87,935	125,470
Non-current liabilities	10,639	2,147	-	-	-	-	10,639	2,147
Net assets	62,795	11,680	913,260	(3,876)	1,692,004	1,650,373	2,668,059	1,658,177
Accumulated NCI	7,558	1,338	368,833	225,668	743,415	721,378	1,119,806	948,384
<b>Summarized statement of comprehensive income</b>								
Net revenue	16,641	104,886	-	-	-	-	16,641	104,886
Other income	-	-	1,153	-	38,783	-	39,936	-
Profit/(loss) for the year	13,824	(2,789)	(1,764)	(33,580)	25,603	(28,318)	37,663	(64,687)
Other comprehensive income	-	-	206,462	-	24,846	2,680	231,308	2,680
Total comprehensive income	13,824	(2,789)	204,698	(33,580)	50,449	(25,638)	268,971	(62,007)
Profit / (Loss) attributable to NCI	6,221	(1,255)	(706)	-	11,191	(12,378)	16,706	(13,633)
Comprehensive income for the year attributable to NCI	-	-	82,585	-	10,860	1,172	93,445	1,172
Total comprehensive income/ (loss) for the year attributable to NCI	6,221	(1,255)	81,879	-	22,051	(11,206)	110,151	(12,461)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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8	LONG TERM FINANCING - SECURED	Note	2021 (Rupees in '000')	2020
	<b>From banking companies:</b>			
	Syndicated Islamic Finance Facility	8.2	<b>1,854,086</b>	1,995,778
	Diminishing Musharakah Facility - 1	8.3	<b>434,274</b>	435,234
	Diminishing Musharakah Facility - 2	8.4	<b>500,000</b>	500,000
	Islamic Refinance facility to combat COVID -19 (IRFCC)	8.5	<b>127,789</b>	-
	Deferred income - Government grant		<b>25,526</b>	-
			<b>153,315</b>	-
	State Bank of Pakistan (SBP) - Refinance scheme	8.6	<b>780,354</b>	447,453
	Deferred income - Government grant		<b>44,101</b>	53,193
			<b>824,455</b>	500,646
			<b>3,766,130</b>	3,431,658
	Less: Current portion		<b>1,405,722</b>	290,556
			<b>2,360,408</b>	3,141,102

**8.1** The SIHL has fully availed all the above facilities, except those disclosed in note 34.

**8.2** This represents syndicated Islamic finance facility, arranged and lead by Meezan Bank Limited, obtained on markup basis at 3 months KIBOR plus 0.85% ( 2020: 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. During the last year the SIHL has availed one year deferment in repayment of principal under SBP circular # 13 dated March 26, 2020 in view of Covid 19 outbreak, according to which the SIHL was prohibited to pay dividend on its ordinary shares till May 22, 2021.

**8.3** This represents a long term Islamic finance facility obtained from Al Baraka Bank (Pakistan) Limited of Rs. 442.9 million (2020: Rs. 499.4 million). Principal amount is repayable in 36 equal monthly installments carrying markup at 3 months KIBOR plus 0.80% (June 2020: 3 months KIBOR plus 0.80%) per annum. The financing is secured by first exclusive charge of Rs. 781.3 million against equipment / machinery of SIHL. In the wake of Covid-19 outbreak, the bank under SBP circular # 13 dated March 26, 2020 has deferred the principal payment till April 15, 2021, originally it was payable by May, 2020. This also includes a long term Islamic finance facility obtained under the Diminishing Musharakah basis from First Habib Modaraba of Rs. 37.6 million (2020: Rs. 20.3 million). Principal amount is repayable in 60 equal monthly installments carrying markup at 3 months KIBOR plus 0.70% (2020: 3 months KIBOR plus 0.70%) per annum.

**8.4** This represents a long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 500 million. Principal amount shall be repaid by October 01, 2024 in 12 equal quarterly installments carrying markup at 3 months KIBOR plus 0.85% (2020: 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 SIHL.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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- 8.5** This represents a long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 153.3 million (2020: Nil) 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 markup. The financing is secured by first pari passu hypothecation charge of Rs. 267 million on all present and future fixed assets of SIHL (excluding land and building). Since the financing under SBP refinance scheme carries no markup, 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.

	2021	2020
	(Rupees in '000')	
Balance at beginning of the year	-	-
Received during the year	29,847	-
Amortization during the year	(4,321)	-
Balance at end of the year	25,526	-

- 8.6** This represents long term finance facility aggregating to Rs. 1,012.2 million (2020: Rs. 500 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.1,600.3 million over fixed assets (excluding land and building) of 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.

		2021	2020
	Note	(Rupees in '000')	
Balance at beginning of the year		53,193	-
Received during the year		52,783	58,937
Amortization during the year		(61,875)	(5,744)
Balance at end of the year		44,101	53,193
<b>9</b>	<b>DEFERRED TAXATION</b>		
Deferred tax liability	9.1	504,777	543,986
Deferred tax asset	9.2	(173,178)	(104,991)
Net deferred tax liability		331,599	438,995

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

	2021	2020
<b>9.1 Deferred tax liability on taxable temporary differences:</b>	<b>(Rupees in '000')</b>	
Accelerated depreciation / amortization allowance	504,777	534,882
Right of use assets net of lease liabilities	-	9,104
	<b>504,777</b>	<b>543,986</b>
<b>9.2 Deferred tax asset on deductible temporary differences:</b>		
Right of use assets net of lease liabilities	(13,462)	-
Specific provisions	(83,981)	(48,087)
Retirement benefit obligation	(75,735)	(56,904)
	<b>(173,178)</b>	<b>(104,991)</b>

9.3 Movement in deferred taxation	Opening balance	Statement of profit or loss	Other comprehensive income	Closing balance
<b>Deferred tax liabilities / (assets)</b>				
<b>(Rupees in '000')</b>				
<b>2021</b>				
The balance of deferred tax is in respect of the following temporary differences:				
<b>Effect of taxable temporary differences</b>				
Accelerated depreciation / amortization allowance	534,882	(30,105)	-	504,777
Right of use assets net of lease liabilities	9,104	(22,566)	-	(13,462)
<b>Effect of deductible temporary differences</b>				
Specific provisions	(48,087)	(35,894)	-	(83,981)
Retirement benefit obligation	(56,904)	(5,513)	(13,318)	(75,735)
	<b>438,995</b>	<b>(94,078)</b>	<b>(13,318)</b>	<b>331,599</b>
<b>2020</b>				
The balance of deferred tax is in respect of the following temporary differences:				
<b>Effect of taxable temporary differences</b>				
Accelerated depreciation allowance	494,137	40,745	-	534,882
Right of use assets net of lease liabilities	-	9,104	-	9,104
<b>Effect of deductible temporary differences</b>				
Specific provisions	(63,926)	15,839	-	(48,087)
Retirement benefit obligation	(45,896)	(4,470)	(6,538)	(56,904)
	<b>384,315</b>	<b>61,218</b>	<b>(6,538)</b>	<b>438,995</b>

**9.4** Deferred tax assets and liabilities on temporary differences are measured at the rate of 29% (2020: 29%).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

10	LEASE LIABILITIES	2021	2020
		(Rupees in '000')	
	Balance at beginning of the year	398,798	418,714
	Additions during the year	111,877	103,943
	Interest expense	43,263	52,011
	Payment during the year	(169,895)	(175,870)
	Balance at end of the year	384,043	398,798
	Less: Current portion	118,456	135,305
		<b>265,587</b>	263,493

## 10.1 Lease liabilities are payable as follows:

	Minimum lease payments	Interest	Present value of minimum lease payments
2021	(Rupees in '000')		
Less than one year	195,926	77,470	118,456
Between one to five years	226,575	127,395	99,180
More than five years	299,286	132,879	166,407
	<b>721,787</b>	<b>337,744</b>	<b>384,043</b>
2020			
Less than one year	192,469	57,164	135,305
Between one to five years	221,964	130,780	91,184
More than five years	328,552	156,243	172,309
	742,985	344,187	398,798

**10.2** Rental contracts are made for a fixed period subject to renewal upon mutual consent of SIHL and lessor. Wherever practicable, the SIHL seeks to include extension option to provide operational flexibility. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Management exercises significant judgement in determining whether these extensions are reasonably certain to be exercised. The SIHL's obligation under lease arrangements for generators is secured by the lessor's title to leased assets.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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			2021	2020
11	TRADE AND OTHER PAYABLES	Note	(Rupees in '000')	
	Creditors	11.1	1,497,739	1,574,239
	Accrued liabilities		480,777	416,177
	Advances from customers		272,842	281,287
	Medical consultants' charges		493,854	371,724
	Security deposits	11.2	112,342	112,391
	Compensated absences	11.3	113,857	108,324
	Retention money		9,385	4,330
	Payable to Shifa International Hospitals Limited (SIHL) Employees' Gratuity Fund	11.4	251,594	196,221
			<b>3,232,390</b>	<b>3,064,693</b>
<b>11.1</b>	<b>This include payable to related parties (unsecured) as detailed below;</b>			
	Tameer -e- Millat Foundation (TMF)		13,073	11,978
	Shifa Tameer -e- Millat University (STMU)		5,041	27,468
			<b>18,114</b>	<b>39,446</b>

Maximum amount due to TMF and STMU at the end of any month during the year was Rs. 23,249 thousand (2020: Rs. 11,978 thousand) and Rs. 39,744 thousand (2020: Rs. 37,944 thousand) respectively.

- 11.2** This include security deposits retained from employees Rs. 32,966 thousand (2020: Rs. 32,815 thousand) which are held in separate bank account and obtained from customers of Rs. 79,376 thousand (2020: Rs. 79,576 thousand) which are utilizable for the purpose of the business in accordance with agreements with customers.

			2021	2020
11.3	Compensated absences	Note	(Rupees in '000')	
	Balance at beginning of the year		108,324	107,690
	Provision made for the year		46,378	46,706
			<b>154,702</b>	<b>154,396</b>
	Payments made during the year		(40,845)	(46,072)
			<b>113,857</b>	<b>108,324</b>
<b>11.4</b>	<b>The amounts recognized in the consolidated statement of financial position are as follows:</b>			
	Present value of defined benefit obligation	11.4.1	798,687	667,697
	Fair value of plan assets	11.4.2	(547,093)	(471,476)
			<b>251,594</b>	<b>196,221</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

	2021	2020
Note	(Rupees in '000')	
<b>11.4.1 Movement in the present value of defined benefit obligation is as follows:</b>		
Balance at beginning of the year	667,697	579,986
Interest cost	53,470	76,141
Current service cost	128,179	111,683
Past service cost	4,852	-
Benefits paid	(77,096)	(88,739)
Benefits payable	(1,840)	(2,598)
Remeasurement loss / (gain) on defined benefit obligation	23,425	(8,776)
Balance at end of the year	798,687	667,697
<b>11.4.2 Movement in the fair value of plan assets is as follows:</b>		
Balance at beginning of the year	471,476	456,858
Expected return on plan assets	42,584	64,000
Contributions	134,468	73,273
Benefits paid	(77,096)	(88,739)
Benefits payable	(1,840)	(2,598)
Remeasurement loss on plan assets	(22,499)	(31,318)
Balance at end of the year	547,093	471,476
<b>11.4.3 Charge for the year is as follows:</b>		
Current service cost	128,179	111,683
Interest cost	53,470	76,141
Past service cost	4,852	-
Expected return on plan assets	(42,584)	(64,000)
	143,917	123,824
<b>11.4.4 Remeasurements recognized in consolidated other comprehensive income (OCI) is as follows:</b>		
Remeasurement loss / (income) on obligation	23,425	(8,776)
Remeasurement loss on plan assets	22,499	31,318
Remeasurement loss recognized in OCI	45,924	22,542
<b>11.4.5 Movement in liability recognized in consolidated statement of financial position:</b>		
Balance at beginning of the year	196,221	123,128
Charge for the year	143,917	123,824
Total amount of remeasurement recognized in OCI during the year	45,924	22,542
Contributions during the year	(134,468)	(73,273)
Balance at end of the year	251,594	196,221



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

	2021	2020
	(Rupees in '000')	
<b>11.4.6 Plan assets comprise of:</b>		
Term deposit receipts	388,947	383,659
Ordinary shares of SIHL	16,858	17,951
Cash and bank balances	143,128	72,464
Payable to outgoing members	(1,840)	(2,598)
	<b>547,093</b>	<b>471,476</b>
<b>11.4.7 The principal actuarial assumptions used in the actuarial valuation are as follows:</b>		
Discount rate used for interest cost in profit or loss	8.50%	14.25%
Discount rate used for year end obligation	10.00%	8.50%
Expected rate of salary growth		
Salary increase FY 2021	N/A	6.00%
Salary increase FY 2022	7.00%	7.50%
Salary increase FY 2023 onward	9.00%	7.50%
Mortality rate	SLIC 2001-2005 set back 1 year	SLIC 2001-2005 set back 1 year
Withdrawal rates	Age based	Age based
Retirement assumption	Age 60	Age 60

## 11.4.8 Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased / decreased as a result of a change in respective assumptions by one percent.

	2021		2020	
	Defined benefit obligation		Defined benefit obligation	
	Effect of 1% increase	Effect of 1% decrease	Effect of 1% increase	Effect of 1% decrease
	(Rupees in '000')			
Discount rate	741,390	864,740	619,487	723,401
Future salary increase	865,362	739,826	724,022	618,072

**11.4.9** The average duration of the defined benefit obligation as at June 30, 2021 is 8 years (2020: 8 years).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

## 11.4.10 Risk associated with the scheme

### Final salary risk

The risk that the final salary at the time of cessation of service is greater than what is assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

### Demographic risks

#### a) Mortality risk

The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

#### b) Withdrawal risk

The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

### Investment risk

The risk of the investment under performing and being not sufficient to meet the liabilities.

	2021	2020
<b>12</b>	<b>(Rupees in '000')</b>	
<b>MARKUP ACCRUED</b>		
Long term financing - secured	16,913	34,750
Running finance - secured	-	34
	<b>16,913</b>	<b>34,784</b>

## 13 CONTINGENCIES AND COMMITMENTS

### 13.1 Contingencies

**13.1.1** Claims aggregating to Rs. 3 million (2020: Rs. 3 million) are lodged in Peshawar and Islamabad High Courts by patients and their heirs 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.

**13.1.2** The penalty of Rs. 20 million (2020: 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.

**13.1.3** 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 (2020: Rs. 33.9 million) on behalf of the SIHL in its ordinary course of business.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

## 13.1.4 Contingencies related to income tax and sales tax are as follows:

- 13.1.4.1** 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.
- 13.1.4.2** 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.
- 13.1.4.3** 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.
- 13.1.4.4** 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.
- 13.1.4.5** 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

**13.1.4.6** 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, 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, 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.

		2021	2020
<b>13.2</b>	<b>Commitments</b>	<b>(Rupees in '000')</b>	
<b>13.2.1</b>	Capital expenditure contracted	45,109	45,662
<b>13.2.2</b>	Letters of credit	79,116	11,047

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

## 14. PROPERTY, PLANT AND EQUIPMENT

Particulars	Owned assets										Right of use assets				Total		
	Freehold land	Leasehold land	Building on freehold land	Building on leasehold land	Improvements	Leasehold improvements	Biomedical equipment	Air conditioning equipment and machinery	Electrical and other equipment	Furniture and fittings	Construction equipment	Computer installations	Vehicles	Capital work-in-progress (note 14.8)		Office premises	Electrical and other equipment
<b>Cost/Revalued amount</b>	(Rupees in '000)																
Balance as at July 01, 2019	1,118,225	1,438,940	-	2,552,109	45,173	3,389,682	454,557	655,293	202,011	2,795	445,948	112,387	970,826	418,714	-	11,806,660	
Additions	342,447	295,886	-	-	-	215,731	21,592	42,375	16,279	51	92,701	13,688	268,998	53,076	57,000	1,419,824	
Revaluation	3,600	9,962	-	-	-	-	-	-	-	-	-	-	-	-	-	13,562	
Transfer from investment property	-	1,000,000	-	685,625	-	-	-	-	-	-	-	-	-	-	-	1,685,625	
Disposals	(90,000)	-	-	-	-	-	-	-	-	-	(820)	(6,577)	-	-	-	(97,397)	
Write offs	-	-	-	-	-	(19,083)	(297)	(5,078)	(395)	(58)	(1,629)	-	-	-	-	(26,540)	
Transfers	3,753	5,314	58,898	63,962	16,437	595,467	-	-	-	-	-	-	(743,831)	-	-	-	
Reclassified as held for sale / reclassification	(390,600)	(10,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	(400,600)	
Balance as at June 30, 2020	987,425	2,740,102	58,898	3,301,696	61,610	4,181,797	475,852	692,590	217,895	2,788	536,200	119,498	495,993	471,790	57,000	14,401,134	
Balance as at July 01, 2020	987,425	2,740,102	58,898	3,301,696	61,610	4,181,797	475,852	692,590	217,895	2,788	536,200	119,498	495,993	471,790	57,000	14,401,134	
Additions	293,968	-	-	-	-	59,820	28,867	27,098	11,645	-	31,823	8,702	596,710	112,520	-	1,171,153	
Revaluation	230,579	68,335	-	-	-	-	-	-	-	-	-	-	-	-	-	298,914	
Disposals	-	-	-	-	-	-	-	(4,400)	-	-	(419)	(9,741)	-	-	-	(14,560)	
Write offs	-	-	-	-	-	(3,535)	(7)	(3,511)	(182)	-	(2,773)	-	-	-	-	(10,008)	
Transfers	-	-	-	-	-	255,719	-	11,534	212	-	547	2,000	(270,012)	-	-	-	
Reclassified as held for sale	(292,072)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(292,072)	
Balance as at June 30, 2021	1,219,900	2,808,437	58,898	3,301,696	61,610	4,493,801	504,712	723,311	229,570	2,788	565,378	120,459	822,691	584,310	57,000	15,554,561	
<b>Depreciation/amortization</b>																	
Balance as at July 01, 2019	-	87,708	-	635,962	18,602	1,894,516	206,694	409,914	108,956	1,408	315,727	91,477	-	-	-	3,770,964	
Charge for the year	-	28,545	982	98,537	9,370	299,740	46,978	60,845	17,271	248	62,747	8,014	-	122,589	11,084	766,950	
On disposals	-	-	-	-	-	-	-	-	-	-	(729)	(4,933)	-	-	-	(5,662)	
On write offs	-	-	-	-	-	(14,591)	(297)	(4,468)	(387)	(17)	(1,507)	-	-	-	-	(21,267)	
Balance at June 30, 2020	-	116,253	982	734,499	27,972	2,179,665	253,375	466,291	125,840	1,639	376,238	94,558	-	122,589	11,084	4,510,985	
Balance as at July 01, 2020	-	116,253	982	734,499	27,972	2,179,665	253,375	466,291	125,840	1,639	376,238	94,558	-	122,589	11,084	4,510,985	
Charge for the year	-	36,488	2,945	110,354	12,322	330,331	49,920	58,634	17,579	250	68,097	8,589	-	126,295	19,000	840,804	
On disposals	-	-	-	-	-	-	-	(4,400)	-	-	(419)	(9,286)	-	-	-	(14,105)	
On write offs	-	-	-	-	-	(2,892)	(3)	(3,211)	(158)	-	(2,766)	-	-	-	-	(9,031)	
Balance as at June 30, 2021	-	152,741	3,927	844,853	40,294	2,507,704	303,292	517,314	143,261	1,889	441,149	93,861	-	248,884	30,084	5,328,653	
Carrying value as at June 30, 2020	987,425	2,623,849	57,916	2,567,197	33,638	2,002,132	222,477	226,299	92,055	1,149	159,962	24,940	495,993	349,201	45,916	9,890,149	
Carrying value as at June 30, 2021	1,219,900	2,655,696	54,971	2,456,843	21,316	1,986,697	201,420	205,997	86,309	899	124,230	26,598	822,691	335,426	26,916	10,225,908	
Annual rate of depreciation %	-	1.34-3.03	2.5-10	2.5-10	20	10	10-15	10-15	10	10-20	25	20	-	-	-	33.3	



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

**14.1** The Group had its leasehold land revalued in 1999, 2004, 2009, 2014, 2018, 2019, 2020 and 2021 while freehold lands in 2009, 2014, 2018, 2019, 2020 and 2021 by independent valuer, using fair market value basis. These revaluations resulted in net surplus of Rs. 180,873 thousand, Rs. 63,891 thousand, Rs. 392,360 thousand, Rs. 184,284 thousand, Rs. 5,541 thousand, Rs. 520,643 thousand, Rs. 13,562 thousand and Rs. 298,914 thousand respectively.

**14.2** Had there been no revaluation the carrying value would have been as under:

	Cost	Accumulated amortization	Carrying value
<b>Freehold land</b>	<b>(Rupees in '000')</b>		
<b>2021</b>	<b>974,105</b>	<b>-</b>	<b>974,105</b>
2020	868,052	-	868,052
<b>Leasehold land</b>			
<b>2021</b>	<b>1,609,099</b>	<b>121,984</b>	<b>1,487,115</b>
2020	1,419,851	92,992	1,326,859

**14.3** Particulars of Group's freehold and leasehold lands are as follow:

Location	Nature	2021 Area (kanal)	2020
Shifa Cooperative Housing Society, Islamabad Expressway	Freehold land	2	27
Islamabad Motorway	Freehold land	100	100
Faisalabad Motorway	Freehold land	48.2	48.2
SNHF Hospital, Faisalabad sheikhupura Road	Freehold land	49.6	41
SMCI Hospital, F-11, Islamabad	Leasehold land	6.7	6.7
Neuroscience Institute, H-8/4, Islamabad	Leasehold land*	11.7	11.7
SIHL H-8/4, Islamabad	Leasehold land*	87.8	87.8

\*The covered area includes multi-storey buildings.

**14.4** Property, plant and equipment include items with aggregate cost of Rs. 2,055,773 thousand (2020: Rs. 1,676,452 thousand) representing fully depreciated assets that are still in use of the Group.

**14.5** Property, plant and equipment of SIHL are encumbered under an aggregate charge of Rs. 6,810.59 million (2020: Rs. 5,877.25 million) in favor of banking companies under various financing arrangements as disclosed in note 8.

**14.6** The forced sale values (FSV) of the revalued leasehold and freehold lands have been assessed at Rs. 2,124,557 thousand and Rs. 1,023,848 thousand respectively.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

14.7 Detail of property, plant and equipment disposed off during the year, having carrying value of more than Rs. 500 thousand:

Asset particulars	Note	Cost	Carrying value	Sale proceeds	Gain on disposal	Purchaser	Mode of Disposal
(Rupees in '000')							
Islamabad Motorway Land	26.2	163,125	163,125	173,500	10,375	Various third parties through Softsys (Private) Limited	Negotiation
Shifa Cooperative Housing Society	26.2	25,869	25,869	49,500	23,631	Various third parties	Negotiation
		188,994	188,994	223,000	34,006		
Other assets having carrying value less than Rs. 500,000	14	14,560	455	8,424	7,969		
<b>2021</b>		<b>203,554</b>	<b>189,449</b>	<b>231,424</b>	<b>41,975</b>		
2020		97,397	91,736	106,028	14,292		

			2021	2020
14.8	Capital work-in-progress	Note	(Rupees in '000')	
	Construction work-in-progress	14.8.1	549,275	211,878
	Stores held for capital expenditure	14.8.2	976	1,870
	Installation of equipment in progress		272,440	282,245
			<b>822,691</b>	495,993

## 14.8.1 Construction work-in-progress - at cost

This represents the cost of civil works mainly comprising of cost of materials, payments to contractors, salaries and benefits pertaining to construction works being carried out as detailed below:

			2021	2020
			(Rupees in '000')	
	Note			
F-11 hospital			424,073	170,928
Other constructions	14.8.1.1		125,202	40,950
			<b>549,275</b>	211,878

14.8.1.1 This represents design and build works being performed by Shifa Development Services (Private) Limited under two separate agreements with SIHL.

			2021	2020
			(Rupees in '000')	
	Note			
<b>14.8.2</b>	<b>Stores held for capital expenditure</b>			
	Stores held for capital expenditure		4,524	4,521
	Less: provision for slow moving items	14.8.2.1	3,548	2,651
			<b>976</b>	1,870
<b>14.8.2.1</b>	Balance at beginning of the year		2,651	2,030
	Charged during the year		897	621
	Balance at the end of the year		<b>3,548</b>	2,651

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

			2021	2020
15	INTANGIBLE ASSETS	Note	(Rupees in '000')	
	Cost	15.1	106,216	105,973
	Accumulated amortization	15.1	(74,164)	(47,897)
	Net book value		32,052	58,076
<b>15.1</b>	<b>Movement in cost and accumulated amortization is as follow:</b>			
	<b>Cost:</b>			
	Balance at beginning of the year		105,973	105,185
	Addition during the year		243	788
	Balance at end of the year	15.2	106,216	105,973
	<b>Accumulated amortization:</b>			
	Balance at beginning of the year		47,897	21,474
	Charge during the year		26,267	26,423
	Balance at end of the year		74,164	47,897

**15.2** Value of intangibles include cost of Oracle Financials software and other softwares. Amortization of intangibles has been recorded at rate of 25 % (2020: 25%) per annum.

**15.3** Intangible assets include item with aggregate cost of Rs. 10,810 thousand (2020:Nil) representing fully amortized asset that is still in use of SIHL.

			2021	2020
16	LONG TERM INVESTMENT		(Rupees in '000')	
	<b>Shifa Care (Private) Limited (SCPL) - Associated Company (unquoted)</b>			
	Balance at beginning of the year		22,472	10,869
	Addition during the year		15,000	15,555
	Share in loss for the year		(1,511)	(3,952)
	Balance at end of the year		35,961	22,472

This represents investment in 4,500,050 (2020: 3,000,050) fully paid ordinary shares of Rs. 10 each of SCPL. The above investment in ordinary shares represents 50% (2020: 50%) shareholding in SCPL held by the SIHL Summary of results of SCPL are as under:

			2021	2020
<b>Summarized statement of financial position</b>			<b>(Rupees in '000')</b>	
	Non-current assets		49,641	42,729
	Current assets		24,767	2,522
	Current liabilities		(2,485)	(307)
	Net assets		71,923	44,944

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

	2021	2020
<b>Reconciliation to carrying amounts:</b>	<b>(Rupees in '000')</b>	
Opening net assets	44,944	21,739
Total comprehensive loss for the year	(3,021)	(7,904)
Equity	30,000	31,109
Closing net assets	71,923	44,944
Group's share in carrying value of net assets	35,961	22,472
Group's share in total comprehensive income	(1,511)	(3,952)
<b>Summarized statement of profit or loss</b>		
Revenue for the year – Gross	-	-
Loss for the year	(3,021)	(7,904)
Other comprehensive loss for the year	-	-
Total comprehensive loss for the year	(3,021)	(7,904)

**16.1** The above information is based on audited financial statements of SCPL.

		2021	2020
<b>17</b>	<b>LONG TERM DEPOSITS</b>	<b>Note</b>	<b>(Rupees in '000')</b>
	Ijarah key money deposits	17.1	18,502
	Less: current portion of Ijarah key money deposits	22	2,596
			-
	Security deposits	17.2	61,382
			77,288

**17.1** This represents Ijarah key money deposits adjustable on expiry of respective Ijarah financing arrangements against transfer of titles of relevant assets.

**17.2** This represents security deposits given to various institutions / persons and are refundable on termination of relevant services / arrangements.

		2021	2020
<b>18</b>	<b>STORES, SPARE PARTS AND LOOSE TOOLS</b>	<b>Note</b>	<b>(Rupees in '000')</b>
	Stores		150,642
	Spare parts		18,684
	Loose tools		590
			169,916
	Less: provision for slow moving items	18.1	18,604
			151,312
<b>18.1</b>	Balance at beginning of the year	18,604	17,787
	Charged during the year	5,264	817
	Balance at end of the year	23,868	18,604

## **19 STOCK-IN-TRADE**

This represents medicines being carried at moving average cost.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

20	TRADE DEBTS	Note	2021 (Rupees in '000')	2020
	Related party - Shifa Foundation	20.1	17,139	17,875
	Related party - SIHT	20.1	24,335	25,783
	Others		1,058,447	692,254
			<b>1,099,921</b>	735,912
	Less: allowance for expected credit loss	40.1.3	195,881	130,013
			<b>904,040</b>	605,899

**20.1** Maximum amount due from Shifa Foundation and Shifa Integrated Health Technology (Private) Limited (SIHT) at the end of any month during the year was Rs. 21,265 thousand (2020: Rs. 52,502 thousand) and Rs. 70,322 thousand (2020: 25,783 thousand) respectively.

21	LOANS AND ADVANCES	Note	2021 (Rupees in '000')	2020
	Considered good - unsecured			
	Executives	21.1	3,291	2,726
	Other employees		16,523	19,517
			<b>19,814</b>	22,243
	Consultants - unsecured		2,825	1,571
	Suppliers / contractors - unsecured		326,280	394,372
			<b>348,919</b>	418,186
<b>21.1</b>	<b>Reconciliation of carrying amount of advances given to executives:</b>			
	Balance at beginning of the year		2,726	3,617
	Disbursements during the year		19,341	11,053
			<b>22,067</b>	14,670
	Less: Repayments during the year		18,776	11,944
	Balance at end of the year		<b>3,291</b>	2,726

**21.1.1** The above advances were given in accordance with the SIHL's service rules. The maximum amount due from executives at the end of any month during the year was Rs. 5,743 thousand (2020: Rs. 3,383 thousand).

22	DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	2021 (Rupees in '000')	2020
	Current portion of Ijarah key money deposits	17	15,906	2,596
	Short term prepayments		29,389	25,741
	Other receivable	22.1	72,656	69,124
			<b>117,951</b>	97,461
	Less: allowance for expected credit losses against other receivables	22.2	70,094	18,192
			<b>47,857</b>	79,269

**22.1** This include Rs. 51,902 thousand (2020: Rs. 47,389 thousand) due from Shifa Pan African Hospitals Limited (SPAHL) and also represent maximum balance.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

		2021	2020
22.2	Allowance for expected credit losses against other receivables	Note	(Rupees in '000')
	Balance at beginning of the year		18,111
	Charge during the year	22.2.1	81
	Balance at end of the year		18,192

**22.2.1** Due to certain factors including but not limited to Covid-19 pandemic, death of two out of three partners of Fatma properties (project sponsor of Shifa Pan African Hopsitals Limited (SPA), Dar Es Salaam, Tanzania) and resultantly lack of interest of rest of potential investors etc, both sponsors have agreed to find alternate options to provide investment from other investors for the Hospital Project. In the meantime, the Group deems it prudent to provide for the expenditure incurred so far till the final agreement will reach.

		2021	2020
23	OTHER FINANCIAL ASSETS	Note	(Rupees in '000')
	Investment-at amortized cost	23.1	455,884
	Investment in Mutual Funds - at fair value through profit or loss	23.2	151,253
			<b>1,102,202</b>

**23.1** This represent T- Bills purchased on February 25, 2021 to be matured on August 26, 2021 at a yield of 7.49% per annum (2020: T- Bill purchased on June 01, 2020 and matured on August 25, 2020 at a yield of 7.8% per annum) and a term deposit receipt (TDR) having face value of Rs. 3 million with three months maturity with profit payable on monthly basis at the rate ranging from 5% to 6.60% per annum (2020: 6.00% to 12.60% per annum).

**23.2** This represent investment in 6,157,748.3 units (2020: Nil) and 1,373,000 units (2020: 1,495,644 units) of UBL Al-Ameen Islamic Cash Fund and HBL Cash Fund respectively. Fair values of these investments were determined using quoted repurchase price as at June 30, 2021.

		2021	2020
24	TAX REFUNDS DUE FROM THE GOVERNMENT (NET OF PROVISION)	Note	(Rupees in '000')
	Balance at beginning of the year		412,951
	Income tax paid / deducted at source during the year		341,690
			<b>875,143</b>
	Provision for taxation for the year	31	(250,460)
	Balance at end of the year		504,181

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

25	CASH AND BANK BALANCES	Note	2021 (Rupees in '000')	2020
	<b>Cash at banks in:</b>			
	<b>Current accounts</b>			
	Local currency		436,512	402,450
	Foreign currency		1,663,510	1,893,210
			<b>2,100,022</b>	2,295,660
	<b>Saving accounts</b>			
	Local currency		820,926	287,096
	Foreign currency		157	168
		25.1	<b>821,083</b>	287,264
		25.2	<b>2,921,105</b>	2,582,924
	Cash in hand		<b>8,367</b>	19,874
			<b>2,929,472</b>	2,602,798

**25.1** These carry effective profit rates ranging from 0.51% - 6.30% and 0.01% (2020: 2.35% - 9.51% and 0.10%) per annum in respect of local and foreign currency accounts respectively.

**25.2** Balances with banks includes Rs. 112,342 thousand (2020: Rs. 112,391 thousand) in respect of security deposits (Note 11.2).

26	NON - CURRENT ASSETS HELD FOR SALE	Note	2021 (Rupees in '000')	2020
	Balance at beginning of the year		390,600	-
	Addition during the year	26.1	292,072	390,600
	Disposed off during the year	26.2	(188,993)	-
	Balance at end of the year		<b>493,679</b>	390,600

**26.1** This represents the carrying value of Rs. 292.07 million of Shifa Cooperative Housing Society land located at Islamabad Expressway measuring 25 kanals (2020: Rs. 390.6 million of land located at Islamabad Motorway with the area measuring 173.6 kanals).

**26.2** During the year ended June 30, 2021 the SIHL has sold its land measuring 72.5 kanals located at Islamabad Motorway and two plots located at Shifa Cooperative Housing Society, Islamabad Expressway at a market value of Rs. 173.5 million and Rs. 49.5 million respectively (2020: Nil).

**26.3** Details of freehold lands held for sale at year end are given below:

Location of lands	Area in Kanals
Motorway, Mouza Noon, Islamabad.	101.1
Shifa Cooperative Housing Society, Islamabad	23.0

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

		2021	2020
27	NET REVENUE	(Rupees in '000')	
	Note		
Inpatients		5,390,908	4,824,613
Outpatients		3,377,020	2,846,938
Pharmacy	27.1	5,271,449	4,294,236
Other services	27.2	332,754	428,075
		<b>14,372,131</b>	12,393,862
Less: discount		128,866	119,154
Less: Sales tax		19,592	15,220
Net revenue		<b>14,223,673</b>	12,259,488

**27.1** This includes revenue of Rs. 690,806 thousand (2020: Rs. 500,068 thousand) from external pharmacy outlets.

**27.2** This represents Rs. 301,369 thousand (2020: Rs. 298,888 thousand), Rs. 14,024 thousand (2020: Rs. 21,461 thousand) and Rs. 17,361 thousand (2020: Rs. 107,726 thousand) against cafeteria sales, operating leases to related parties / other parties and corporate services to associate / revenue from construction services respectively.

**27.3** The net revenue is excluding physician share of Rs. 1,302,168 thousand (2020: Rs. 1,029,891 thousand).

		2021	2020
28	OTHER INCOME	(Rupees in '000')	
<b>Income from financial assets:</b>			
Profit on bank deposits		8,493	16,602
Dividend income from mutual fund - investments at fair value through profit or loss		36,243	-
Un-realized gain on investments at fair value through profit or loss		1,353	-
Interest income on treasury bills		25,137	-
		<b>71,226</b>	16,602
<b>Income from other than financial assets:</b>			
Gain on disposal of tangible assets		41,975	14,292
Gain on foreign currency translation		-	117,629
Liabilities written back		26,568	8,113
Sale of scrap - net of sales tax		9,658	14,595
Miscellaneous		22,497	16,897
		<b>100,698</b>	171,526
		<b>171,924</b>	188,128

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

29	OPERATING COSTS	Note	2021 (Rupees in '000')	2020
	Salaries, wages and benefits	29.1	4,765,285	4,699,117
	Utilities		542,604	538,853
	Supplies consumed		1,623,965	1,262,992
	Medicines consumed		3,815,914	3,168,954
	Communication		41,402	38,532
	Travelling and conveyance		11,821	25,957
	Printing and stationery		104,626	99,066
	Repairs and maintenance		588,242	489,414
	Auditors' remuneration	29.2	6,236	6,116
	Legal and professional		28,717	77,510
	Rent		13,672	14,712
	Rates and taxes		18,585	18,569
	Advertising and sales promotion		48,347	40,843
	Fee, subscription and membership		59,289	77,661
	Vehicle and equipment rentals	29.3	8,874	26,894
	Cleaning and washing		120,870	121,289
	Project cost		12,033	61,074
	Insurance		15,724	14,535
	Property, plant and equipment written off	29.4	977	5,273
	Provision for slow moving stores		6,161	1,438
	Depreciation / amortization on tangible assets	14 & 29.6	840,804	781,841
	Amortization on intangible assets	15	26,267	26,423
	Donations		-	8,000
	Exchange loss on foreign currency translation		120,044	-
	Miscellaneous		43,510	42,537
			<b>12,863,969</b>	11,647,600

**29.1** This includes employee retirement benefits (gratuity) of Rs. 143,917 thousand (2020: Rs. 123,824 thousand), expense for compensated absences of Rs. 46,378 thousand (2020: Rs. 46,706 thousand) and bonus to employees of Rs. 190,931 thousand (2020: Rs. 59,269 thousand).

29.2	Auditors' remuneration	2021 (Rupees in '000')	2020
	Annual audit fee	2,943	2,040
	Half yearly review fee	1,572	970
	Statutory certifications	1,721	3,106
		<b>6,236</b>	6,116

**29.2.1** The above fee is inclusive of sales tax amounting to Rs.767 thousand (2020: 904 thousand).

**29.3** This includes ujarah payments under an Ijarah. As required under Islamic Financial Accounting Standard (IFAS 2) "Ijarah" (notified through SRO 431 (I)/2007 by Securities & Exchange Commission of Pakistan) ujarah payments under an Ijarah are recognized as an expense in the consolidated statement of profit or loss on straight line basis over the Ijarah term.

The amounts of future ujarah payments and the periods in which these will be due are as follows:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

	2021	2020
	(Rupees in '000')	
Within one year	12,447	9,272
After one year but not more than five years	-	12,491
Total ujarah payments	12,447	21,763

**29.4** This represents assets written off that were determined to be irreparable after carrying out detailed physical verification exercised by the management.

**29.5 Donation**

This represented donation given to Shifa Tameer-e-Millat University (STMU) which is related party of the SIHL due to common directorship as detailed below:

Name of common directors	Interest in donee	Address of the donee
Dr. Manzoor H. Qazi	Director	H-8/4, Islamabad
Dr. Habib ur Rahman	Director	H-8/4, Islamabad
Dr. Samea Kauser Ahmad	Director	H-8/4, Islamabad

**29.6** This include amortization on investment property amounting to Rs.Nil (2020: Rs.14,925 thousand) disposed off during the last year.

30	FINANCE COSTS	Note	2021	2020
			(Rupees in '000')	
<b>Mark-up on:</b>				
	Long term financing - secured		255,567	384,102
	Running finance and murabaha facilities		-	1,291
	Lease liabilities		43,263	52,011
	Credit card payment collection charges		30,698	21,175
	Bank charges and commission		1,183	6,113
			330,711	464,692

31	PROVISION FOR TAXATION		2021	2020
	Current			
	- for the period		394,595	248,441
	- prior year		-	2,019
		24	394,595	250,460
	Deferred		(94,077)	61,218
			300,518	311,678

32	EARNINGS PER SHARE - BASIC AND DILUTED		2021	2020
	Profit for the year attributable to equity holders of SIHL		724,091	731
			(Numbers in '000')	
	Weighted average number of ordinary shares in issue during the year	32.1	61,975	61,752



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

	2021	2020
	(Rupees)	
Earnings per share - basic and diluted	11.68	0.01

**32.1** Weighted average number of shares has been calculated on the basis of time factor of shares outstanding during the year.

## **33 CAPACITY UTILIZATION**

The actual inpatient available bed days, occupied bed days and room occupancy ratio of Shifa International Hospitals Limited (SIHL) are given below:

	2021	2020	2021	2020	2021	2020
	Available bed days		Occupied bed days		Occupancy Ratio	
SIHL H-8/4 Islamabad	184,023	179,842	102,702	105,629	55.81%	58.73%
SIHL Faisalabad	28,105	18,538	6,498	5,247	23.12%	28.30%

**33.1** The under utilization reflects the pattern of patient turnover which is beyond the management's control.

	2021	2020
<b>34 UNAVAILED CREDIT FACILITIES</b>	(Rupees in '000')	
Unavailed credit facilities at year end are as under:		
Running / Murabaha financing	-	500,000
Letter of credit	100,000	400,000
Diminishing Musharakah	51,962	100,763
Ijarah financing	51,709	71,736
Running Musharakah	500,000	-
Letter of gurantee	23,666	16,400
SBP refinance scheme (Capex)	252,356	200,000
	<b>979,693</b>	1,288,899

## **35 NUMBER OF EMPLOYEES**

The Group had 5,097 employees (2020: 4,824) at the year end and average number of employees during the year were 4,962 (2020: 4,850).

## **36 RELATED PARTIES TRANSACTIONS**

The related parties comprise of associate, 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.

Related parties transactions / balances are given below:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

		2021	2020
	Note	(Rupees in '000')	
<b>Shifa Foundation:</b>			
<b>Opening balance - receivable</b>		17,875	28,647
Revenue from services earned by the Company	36.1	12,607	144,556
Revenue from rent earned by the Company		600	600
Expenses paid and reimbursed to the Company		23	7,701
Other services provided to the Company		(3,424)	(16,076)
Revenue from COVID -19 clinical trial services	36.2	16,498	-
Receipts / adjustments		(27,040)	(147,553)
<b>Closing balance - receivable</b>		17,139	17,875
<b>Tameer-e-Millat Foundation:</b>			
<b>Opening balance - payable</b>		(11,978)	(11,789)
Revenue from rent earned by the Company		311	311
Supplies provided to the Company	36.3	(79,335)	(35,780)
Other services provided to the Company	36.4	(22,320)	(18,946)
Rental services received by the Company		(4,942)	(8,490)
Payments / adjustments		105,191	62,716
<b>Closing balance - payable</b>		(13,073)	(11,978)
<b>Shifa Tameer-e-Millat University:</b>			
<b>Opening balance - payable</b>		(27,468)	(24,074)
Revenue from services earned by the Company	36.1	11,294	33,791
Revenue from rent earned by the Company		2,907	9,648
Other services provided to the Company	36.4	(53,780)	(68,283)
Expenses paid by and reimbursed to the Company		2,968	12,239
Donation paid by the Company		-	(8,000)
Payments / adjustments		59,038	17,211
<b>Closing balance - payable</b>		(5,041)	(27,468)
<b>Shifa Integrated Health Technology (Private) Limited</b>			
<b>Opening balance - receivable</b>		25,783	-
Revenue from services earned by the Company	36.1	351,638	51,858
Expenses paid by and reimbursed to the Company		4,850	739
Other services provided to the Company	36.4	(22,414)	(11,672)
Receipts / adjustments		(335,522)	(15,142)
<b>Closing balance - receivable</b>		24,335	25,783

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

		2021	2020
	Note	(Rupees in '000')	
<b>Shifa Care (Private) Limited</b>			
<b>Opening balance</b>		-	-
Investment made by the Company in 1,500,000 (2020: 3,000,000) ordinary shares		(15,000)	(30,000)
Other services provided by the Company	36.4	836	-
Revenue from rent earned by the Company		-	3,960
Expenses paid by and reimbursed to the Company		50	3,356
Receipts / adjustments		14,114	22,684
<b>Closing balance</b>		-	-
<b>SIHL Employees' Gratuity Fund</b>			
<b>Opening balance - payable</b>		(196,221)	(123,128)
Provision / OCI charge		(189,841)	(146,366)
Payment made by the Company during the year	36.5	134,468	73,273
<b>Closing balance - payable</b>		(251,594)	(196,221)
<b>Remuneration including benefits and perquisites of key management personnel</b>	36.6	366,679	347,745

**36.1** Revenue earned from related parties includes medical, surgical, clinical and lab services rendered to referred inpatients and outpatients, sale of medicines and provision of cafeteria services. These transactions are executed on terms agreed between the parties.

**36.2** This represents the amount received from Shifa Foundation (SF) against provision of logistical support / supplies etc. for the clinical trial of Covid Vaccine (the Project). The Project is sponsored by National Institute of Health (NIH) and originally given to the SIHL which has contractual collaborative arrangement (the Arrangement) in place with SF whereby the Project was deemed assigned to SF and under the Arrangement SIHL was entitled for recovery against supplies / services provided.

**36.3** This mainly includes cafeteria supplies, uniforms and dairy products etc. These transactions are executed on terms agreed between the parties.

**36.4** This represents services of nursing education / training, employees' children education and media services. These transactions are based on terms agreed between the parties.

**36.5** Transactions with the Fund are carried out based on the terms of employment of employees and according to actuarial advice.

**36.6** This includes employee retirement benefits (gratuity) amounting to Rs. 20,342 thousand (2020: Rs. 15,497 thousand).

**36.7** Names of related parties with whom the SIHL had entered into transactions or had agreements and / or arrangements in place during the financial year are as follow:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

Sr #	Name of related party (RP)	Basis of relationship	Percentage of	
			SIHL's shareholding in RP	RP's shareholding in the SIHL
1	Shifa Foundation	Common Directorship	N/A*	0.92%
2	Tameer-e-Millat Foundation	Common Directorship	N/A	12.57%
3	SIHL Employees' Gratuity Fund	Benefit plan	N/A	0.12%
4	Shifa Tameer-e-Millat University	Common Directorship	N/A	0.02%
5	Shifa CARE (Private) Limited	Associate and Common Directorship	50%	Nil
6	Shifa Integrated Health Technology (Private) Limited	Common Directorship	N/A	N/A
7	International Finance Corporation (IFC)	Associate	Nil	12%

\*N/A stands for not applicable.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

## 37 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these financial statements in respect of remuneration and allowances, including all benefits, to chief executive, directors and executives of the Group are given below:

	Chief Executive		Executive Directors		Non Executive Directors		Executives	
	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees in '000')							
Managerial remuneration	45,240	45,352	32,074	22,183	8,800	7,855	208,076	202,735
Rent and utilities	6,190	6,205	2,722	2,474	1,266	1,567	35,978	32,676
Bonus and incentives	1,650	2,090	-	3,251	-	307	7,394	9,788
Gratuity	-	-	-	-	-	-	20,342	15,497
Medical insurance	76	-	76	64	293	61	1,805	1,837
Leave encashment	-	-	4,335	-	-	-	6,338	5,953
	<b>53,156</b>	<b>53,647</b>	<b>39,207</b>	<b>27,972</b>	<b>10,359</b>	<b>9,790</b>	<b>279,933</b>	<b>268,486</b>
Number of persons	2	2	2	1	8	8	38	50

**37.1** In addition to above, the chief executive is provided with a SIHL maintained car, while one other director and twenty seven executives availed car facility.

**37.2** Managerial remuneration includes Rs. 3,450 thousand (2020: Rs. 2,700 thousand) paid to directors in respect of meeting attending fee.

**37.3** Travelling expenses of directors for official purposes are reimbursed by the Group.

## 38 CASH AND CASH EQUIVALENTS

	2021	Note	2020
Investment - at amortized cost		23	455,884
Cash and bank balances		25	2,602,798
	<b>2,958,820</b>		<b>3,058,682</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

39 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES	2021							Total
	Liabilities		Equity			Unappropriated profit	Total	
	Long term financing	Government Grant	Lease liabilities	Share capital	Share premium			
	3,378,465	53,193	398,798	619,749	2,751,283	948,384	3,103,034	11,252,906
<b>Balance at beginning of the year</b>								
<b>Changes from financing cash flows</b>								
Proceeds	633,450	-	-	-	-	-	-	633,450
Repayments	(381,608)	-	-	-	-	-	-	(381,608)
Repayments of lease liabilities	-	-	(169,895)	-	-	-	-	(169,895)
Acquisition of shareholding by NCI	-	-	-	-	-	78,000	-	78,000
Dividend paid	-	-	-	-	-	-	(1,507)	(1,507)
Grant received	-	82,630	-	-	-	-	-	82,630
Total changes from financing cash flows	251,842	82,630	(169,895)	-	-	78,000	(1,507)	241,070
<b>Other changes</b>								
Liability related	66,196	-	155,140	-	-	-	-	221,336
Equity related	-	-	-	-	-	-	-	-
Total comprehensive changes	-	-	-	-	-	-	-	-
Other changes in appropriate profit	-	-	-	-	-	110,151	690,681	800,832
Changes in unclaimed dividend	-	-	-	-	-	(13)	21,978	21,965
NCI recognized during the year	-	-	-	-	-	(16,716)	1,507	1,507
Amortisation of government grant	-	(66,196)	-	-	-	-	16,716	-
Total of liability and equity related changes	-	(66,196)	-	-	-	93,422	730,882	(66,196)
<b>Balance at end of the year</b>	<b>3,696,503</b>	<b>69,627</b>	<b>384,043</b>	<b>619,749</b>	<b>2,751,283</b>	<b>1,119,806</b>	<b>3,832,409</b>	<b>12,473,420</b>
	2,498,776	-	418,714	545,379	1,046,025	2,593	3,250,167	7,761,654
<b>Balance at beginning of the year</b>								
<b>Changes from financing cash flows</b>								
Issue of share capital	-	-	-	74,370	1,705,258	-	-	1,779,628
Proceeds	1,014,133	-	-	-	-	-	-	1,014,133
Repayments	(140,214)	-	-	-	-	-	-	(140,214)
Repayments of lease liability	-	-	(175,870)	-	-	-	-	(175,870)
NCI recognized during the year	-	-	-	-	-	961,493	-	961,493
Dividend paid	-	-	-	-	-	-	(170,042)	(170,042)
Grant received	-	58,963	-	-	-	-	-	58,963
Total changes from financing cash flows	873,919	58,963	(175,870)	74,370	1,705,258	961,493	(170,042)	3,328,091
<b>Other changes</b>								
Liability related	5,770	-	155,954	-	-	-	-	161,724
Equity related	-	-	-	-	-	-	-	-
Total comprehensive changes	-	-	-	-	-	(12,461)	(13,721)	(26,182)
Other changes in unappropriate profit	-	-	-	-	-	-	21,383	21,383
Changes in unclaimed dividend	-	-	-	-	-	-	12,006	12,006
Acquisition of shareholding by NCI	-	-	-	-	-	(3,241)	3,241	-
Amortisation of government grant	-	(5,770)	-	-	-	-	-	(5,770)
Total of liability and equity related changes	-	(5,770)	-	-	-	(15,702)	22,909	1,437
<b>Balance at end of the year</b>	<b>3,378,465</b>	<b>53,193</b>	<b>398,798</b>	<b>619,749</b>	<b>2,751,283</b>	<b>948,384</b>	<b>3,103,034</b>	<b>11,252,906</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

## 40 FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:

Credit risk  
Liquidity risk  
Market risk

### Risk management framework

The Board meets frequently throughout the year for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

### 40.1 Credit risk

Credit risk represents the financial loss that would be recognized at the reporting date if counterparties failed completely to perform as contracted. The Group does not have significant exposure to any individual counter-party. To reduce exposure to credit risk the Group has developed a formal approval process whereby credit limits are applied to its customers. The management also regularly monitors the credit exposure towards the customers and makes allowance for ECLs for those credit exposure. Furthermore, the Group has credit control in place to ensure that services are rendered to customers with an appropriate credit history.

#### 40.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2021	2020
	(Rupees in '000')	
Deposits	74,007	61,382
Trade debts	904,040	605,899
Other receivables	2,562	50,932
Markup accrued	677	253
Other financial assets	1,102,202	607,137
Bank balances	2,921,105	2,582,924
	<b>5,004,593</b>	<b>3,908,527</b>

The Group is also exposed to credit risk from its operating and short term investing activities. The Group's credit risk exposures are categorized under the following headings:

#### 40.1.2 Counterparties

The Group conducts transactions with the following major types of counterparties:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

## Trade debts

Trade debts are essentially due from government companies / institutions, private companies (panel companies) and individuals to whom the Group is providing medical services. Normally the services are rendered to the panel companies on agreed rates and limits from whom the Group does not expect any inability to meet their obligations. The Group manages credit risk in trade debts by limiting significant exposure to the customers not having good credit history. Furthermore, the Group has credit control in place to ensure that services are rendered to customers with an appropriate credit history and makes allowance for ECLs against those balances considered doubtful of recovery.

## Bank balances and investments

The Group limits its exposure to credit risk by investing in liquid securities and maintaining bank accounts only with counterparties that have a high credit ratings and therefore management does not expect any counterparty to fail to meet its obligations.

The maximum exposure to credit risk for trade debts at the reporting date by type of customer was:

	2021	2020
	(Rupees in '000')	
Government companies	632,053	324,556
Private companies	286,035	244,907
Individuals	140,359	122,791
Related parties	41,474	43,658
	<b>1,099,921</b>	735,912

### 40.1.3 Impairment losses

The aging of trade debts at the reporting date was:

	2021		2020	
	Gross debts	Allowance for ECL	Gross debts	Allowance for ECL
	(Rupees in '000')			
Not past due	254,806	-	169,526	-
1 - 4 months	359,181	21,481	282,705	43,419
5 - 7 months	155,994	27,545	104,574	9,595
8 - 12 months	119,806	44,095	67,245	10,872
Above 12 months	210,134	102,760	111,862	66,127
	<b>1,099,921</b>	<b>195,881</b>	735,912	130,013

The movement in the allowance for impairment in respect of trade debts during the year was as follows:

		2021	2020
	Note	(Rupees in '000')	
Balance at beginning of the year		130,013	97,498
Expected credit losses		106,189	32,515
Less: bad debts written off		40,321	-
Balance at end of the year	20	<b>195,881</b>	130,013

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

**40.1.4** The Group believes that no impairment allowance is necessary in respect of markup accrued, deposits, other receivables and other financial assets as the recovery of such amounts is possible except in case of other receivables for which impairment loss has been recorded (Note 22.2.1).

The ageing of Shifa Foundation (SF), Shifa Integrated Health Technology (Private) Limited (SIHT) and Shifa Pan African Hospitals Limited (SPAH) at the reporting date was:

	Note	2021		2020	
		Gross debts	Allowance for ECL	Gross debts	Allowance for ECL
(Rupees in '000')					
<b>SF</b>					
1 - 4 months	20	17,139	-	17,875	-
<b>SIHT</b>					
1 - 4 months	20	24,335	-	25,783	-
<b>SPAH</b>					
1 - 4 months		-	-	-	-
5 - 7 months	22.2	4,513	4,513	-	-
8-12 months	22.2	-	-	47,389	-
Above 12 months	22.2	47,389	47,389	-	-

**40.1.5** Cash and investments are held only with reputable banks and their mutual funds with high quality external credit rating assessed by external rating agencies. Following are the credit ratings of banks with which balances are held or credit lines available:

Bank	Rating Agency	Rating	
		Short term	Long term
Habib Bank Limited (HBL)	JCR - VIS	A1+	AAA
United Bank Limited (UBL)	JCR - VIS	A1+	AAA
MCB Bank Limited	PACRA	A1+	AAA
Dubai Islamic Bank	JCR - VIS	A1+	AA
The Bank of Punjab	PACRA	A1+	AA+
Askari Bank Limited	PACRA	A1+	AA+
Faysal Bank Limited	JCR - VIS	A1+	AA
Bank Alfalah Limited	PACRA	A1+	AA+
Bank Al Habib Limited	PACRA	A1+	AAA
Silk Bank Limited	JCR - VIS	A2	A-
Meezan Bank Limited	JCR - VIS	A1+	AAA
Al Baraka Bank (Pakistan) Limited	JCR - VIS	A1	A+
UBL - Al Ameen Islamic Cash Fund	JCR - VIS	-	AA+(f)
HBL Cash Fund	JCR - VIS	-	AA+(f)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

## 40.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. For this purpose the Group has credit facilities as mentioned in notes 8 and 34 to the financial statements. Further liquidity position of the Group is monitored by the board through budgets, cash flow projections and comparison with actual results.

Following is the maturity analysis of financial liabilities:

	Carrying amount	Six months or less	Six to twelve months	One to two years	Two to five years	Above five years
(Rupees in '000')						
<b>2021</b>						
Long term financing- secured	3,766,130	665,362	740,360	1,284,106	1,076,302	-
Trade and other payables	2,738,685	2,738,685	-	-	-	-
Unclaimed dividend	35,158	35,158	-	-	-	-
Mark up accrued	16,913	16,913	-	-	-	-
	<b>6,556,886</b>	<b>3,456,118</b>	<b>740,360</b>	<b>1,284,106</b>	<b>1,076,302</b>	-
<b>2020</b>						
Long term financing-secured	3,431,658	1,439	289,117	1,090,410	2,050,692	-
Trade and other payables	2,585,587	2,585,587	-	-	-	-
Unclaimed dividend	36,665	36,665	-	-	-	-
Mark up accrued	34,784	34,784	-	-	-	-
	<b>6,088,694</b>	<b>2,658,475</b>	<b>289,117</b>	<b>1,090,410</b>	<b>2,050,692</b>	-

Maturity analysis of lease liabilities is given in note 10.

## 40.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, markup rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. The Group is exposed to currency, mark up rate and market price risk.

### 40.3.1 Foreign currency risk

#### Exposure to foreign currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings and cash in foreign currency bank account. The Group's exposure to foreign currency risk is as follows:

	2021			2020		
	Euro	USD	AED	Euro	USD	AED
(Amount in '000')						
Trade debts	-	538.54	-	-	536.25	-
Creditors	-	-	-	-	(162.50)	-
Bank balances	-	10,673.07	351.09	-	11,264.76	24.86
Letter of credit	(62.00)	(285.65)	-	(58.50)	-	-
	<b>(62.00)</b>	<b>10,925.96</b>	<b>351.09</b>	<b>(58.50)</b>	<b>11,638.51</b>	<b>24.86</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

	2021			2020		
	(Rupees in '000')					
Trade debts	-	84,620	-	-	90,079	-
Creditors	-	-	-	-	(27,357)	-
Bank balances	-	1,677,047	15,032	-	1,892,241	1,137
Letter of credit	(11,622)	(44,988)	-	(11,047)	-	-
	(11,622)	1,716,679	15,032	(11,047)	1,954,963	1,137

The following significant exchange rates applied during the year:

	Average rate		Closing rate	
	2021	2020	2021	2020
	(Rupees)			
USD 1 - Buying	160.10	158.07	157.13	167.98
USD 1 - Selling	160.47	158.45	157.49	168.35
AED 1 - Buying	43.59	43.03	42.82	45.73
AED 1 - Selling	43.69	43.13	42.91	45.83
Euro 1 - Buying	190.92	174.85	187.04	188.43
Euro 1 - Selling	191.34	175.26	187.45	188.84

## Foreign currency sensitivity analysis

A 10 percent variation of the PKR against the USD, AED and EURO at June 30 would have effected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular markup rates, remain constant.

	Change in Foreign Exchange Rates	Effect on Profit	Effect on Equity
	%	(Rupees in '000')	
<b>2021</b>			
Foreign currencies	+10%	172,099	172,099
Foreign currencies	-10%	(172,099)	(172,099)
<b>2020</b>			
Foreign currencies	+10%	194,505	194,505
Foreign currencies	-10%	(194,505)	(194,505)

### 40.3.2 Markup rate risk

The markup rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from long term financing, short term investments and deposits with banks. At the reporting date the markup rate profile of the Group's markup-bearing financial instruments are:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

	Note	2021 (Rupees in '000')	2020
<b>Financial assets</b>			
Investment - at amortized cost	23.1	343,788	455,884
Bank balances	25	821,083	287,264
		<b>1,164,871</b>	743,148
<b>Financial liabilities</b>			
Long term financing - secured	8	(3,766,130)	(3,431,658)
		<b>(2,601,259)</b>	(2,688,510)

The effective markup rates for the financial assets and liabilities are mentioned in respective notes to the financial statements.

### Markup rate sensitivity analysis

If markup rates had been 50 basis points higher / lower and all other variables were held constant, the Group's profit for the year ended June 30, 2021 would decrease / increase by Rs. 10,409 thousand (2020: decrease / increase by Rs. 14,556 thousand). This is mainly attributable to the Group's exposure to markup rates on its variable rate borrowings.

### Price risk

The Group's price risk arises from investments in units as disclosed in - note 23.2 which are designated at fair value through profit or loss, however, in accordance with the investment strategy the performance of units is actively monitored and they are managed on a fair value basis.

### Price risk sensitivity analysis

A change of Rs. 1 in the value of investments at fair value through profit or loss would have increased or decreased profit or loss by Rs. 10,694 thousand (2020: Nil)

#### 40.4 Financial instrument by category

	Amortized cost	Fair value through profit or loss	Fair value through other comprehensive income	Total
2021	(Rupees in '000')			
<b>Financial assets</b>				
<b>Maturity upto one year</b>				
Trade debts	904,040	-	-	904,040
Other receivables	2,562	-	-	2,562
Markup accrued	677	-	-	677
Other financial assets	343,788	758,414	-	1,102,202
Cash and bank balances	2,929,472	-	-	2,929,472
<b>Maturing after one year</b>				
Long term deposits	74,007	-	-	74,007
	<b>4,254,546</b>	<b>758,414</b>	-	<b>5,012,960</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

	Amortized cost	Fair value through profit or loss	Fair value through other comprehensive income	Total
<b>2021</b>				
(Rupees in '000')				
<b>Financial liabilities</b>				
<b>Maturing upto one year</b>				
Trade and other payables	2,738,685	-	-	2,738,685
Unclaimed dividend	35,158	-	-	35,158
Markup accrued	16,913	-	-	16,913
Current portion of long term financing - secured	1,405,722	-	-	1,405,722
Current portion of lease liabilities	118,456	-	-	118,456
<b>Maturing after one year</b>				
Long term financing - secured	2,360,408	-	-	2,360,408
Lease liabilities	265,587	-	-	265,587
	<b>6,940,929</b>	-	-	<b>6,940,929</b>
<b>2020</b>				
<b>Financial assets</b>				
<b>Maturity upto one year</b>				
Trade debts	605,899	-	-	605,899
Other receivables	50,932	-	-	50,932
Markup accrued	253	-	-	253
Other financial assets	455,884	151,253	-	607,137
Cash and bank balances	2,602,798	-	-	2,602,798
<b>Maturing after one year</b>				
Long term deposits	61,382	-	-	61,382
	<b>3,777,148</b>	<b>151,253</b>	-	<b>3,928,401</b>
<b>Financial liabilities</b>				
<b>Maturing upto one year</b>				
Trade and other payables	2,585,587	-	-	2,585,587
Unclaimed dividend	36,665	-	-	36,665
Markup accrued	34,784	-	-	34,784
Current portion of long term financing - secured	290,556	-	-	290,556
Current portion of lease liabilities	135,305	-	-	135,305
<b>Maturing after one year</b>				
Long term financing - secured	3,141,102	-	-	3,141,102
Lease liabilities	263,493	-	-	263,493
	<b>6,487,492</b>	-	-	<b>6,487,492</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

## 40.5 Fair value

### Fair value versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the consolidated statement of financial position, are as follows:

	2021		2020	
	Carrying value	Fair value	Carrying value	Fair value
(Rupees in '000')				
<b>Assets carried at amortized cost</b>				
Long term deposits	74,007	74,007	61,382	61,382
Trade debts	904,040	904,040	605,899	605,899
Other receivables	2,562	2,562	50,932	50,932
Markup accrued	677	677	253	253
Other financial assets	343,788	343,788	455,884	455,884
Cash and bank balances	2,929,472	2,929,472	2,602,798	2,602,798
	<b>4,254,546</b>	<b>4,254,546</b>	<b>3,777,148</b>	<b>3,777,148</b>
<b>Assets carried at fair value</b>				
Other financial assets	758,414	758,414	151,253	151,253
<b>Liabilities carried at amortized cost</b>				
Long term financing - secured	2,360,408	2,360,408	3,141,102	3,141,102
Lease liabilities	265,587	265,587	263,493	263,493
Trade and other payables	2,738,685	2,738,685	2,585,587	2,585,587
Unclaimed dividend	35,158	35,158	36,665	36,665
Markup accrued	16,913	16,913	34,784	34,784
Current portion of long term financing - secured	1,405,722	1,405,722	290,556	290,556
Current portion of lease liabilities	118,456	118,456	135,305	135,305
	<b>6,940,929</b>	<b>6,940,929</b>	<b>6,487,492</b>	<b>6,487,492</b>

The basis for determining fair values is as follows:

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. For instruments carried at amortized cost, since the majority of the interest bearing investments are variable rate based instruments, there is no difference in carrying amount and the fair value. Further, for fixed rate instruments, since there is no significant difference in market rate and the rate of instrument and therefore most of the fixed rate instruments are short term in nature, fair value significantly approximates to carrying value.

## 41 FAIR VALUE HIERARCHY

### Other financial assets

Fair value of investment in mutual funds (Note 23.2) has been determined using quoted repurchase price at reporting date and categorized under level 1 of fair value hierarchy.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

## Fair value of land

Lands owned by the Group are valued by independent valuers to determine the fair values of lands as at reporting date. The fair value of lands subject to revaluation model fall under level 2 of fair value hierarchy.

There were no transfer amongst the levels during the year. Further, there were no changes in the valuation techniques during the year.

## 42 CAPITAL MANAGEMENT

The Group's objectives when managing capital are to ensure the Group's ability not only to continue as a going concern but also to meet its requirements for expansion and enhancement of its business, maximize return of shareholders and optimize benefits for other stakeholders to maintain an optimal capital structure and to reduce the cost of capital

In order to achieve the above objectives, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares through bonus or right issue or sell assets to reduce debts or raise debts, if required.

## 43 DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX

		2021	2020
Description	Explanation	(Rupees in '000')	
Bank balances	Placed under interest	313,670	117,810
	Placed under sharia permissible arrangement	507,413	169,454
		821,083	287,264
Return on bank deposit for the year	Placed under interest	3,997	3,226
	Placed under sharia permissible arrangement	4,337	8,702
		8,334	11,928
Interest and dividend income on investment for the year	Placed under interest	25,296	3,263
	Placed under sharia permissible arrangement	36,243	1,411
		61,539	4,674
Segment revenue	Disclosed in note 27		
Exchange gain earned		-	117,629
Loans obtained as per Islamic mode		2,788,360	2,931,012
Mark up paid on Islamic mode of financing		305,325	406,082
Interest paid on any conventional loan		-	2,162

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

## Relationship with sharia compliant banks

The Company has obtained long term loans and has maintained bank balances and term deposits with sharia compliant banks as given below:

- Askari Bank Limited
- Al-Baraka Bank (Pakistan) Limited
- Habib Bank Limited
- Faysal Bank Limited
- Bank Alfalah Limited
- The Bank Of Punjab
- Meezan Bank Limited
- Dubai Islamic Bank

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## 44 OPERATING SEGMENTS

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These consolidated financial statements have been prepared on the basis of single reportable segment. All revenue of the Group is earned from customers located in Pakistan. All non-current assets of the Group at June 30, 2021 are located in Pakistan. There is no customer with more than 10% of total revenue of the Group for the year.

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## 45 IMPACT OF COVID-19 (CORONA VIRUS)

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A novel strain of coronavirus (COVID-19) classified as a pandemic by the World Health Organization on 11 March 2020 has impacted the countries globally including Pakistan. Due to this pandemic during last financial year the operations of the hospital were interrupted that resulted shortfalls against budgeted revenues and cash flows. Consequently, the SIHL availed the loan facility under refinance scheme for wages & salaries of State Bank of Pakistan (SBP) and the deferment of existing loans repayment commitments under regulatory relief of SBP that enabled the SIHL to consolidate its liquidity position. In addition to above the Group has implemented various measures that has enabled the Group to continue its operations without interruption during the current year and thereafter. Due to above the management of the Group believes that the pandemic has no adverse impact on Group's financial position and the results of operations during the current year except the matter referred in note 22.2.1. The management of the Group will continue to monitor the situation and will take all possible measures to overcome the effects of the pandemic.

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## 46 DATE OF AUTHORIZATION FOR ISSUE

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These consolidated financial statements were approved and authorized for issue by the board of directors of the SIHL on September 25, 2021.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

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## 47 NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE

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The Board of Directors of the SIHL, in their meeting held on September 25, 2021, proposed bonus shares at the rate of 2% in proportion of one ordinary share for every fifty shares held (total 1,239,497 bonus shares having face value of Rs. 10 each) for approval of the members in Annual General Meeting to be held on October 28, 2021.

These consolidated financial statements do not reflect the proposed appropriation, which will be accounted for in the consolidated statement of changes in equity as appropriation from share premium in the year ending June 30, 2022.

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## 48 GENERAL

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- Figures have been rounded off to the nearest one thousand Pak Rupees unless otherwise stated.
- Immaterial reclassification has been made wherever necessary.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

# PATTERN OF SHAREHOLDING

As at June 30, 2021

Number of shareholders	Size of holding of shares		Total shares held
	From	To	
197	1	100	9,715
1,172	101	500	548,307
344	501	1,000	291,302
299	1,001	5,000	712,115
100	5,001	10,000	797,240
60	10,001	15,000	733,595
37	15,001	20,000	678,829
27	20,001	25,000	612,481
13	25,001	30,000	357,692
9	30,001	35,000	288,324
9	35,001	40,000	344,412
8	40,001	45,000	341,020
13	45,001	50,000	630,532
10	50,001	55,000	528,378
4	55,001	60,000	232,010
1	60,001	65,000	60,750
1	70,001	75,000	70,772
5	75,001	80,000	391,961
1	80,001	85,000	345,470
4	85,001	90,000	90,000
5	90,001	95,000	459,005
12	95,001	100,000	1,200,000
3	100,001	105,000	306,011
5	105,001	110,000	538,488
4	120,001	125,000	492,910
4	125,001	130,000	507,200
3	130,001	135,000	398,540
3	135,001	140,000	411,267
2	145,001	150,000	299,008
1	150,001	155,000	152,230
3	155,001	160,000	477,200
1	160,001	165,000	161,040
1	165,001	170,000	167,410
1	170,001	175,000	170,300



# PATTERN OF SHAREHOLDING

As at June 30, 2021

Number of shareholders	Size of holding of shares		Total shares held
	From	To	
1	195,001	200,000	200,000
1	200,001	205,000	204,925
1	205,001	210,000	207,625
1	210,001	215,000	213,000
1	215,001	220,000	219,755
1	230,001	235,000	232,274
1	240,001	245,000	243,840
1	250,001	255,000	253,624
1	275,001	280,000	278,358
1	285,001	290,000	285,436
1	295,001	300,000	300,000
3	300,001	305,000	906,462
2	305,001	310,000	616,663
1	310,001	315,000	311,667
2	325,001	330,000	657,148
1	345,001	350,000	347,260
1	350,001	355,000	354,370
1	370,001	375,000	370,633
1	395,001	400,000	400,000
1	400,001	405,000	402,850
2	415,001	420,000	832,304
1	440,001	445,000	442,364
2	455,001	460,000	915,909
2	530,001	535,000	1,065,346
1	565,001	570,000	570,000
1	585,001	590,000	588,229
1	605,001	610,000	607,101
1	920,001	925,000	922,628
1	995,001	1,000,000	998,079
1	1,450,001	1,455,000	1,451,747
1	1,465,001	1,470,000	1,465,343
1	1,765,001	1,770,000	1,768,307
1	1,775,001	1,780,000	1,775,068
1	1,885,001	1,890,000	1,885,205

Number of shareholders	Size of holding of shares		Total shares held
	From	To	
1	2,305,001	2,310,000	2,309,072
1	5,110,001	5,115,000	5,110,425
1	5,275,001	5,280,000	5,279,569
1	5,735,001	5,740,000	5,739,800
1	7,435,001	7,440,000	7,436,986
<b>2,408</b>			<b>61,974,886</b>

Categories of shareholders	Number of shareholders	Number of shares held	Percentage
INDIVIDUALS	2262	35,804,655	57.77
FINANCIAL INSTITUTIONS	10	7,577,586	12.23
INVESTMENT COMPANIES	1	570,000	0.92
JOINT STOCK COMPANIES	15	201,097	0.32
MUTUAL FUND	14	1,759,804	2.84
CHARITABLE TRUSTS	6	60,938	0.10
OTHERS	95	9,899,106	15.97
INSURANCE COMPANIES	5	6,101,700	9.85
<b>Total</b>	<b>2408</b>	<b>61,974,886</b>	<b>100.00</b>

# DISCLOSURE IN CONNECTION WITH THE PATTERN OF SHAREHOLDING

AS REQUIRED BY THE CODE OF CORPORATE GOVERNANCE  
As at June 30, 2021

Categories of shareholders	Number of shareholders	Shares held	Percentage
Directors, Chief Executive Officer, and their spouses and minor children *	11	7,773,798	12.543
Associated Companies, Undertakings and related parties **	4	8,445,516	13.627
Banks, Development Financial Institutions, Non Banking Financial Institutions	10	7,577,586	12.227
Shareholders holding 10 % or more voting interest ***	2	15,225,627	24.567
Joint Stock Companies	15	201,097	0.324
Executives	3	20,900	0.034

**\* No. of Shares held by Directors, CEO and their spouses**

Dr. Manzoor H. Qazi		1,465,343	2.36
Dr. Habib-Ur-Rahman		456,589	0.74
Mrs. Shahida Rahman W/o Dr. Habib-Ur-Rahman		13,117	0.02
Mr. Muhammad Zahid		947,099	1.53
Mr. Shafquat Ali Chaudhary		1,768,307	2.85
Mr. Qasim Farooq Ahmad		2,053,426	3.31
Dr. Samea Kauser Ahmad		1,030,594	1.66
Syed Ilyas Ahmed		11,336	0.02
Prof. Dr. Shoab Ahmed Khan		11,336	0.02
Dr. Mohammad Naseem Ansari		16,650	0.03
Mr. Javed K. Siddiqui		1	0.00

**\*\* Shares held by related parties**

Tameer-e-Millat Foundation		7,788,641	12.57
Shifa Foundation		569,952	0.92
SIHL Employees' Gratuity Fund		76,923	0.12
Shifa Tameer-e-Millat University		10,000	0.02

**Shareholders with 5 % or more voting interest**

Tameer-e-Millat Foundation ***		7,788,641	12.57
International Finance Corporation ***		7,436,986	12.00
Jubilee Life Insurance Company Limited		5,739,800	9.26
Mrs. Kulsoom Zaheer Ahmad		5,208,594	8.40

# FORM OF PROXY

## 35th Annual General Meeting

### Shifa International Hospitals Limited

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a member of Shifa International Hospitals Ltd. Folio No./CDC A/c No. \_\_\_\_\_  
No. of Shares \_\_\_\_\_ hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ Folio No./CDC A/c No. \_\_\_\_\_  
or failing him/her \_\_\_\_\_  
of \_\_\_\_\_ Folio No./CDC A/c No. \_\_\_\_\_ who is a  
member of the Company as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf  
at the 35<sup>th</sup> Annual General Meeting of the Company to be held at 1100 hours on Thursday, October 28, 2021, and at  
any adjournment thereof.

As witness my hand this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

Signed by the said \_\_\_\_\_



(Signature must agree with the  
**SPECIMEN** signature registered  
with the Company)

#### Witnesses:

**1 Signature** \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

CNIC/Passport No. \_\_\_\_\_

**2 Signature** \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

CNIC/Passport No. \_\_\_\_\_

#### Important:

1. This form of Proxy, duly completed, signed and stamped must be deposited at the Company's Registered Office, Sector H-8/4 Islamabad, not less than 48 hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
3. CDC account holder, sub account holder/shareholder may appoint proxy and the proxy must produce attested copy of his/her CNIC or original passport at the time of attending the meeting.



AFFIX  
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The Company Secretary  
**Shifa International Hospitals Limited**  
Sector H-8/4, Islamabad

# پراکسی فارم

35واں سالانہ اجلاس عام

شفا انٹرنیشنل ہسپتال لمیٹڈ

میں / ہم ..... ساکن ..... شیئر ہولڈر  
شفا انٹرنیشنل ہسپتال لمیٹڈ فوئیو نمبر / سی ڈی سی اکاؤنٹ نمبر ..... شیئرز کا شمار ..... بذریعہ ہذا التقرر کرتا ہوں  
..... ساکن ..... فوئیو نمبر / سی ڈی سی اکاؤنٹ نمبر  
..... یا اس کی عدم دستیابی پر ..... ساکن .....  
فوئیو نمبر / سی ڈی سی اکاؤنٹ نمبر ..... جو کہ میری / ہماری غیر موجودگی میں میرے / ہمارے پراکسی (نمائندے) کے طور پر کمپنی کے  
35ویں سالانہ اجلاس عام میں جو 28 اکتوبر 2021 بروز جمعرات دن 11 بجے یا اس کے التوا کی صورت میں منعقد ہوگا میں میری / ہماری جگہ شرکت  
کرے گا اور ووٹ استعمال کرے گا۔

میں بطور گواہ اس ..... دن ..... 2021

دستخط مذکورہ بالا .....  
.....



(دستخط کمپنی کے پاس موجود)

نمونہ کے دستخط کے مطابق ہونا چاہئے)

گواہان:

1- دستخط ..... نام .....  
2- دستخط ..... نام .....  
..... پتہ .....  
.....  
قومی شناختی کارڈ / پاسپورٹ نمبر ..... قومی شناختی کارڈ / پاسپورٹ نمبر .....

خصوصی ہدایات:

- 1- یہ پراکسی فارم باقاعدہ طور پر مکمل کر کے، دستخط اور مہر کے بعد اجلاس کے انعقاد سے کم از کم 48 گھنٹے پہلے کمپنی کے رجسٹرڈ دفتر واقع سیکٹر H-8/4، اسلام آباد پہنچ جانا چاہیے۔
- 2- اگر ایک ممبر ایک سے زائد پراکسی یا پراکسی کے فارم کمپنی کے پاس جمع کرواتا ہے تو ایسے تمام پراکسی کے فارم کو غیر قانونی تصور کیا جائے گا۔
- 3- سی ڈی سی اکاؤنٹ ہولڈر، سب اکاؤنٹ ہولڈر / شیئر ہولڈرز اپنی پراکسی مقرر کرنے کا مجاز ہے۔ اس پراکسی کو اجلاس میں شرکت کے وقت اپنے کمپیوٹر / قومی شناختی کارڈ کی کاپی یا اصلی پاسپورٹ دکھانا لازمی ہوگا۔



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The Company Secretary  
**Shifa International Hospitals Limited**  
Sector H-8/4, Islamabad