

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED
DECEMBER 31, 2021



Shifa
International
Hospitals Ltd.



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Board of Directors

Dr. Habib-Ur-Rahman (Chairman)
Dr. Manzoor H. Qazi (CEO)
Mr. Muhammad Zahid
Mr. Shafquat Ali Chaudhary
Mr. Qasim Farooq Ahmad
Dr. Samea Kauser Ahmad
Syed Ilyas Ahmed
Prof. Dr. Shoab Ahmed Khan
Dr. Mohammad Naseem Ansari
Mr. Javed K. Siddiqui

Audit Committee

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

Human Resource & Remuneration Committee

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

Corporate Governance & Nominations Committee

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

Risk Management Committee

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



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

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

Registered Office

Sector H-8/4, Islamabad

Share Registrar

M/s Corplink (Private) Limited

Wings Arcade, 1-K,

Commercial, Model Town, Lahore.



Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the Condensed Interim Financial Statements of the Company for the half year ended December 31, 2021 along with Condensed Interim Consolidated Financial Statements of the same period after incorporating the financials results of subsidiary companies i.e. Shifa Neuro Sciences Institute Islamabad (Private) Limited (100% owned), Shifa International-DWC LLC (100% owned), Shifa National Hospital Faisalabad (Private) Limited (60% owned), Shifa Medical Center Islamabad (Private) Limited (56% owned) and Shifa Development Services (Private) Limited (55% owned).

The financial highlights of the Condensed Interim Financial Statements of the Company for the half year ended December 31, 2021 in comparison with the corresponding six months of previous year are as follows::

Financial Highlights	(Rs. in millions)					
	Half year ended December 31,					
	2021	2020	Change%	2021	2020	Change%
	Un-consolidated			Consolidated		
Net revenue	8,087	6,663	21	8,085	6,675	21
Other income	303	24	1,162	326	45	624
Earnings before interest, tax, depreciation & amortization (EBITDA)	1,639	1,001	63	1,591	1,003	59
Profit before taxation	1,009	382	164	992	402	147
Profit after taxation	790	274	188	758	263	188
Earnings per share (Rupees)	12.50	4.34*	188	12.28	4.20*	192

*Restated as the Company issued bonus shares at the rate of 2% in proportion of one ordinary share for every fifty shares held (total 1,239,497 bonus shares) as approved in Annual General Meeting held on October 28, 2021.

There is an overall revenue increase of 21 percent as compared to corresponding period of the last year. During the period under review we have faced uphill inflation. As a result, operating costs has increased to Rs. 7,193 million Vs. Rs. 6,106 million which is 17 percent increase. Main components of operating costs are salaries, wages and benefits, medicines / supplies consumed, utilities, repair & maintenance and depreciation.

There is a significant increase in other income which is mainly because of appreciation of US Dollars against Pak Rupee and profit on sale of land.

Due to factors explained above, Earnings per share of the Company has increased to Rs. 12.50 from Rs. 4.34 as compared to corresponding period of last year.

Future Outlook:

Despite the challenging macro-economic conditions, the Board of Directors are optimistic and focused towards maintaining the Company's profitability.

As our projects in F-11 Islamabad and Faisalabad have kicked-off, our efforts are directed to complete projects in scheduled time and within the budgets.

Acknowledgement

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

For and on behalf of the Board of Directors




DR. MANZOOR H. QAZI

Chief Executive Officer

Islamabad

February 25, 2022



MUHAMMAD ZAHID

Director

اضافہ ہے۔ آپریٹنگ لاگت کے اہم عناصر میں تنخواہیں، اجرتیں و مراعات، استعمال شدہ ادویات / سپلائرز، یوٹیلیٹیز، مرمت و بحالی اور اثاثوں کی فرسودگی ہیں۔

کمپنی کی دیگر آمدنی میں نمایاں اضافہ ہوا ہے جس کی بنیادی وجہ پاکستانی روپے کے مقابلے امریکی ڈالر کی قدر میں اضافہ اور زمین کی فروخت پر منافع ہے۔

مذکورہ بالا عوامل کی وجہ سے کمپنی کی فی شیئر آمدنی گزشتہ برس اسی مدت کے مقابلے میں 4.34 روپے سے بڑھ کر 12.50 روپے ہو گئی ہے۔

مستقبل کا منظر نامہ

چیلینجنگ معاشی صورتحال کے باوجود بورڈ آف ڈائریکٹرز کمپنی کے منافع کو برقرار رکھنے کے لئے پُر امید اور توجہ مرکوز رکھتے ہیں۔ چونکہ F-11 اسلام آباد اور فیصل آباد میں ہمارے منصوبے شروع ہو چکے ہیں تو ہماری بھرپور کوشش ہے کہ منصوبوں کو مقررہ وقت اور بجٹ کے اندر مکمل کیا جائے۔

اظہار تشکر

بورڈ اپنے کنسلٹنٹس، سینئر انتظامیہ، ملازمین اور تیز رفتاری شراکت داروں کا مشکل وقت میں مریضوں کی خدمات کرنے کے لئے ان کے عزم اور تعاون کے لئے ان کا شکر گزار ہے۔ بورڈ غیر متزلزل مدد اور تعاون کے لئے سرکاری حکام، سپلائرز، بینکوں اور حصہ داروں کا بھی شکریہ ادا کرتا ہے۔

برائے اور بجانب بورڈ آف ڈائریکٹرز

Munir. Zahid

محمد زاہد

ڈائریکٹر

Shifa

ڈاکٹر منظور ایچ قاضی

چیف ایگزیکٹو آفیسر

اسلام آباد

25 فروری 2022

معزز حصص داران،

بورڈ آف ڈائریکٹروں کی جانب سے ہم 31 دسمبر 2021 کو ختم ہونے والے نصف سال کی کمپنی کے مجموعی عبوری مالیاتی نتائج کا خلاصہ پیش کرتے ہوئے خوشی محسوس کرتے ہیں جس کے ساتھ ذیلی کمپنوں شفا نیوروسائنسز انسٹیٹیوٹ اسلام آباد (پرائیویٹ) لمیٹڈ [100 فیصد ملکیت]، شفا انٹرنیشنل ڈی ڈبلیو سی - ایل ایل سی [100 فیصد ملکیت]، شفا نیشنل ہسپتال فیصل آباد (پرائیویٹ) لمیٹڈ [60 فیصد ملکیت]، شفا میڈیکل سینٹر اسلام آباد (پرائیویٹ) لمیٹڈ [56 فیصد ملکیت] اور شفا ڈیو پلیمینٹ سروسز (پرائیویٹ) لمیٹڈ [55 فیصد ملکیت] کے مجموعی مالیاتی نتائج کا خلاصہ بھی شامل ہے۔

31 دسمبر 2021 کو ختم ہونے والے نصف سال کے مجموعی عبوری مالیاتی نتائج کی جھلکیاں گزشتہ برس کے نصف سال کے موازنے میں درج ذیل ہیں:

(پاکستانی روپے بلین میں)						مالیاتی جھلکیاں
31 دسمبر کو ختم ہونے والا نصف سال						
2021	2020	تبدیلی فیصد	2021	2020	تبدیلی فیصد	
انضمام کردہ			انفرادی			
8,087	6,663	21	8,085	6,675	21	خالص آمدنی
303	24	1,162	326	45	624	دیگر آمدنی
1,639	1,001	63	1,591	1,003	59	ای بی آئی ٹی ڈی اے
1,009	382	164	992	402	147	منافع قبل از ٹیکسیشن
790	274	188	758	263	188	منافع بعد از ٹیکسیشن
12.50	4.34*	188	12.28	4.20*	192	فی شیئر آمدنی۔ (روپے)

* 28 اکتوبر 2021 کو منعقدہ سالانہ اجلاس عام میں منظوری کے بعد کمپنی نے 2 فیصد کی شرح سے بونس شیئرز (کل 1,239,497) جاری کیے جو کہ ہر پچاس شیئرز کے بدلے ایک بونس شیئر کے تناسب سے تھے جس کی وجہ سے فی شیئر آمدنی ریٹھیٹ کرنی پڑی۔

گزشتہ سال کی اسی مدت کے مقابلے میں مجموعی طور پر آمدن میں 21 فیصد اضافہ ہوا ہے۔ زیر جائزہ مدت کے دوران ہم نے بڑھتی ہوئی مہنگائی / افراط زر کا سامنا کیا ہے۔ اس کے نتیجے میں آپریٹنگ لاگت 6,106 ملین روپے سے بڑھ کر 7,193 ملین روپے ہو گئی ہے جو کہ 17 فیصد

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Shifa International Hospitals Limited Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of Shifa International Hospitals Limited (the Company) as at December 31, 2021 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows, and notes to the unconsolidated interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim unconsolidated statement of profit or loss and condensed interim unconsolidated statement of comprehensive income for the three months period ended 31 December 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 31 December 2021.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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



GRANT THORNTON ANJUM RAHMAN
Chartered Accountants

Islamabad

February 28, 2022

UDIN: RR2021101648uTgtrOB4



CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

		Un-audited December 31, 2021	Audited June 30, 2021
	Note	(Rupees in '000')	
SHARE CAPITAL AND RESERVES			
Authorized share capital		1,000,000	1,000,000
100,000,000 (June 2021: 100,000,000) ordinary shares of Rs. 10 each			
Issued, subscribed and paid up capital	5	632,144	619,749
Capital reserves			
Share premium	6	2,738,888	2,751,283
Surplus on revaluation of property, plant and equipment		770,759	792,396
Revenue reserves			
Unappropriated profits		5,136,486	4,325,259
		9,278,277	8,488,687
NON - CURRENT LIABILITIES			
Long term financing - secured	7	1,716,086	2,360,408
Deferred taxation		337,327	350,314
Lease liabilities		653,127	607,038
		2,706,540	3,317,760
CURRENT LIABILITIES			
Trade and other payables	8	3,215,916	3,251,095
Unclaimed dividend		34,833	35,158
Markup accrued		27,628	16,913
Current portion of long term financing - secured	7	1,512,440	1,405,722
Current portion of lease liabilities		213,968	177,633
		5,004,785	4,886,521
		16,989,602	16,692,968
CONTINGENCIES AND COMMITMENTS			
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The annexed notes 1 to 19 form an integral part of these condensed interim unconsolidated financial statements.

Darwish M. Rahman

CHAIRMAN

		Un-audited December 31, 2021	Audited June 30, 2021
	Note	(Rupees in '000')	
NON - CURRENT ASSETS			
Property, plant and equipment	10	6,770,449	6,791,843
Intangible assets		23,748	31,343
Long term investments - at cost	11	3,256,218	3,178,758
Long term deposits		98,137	96,260
		10,148,552	10,098,204
CURRENT ASSETS			
Stores, spare parts and loose tools		153,453	165,312
Stock-in-trade		671,617	658,280
Trade debts	12	1,188,925	859,157
Loans and advances		380,754	337,659
Deposits, prepayments and other receivables		92,144	72,095
Markup accrued		662	677
Other financial assets		644,371	622,464
Tax refunds due from the government (net of provision)		428,505	471,366
Cash and bank balances		2,815,119	2,809,697
		6,375,550	5,996,707
Non - current assets held for sale		465,500	598,057
		16,989,602	16,692,968


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Note	For the quarter ended		For the half year ended	
		December 31,	December 31,	December 31,	December 31,
		2021	2020	2021	2020
(Rupees in '000')					
Net revenue	13	4,161,150	3,522,639	8,086,838	6,663,026
Other income		108,120	17,125	302,525	23,549
Operating costs		(3,662,461)	(3,214,364)	(7,192,777)	(6,106,442)
Finance costs		(90,045)	(87,130)	(179,056)	(176,285)
Expected credit reversal / (losses)		5,460	(14,167)	(8,584)	(21,909)
Profit before taxation		522,224	224,103	1,008,946	381,939
Provision for taxation		(126,969)	(62,324)	(218,636)	(107,776)
Profit after taxation		395,255	161,779	790,310	274,163
(Rupees)					
Earnings per share - basic and diluted	14	6.25	(Restated) 2.56	12.50	(Restated) 4.34

The annexed notes 1 to 19 form an integral part of these condensed interim unconsolidated financial statements.

Parveen M Rahman

CHAIRMAN

Munir Sajid

CHIEF EXECUTIVE

Arif S

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	For the quarter ended		For the half year ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	(Rupees in '000')			
Profit after taxation	395,255	161,779	790,310	274,163
Other comprehensive income				
Items that will not be subsequently reclassified in statement of profit or loss				
Loss on remeasurement of staff gratuity fund benefit plan	(1,014)	-	(1,014)	-
Deferred tax relating to remeasurement of staff gratuity fund benefit plan	294	-	294	-
Loss on remeasurement of staff gratuity fund benefit plan (net of tax)	(720)	-	(720)	-
Total comprehensive income for the period	394,535	161,779	789,590	274,163

The annexed notes 1 to 19 form an integral part of these condensed interim unconsolidated financial statements.

Parveen M Rahman

CHAIRMAN

Harpreet Singh

CHIEF EXECUTIVE

Arif S

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	December 31, 2021	December 31, 2020
Note	(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,008,946	381,939
Adjustments for:		
Depreciation / amortization on tangible assets	439,366	429,863
Amortization on intangible assets	11,811	13,148
Expected credit losses	8,584	21,909
Property, plant and equipment written off	95	384
Gain on disposal of tangible assets	(41,718)	(6,235)
Provision for compensated absences	31,818	24,000
Provision for bonus for employees	60,794	36,372
Provision for gratuity	111,861	63,656
Provision for slow moving stores	2,051	725
Gain on investments and bank deposits	(10,957)	(5,832)
(Gain) / loss on foreign currency translation	(204,785)	92,725
Finance costs	179,056	176,285
Operating cash flows before changes in working capital	1,596,922	1,228,939
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	9,808	(24,122)
Stock-in-trade	(13,337)	16,644
Trade debts	(338,353)	(402,479)
Loans and advances	(43,095)	(5,569)
Deposits, prepayments and other receivables	(20,049)	(37,972)
Increase / (decrease) in current liabilities:		
Trade and other payables	(22,272)	121,639
Cash generated from operations	1,169,624	897,080
Finance cost paid	(127,881)	(161,054)
Income tax paid	(188,470)	(150,337)
Payment to SIHL Employees' Gratuity Fund	(192,890)	(44,379)
Compensated absences paid	(25,502)	(20,515)
Net cash generated from operating activities	634,881	520,795
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment (PPE)	(238,888)	(156,459)
Addition to intangible assets	(4,215)	-
Outlay against long term investments	(77,460)	(170,234)
Investment in other financial assets - net	(16,685)	(599,612)
Proceeds from disposal of PPE and items classified as held for sale	175,341	51,288
Markup received	5,750	2,119
Increase in long term deposits	(3,257)	(8,292)
Net cash used in investing activities	(159,414)	(881,190)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - repayments	(659,189)	(4,529)
Long term financing - proceeds	105,889	483,934
Deferred grant received	15,696	52,783
Lease liabilities - repayments	(136,901)	(103,845)
Dividend paid	(325)	(1,004)
Net cash (used in) / generated from financing activities	(674,830)	427,339
Net (decrease) / increase in cash and cash equivalents	(199,363)	66,944
Cash and cash equivalents at beginning of the period	2,812,697	2,398,052
Effect of exchange rate changes on cash and cash equivalents	204,785	(92,725)
Cash and cash equivalents at end of the period	2,818,119	2,372,271

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The annexed notes 1 to 19 form an integral part of these condensed interim unconsolidated financial statements.

Danish M. Rahman

CHAIRMAN

Maryam Iqbal

CHIEF EXECUTIVE

Arif S

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Share capital	Share premium	Surplus on revaluation of property, plant and equipment (Rupees in '000')	Un-appropriated profit	Total
Balance as at July 01, 2020	619,749	2,751,283	760,346	3,636,170	7,767,548
Total comprehensive income for the period					
Profit after taxation	-	-	-	274,163	274,163
Other comprehensive income - net of tax	-	-	-	-	-
	-	-	-	274,163	274,163
Realization of revaluation surplus on disposal of assets	-	-	(911)	911	-
Transfer of revaluation surplus on property, plant and equipment in respect of incremental depreciation / amortization	-	-	(4,615)	4,615	-
Distribution to owners					
Dividend 2020: Nil	-	-	-	-	-
Balance as at December 31, 2020	619,749	2,751,283	754,820	3,915,859	8,041,711
Balance as at July 01, 2021	619,749	2,751,283	792,396	4,325,259	8,488,687
Total comprehensive income for the period					
Profit after taxation	-	-	-	790,310	790,310
Other comprehensive income - net of tax	-	-	-	(720)	(720)
	-	-	-	789,590	789,590
Realization of revaluation surplus on disposal of assets	-	-	(16,716)	16,716	-
Transfer of revaluation surplus on property, plant and equipment in respect of incremental depreciation / amortization	-	-	(4,921)	4,921	-
Distribution to owners					
Bonus shares issued @ 2% - year ended June 30, 2021	12,395	(12,395)	-	-	-
Balance as at December 31, 2021	632,144	2,738,888	770,759	5,136,486	9,278,277

The annexed notes 1 to 19 form an integral part of these condensed interim unconsolidated financial statements.

Darwish M. Rahman

CHAIRMAN

Harpreet Singh

CHIEF EXECUTIVE

Arif S

CHIEF FINANCIAL OFFICER

1 LEGAL STATUS AND NATURE OF BUSINESS

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

2 BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

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

- 2.2** These condensed interim unconsolidated financial statements are un-audited and are being submitted to the members in accordance with the requirements of Section 237 of the Companies Act 2017 (the Act) and the listing regulations of Pakistan Stock Exchange. These condensed interim unconsolidated financial statements do not include all of the information required for annual unconsolidated financial statements, and should be read in conjunction with the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2021. Comparative condensed interim unconsolidated statement of financial position is extracted from annual audited unconsolidated financial statements as of June 30, 2021, whereas comparative condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of cash flows and condensed interim unconsolidated statement of changes in equity are extracted from un-audited condensed interim unconsolidated financial statements for the half year ended December 31, 2020.

2.3 Changes in accounting standards, interpretations and pronouncements

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

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim unconsolidated financial statements.

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

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

3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1** The accounting policies, significant judgements made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of these condensed interim unconsolidated financial statements and financial risk management policy are the same as those applied in preparation of unconsolidated audited financial statements of the Company for the year ended June 30, 2021 except the following:

- 3.2** During the current period the Company has introduced a pension fund benefit through onward monthly contribution into private pension scheme (defined contribution plan) in place of existing staff gratuity benefit (defined benefit plan) for its full time management employees (contractual and regular). In response till February 10, 2022 majority of management employees have opted the pension fund benefit and accordingly their gratuity obligations have been cleared from the SIHL gratuity fund which resulted into settlement loss of Rs. 37.7 million in condensed interim unconsolidated statement of profit or loss for the period. In view of above the Company's gratuity obligation has been re-estimated by recent actuarial calculation carried out on December 31, 2021 whose results are reflected in note 8 to these condensed interim unconsolidated financial statements. The employees who are currently covered under gratuity benefit not opting the pension benefit option will continue under gratuity scheme while new employee shall solely be covered under pension scheme after completing minimum eligibility criteria of their employment. Monthly pension contribution equal to 1/12th of eligible salary shall be made by the Company in employees' pension fund account maintained with designated asset management company that shall be recognized as expense in the condensed interim unconsolidated statement of profit or loss as and when they become due.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

5 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Ordinary shares of Rs.10 each.

Un-audited December 31, 2021	Audited June 30, 2021		Un-audited December 31, 2021	Audited June 30, 2021
Numbers			(Rupees in '000')	
61,974,886	61,974,886	Opening balance	619,749	619,749
1,239,497	-	Bonus shares issued during the period	12,395	-
63,214,383	61,974,886	Closing balance	632,144	619,749

- 5.1** During the period, Company issued 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) as approved in Annual General Meeting held on October 28, 2021.

6 SHARE PREMIUM

During the period, Company issued bonus shares from share premium at the rate of 2% in proportion of one ordinary share for every fifty shares held.

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

		Un-audited December 31, 2021	Audited June 30, 2021	
	Note	(Rupees in '000')		
7	LONG TERM FINANCING - SECURED			
	From banking companies:			
	Syndicated Islamic Finance Facility	7.1	1,568,986	1,854,086
	Diminishing Musharakah Facility-1	7.2	340,218	434,274
	Diminishing Musharakah Facility-2	7.3	500,000	500,000
	Refinance Facility to Combat COVID-19 (RFCC)	7.4	32,956	-
	Islamic Refinance Facility to Combat COVID-19 (IRFCC)	7.5	143,904	127,789
	Deferred income - Government grant		25,515	25,526
			169,419	153,315
	Islamic Refinance Facility to Combat COVID-19 (IRFCC)	7.6	35,758	-
	Deferred income - Government grant		10,242	-
			46,000	-
	State Bank of Pakistan (SBP) - refinance scheme	7.7	550,022	780,354
	Deferred income - Government grant		20,925	44,101
			570,947	824,455
			3,228,526	3,766,130
	Less: Current portion		1,512,440	1,405,722
			1,716,086	2,360,408
7.1	This represents syndicated Islamic finance facility, arranged and lead by Meezan Bank Limited, obtained on profit rate basis at 3 months KIBOR plus 0.85% (June 2021: 3 months KIBOR plus 0.85%) per annum, repayable in 14 equal quarterly installments. The Company has availed the loan facility upto the total sanctioned limit of Rs. 2,000 million which shall be repaid by August 22, 2024. The financing is secured by ranking charge upgraded into first pari passu charge of Rs. 2,667 million on all present and future Company's movable fixed assets and land / building located at H-8/4, Islamabad. Meezan Bank Limited has the custody of original ownership documents of the Company's land located at sector H-8/4 Islamabad.			
7.2	This represents a long term Islamic finance facility obtained from Al Baraka Bank (Pakistan) Limited of Rs. 449.5 million (June 2021: Rs. 442.9 million). Principal amount is repayable in 36 equal monthly installments carrying profit rate at 3 months KIBOR plus 0.80% (June 2021: 3 months KIBOR plus 0.80%) per annum. The financing is secured by first exclusive charge of Rs. 781.3 million against equipment / machinery. The unavailed limit of this facility is Rs. 20.7 million (June 2021: Rs. 19.6 million). This also includes a long term Islamic finance facility obtained under the Diminishing Musharakah basis from First Habib Modaraba of Rs. 40.5 million (June 2021: Rs. 37.6 million). Principal amount is repayable in 60 equal monthly installments carrying profit rate at 3 months KIBOR plus 0.70% (June 2021: 3 months KIBOR plus 0.70%) per annum. The unavailed limit of this facility is Rs. 29.5 million (June 2021: Rs. 32.4 million).			
7.3	This represents a long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 500 million (June 2021 : Rs. 500 million). Principal amount shall be repaid by October 01, 2024 in 12 equal quarterly installments starting from January 01, 2022 carrying profit rate at 3 months KIBOR plus 0.85% (June 2021: 3 months KIBOR plus 0.85%) per annum. The financing is secured by first pari passu charge of Rs. 667 million on all present and future fixed assets of the Company.			
7.4	This represents a long term finance facility obtained from United Bank Limited of Rs. 32.9 million (June 2021: Nil). Principal amount shall be repaid by September 14, 2026 in 18 equal quarterly installments carrying markup rate at 3 months KIBOR plus 0.85% (June 2021: 3 months KIBOR plus 0.85%) per annum. The financing is secured by first pari passu charge of Rs. 267 million over fixed assets (excluding land and building) of the Company. Since the bank is in process of obtaining refinance from State Bank of Pakistan and hence no government grant was recognized at reporting date. The unavailed limit of this facility is Rs. 167.1 million (June 2021: Rs. 200 million).			

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

- 7.5** This represents a long term Islamic finance facility obtained from Meezan Bank Limited of Rs.183.1 million (June 2021: Rs. 153.3 million) for the purpose of import / purchase of medical equipment / machinery to combat COVID-19 under State Bank of Pakistan IRFCC scheme. Principal amount shall be repaid by December 29, 2025 in 18 equal quarterly installments with no profit rate. The financing is secured by first pari passu hypothecation charge of Rs. 267 million on all present and future fixed assets of the Company (excluding land and building). Since the financing under SBP refinance scheme carries no profit rate, the loan has been recognized at present value using effective profit rate of 3 months KIBOR plus 0.85% along with the recognition of government grant. The unavailed limit of this facility is Rs. 16.9 million (June 2021: Rs. 34.9 million).
- 7.6** This represents a long term Islamic finance facility obtained from Al Baraka Bank (Pakistan) Limited of Rs. 46.0 million (June 2021: 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 in 9 equal half yearly installments with profit rate of 1% per annum. The facility is secured by ranking charge of Rs. 55 million over equipment / machinery against DM IRFCC. Since the financing under SBP refinance scheme carries the profit rate below the market rate, the loan has been recognized at present value using effective profit rate of 6 month KIBOR plus 1% along with the recognition of government grant. The unavailed limit of this facility is Rs. 9.0 million (June 2021: Rs. 17.4 million).
- 7.7** This represents long term finance facility aggregating to Rs. 1,012.2 million (June 2021: Rs. 1,012.2 million) obtained from United Bank Limited under the State Bank of Pakistan's (SBP) temporary refinance scheme for payment of wages and salaries to the workers and employees of business concerns to support payment of salaries and wages under economic challenges due to COVID-19. The Company has availed the financing in six tranches from April 2020 to September 2020 at a subsidized markup rate of 0.85% per annum. The financing is repayable in 08 equal quarterly installments starting from January 2021 and shall be fully settled by January 31, 2023. The facility is secured by first pari passu charge of Rs. 1,333.3 million over fixed assets (excluding land and building) of the Company. According to the terms of the financing, the Company was prohibited to lay-off the employees for at least six months from April 2020 to September 2020 of receiving the grant. Since the financing under SBP refinance scheme carries the markup rate below the market rate, the loan has been recognized at present value using effective interest rate of 3 month KIBOR plus 0.85% along with the recognition of government grant.

		Un-audited December 31, 2021	Audited June 30, 2021
	Note	(Rupees in '000')	
7.8	Movement during the period / year		
	Opening balance	3,766,130	3,431,658
	Proceeds during the period / year	121,585	716,080
	Repayment during the period / year	(659,189)	(381,608)
	Closing balance	3,228,526	3,766,130
8	TRADE AND OTHER PAYABLES		
	This include payable to SIHL Employees' Gratuity Fund (a related party)	8.1 171,579	251,594
8.1	The amounts recognized in the unconsolidated statement of financial position are as follows:		
	Present value of defined benefit obligation	8.1.1 397,646	798,687
	Fair value of plan assets	8.1.2 (226,067)	(547,093)
		171,579	251,594

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Un-audited December 31, 2021	Audited June 30, 2021
	(Rupees in '000')	
8.1.1 Movement in the present value of defined benefit obligation is as follows:		
Balance at beginning of the period / year	798,687	667,697
Interest cost	26,799	53,470
Current service cost	68,546	128,179
Past service cost	-	4,852
Benefits paid	(439,038)	(77,096)
Benefits payable	(86,397)	(1,840)
Loss arising on plan settlements	37,717	-
Remeasurement (gain) / loss on defined benefit obligation	(8,668)	23,425
Balance at end of the period / year	397,646	798,687
8.1.2 Movement in the fair value of plan assets is as follows:		
Balance at beginning of the period / year	547,093	471,476
Expected return on plan assets	21,201	42,584
Contributions	192,890	134,468
Benefits paid	(439,038)	(77,096)
Benefits payable	(86,397)	(1,840)
Remeasurement loss on plan assets	(9,682)	(22,499)
Balance at end of the period / year	226,067	547,093
8.1.3 Charge for the period / year is as follows:		
Current service cost	68,546	128,179
Interest cost	26,799	53,470
Past service cost	-	4,852
Loss arising on plan settlements	37,717	-
Expected return on plan assets	(21,201)	(42,584)
	111,861	143,917
8.1.4 Remeasurements recognized in other comprehensive income (OCI) is as follows:		
Remeasurement (gain) / loss on obligation	(8,668)	23,425
Remeasurement loss on plan assets	9,682	22,499
Remeasurement loss recognized in OCI	1,014	45,924
8.1.5 Movement in liability recognized in unconsolidated statement of financial position:		
Balance at beginning of the period / year	251,594	196,221
Charge for the period / year	111,861	143,917
Total amount of remeasurement recognized in OCI during the period / year	1,014	45,924
Contributions during the period / year	(192,890)	(134,468)
Balance at end of the period / year	171,579	251,594

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

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	Un-audited December 31, 2021	Audited June 30, 2021
	(Rupees in '000')	
8.1.6 Plan assets comprise of:		
Term deposit receipts	282,172	388,947
Ordinary shares of SIHL	14,571	16,858
Cash and bank balances	15,721	143,128
Payable to outgoing members	(86,397)	(1,840)
	226,067	547,093
8.1.7 Principal actuarial assumptions used in the actuarial valuation are as follows:		
Discount rate used for interest cost in profit or loss	10.00%	8.50%
Discount rate used for period / year end obligation	11.75%	10.00%
Expected rate of salary growth		
Salary increase FY 2021	N/A	N/A
Salary increase FY 2022 onward	6.75%	9.00%
Salary increase FY 2025 onward	9.75%	9.00%
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

8.1.8 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.

	December 31, 2021		June 30, 2021	
	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	373,741	425,101	741,390	864,740
Future salary increase	426,957	371,665	865,362	739,826

8.1.9 The average duration of the defined benefit obligation as at December 31, 2021 is 7 years (June 2021: 8 years).

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

9.1.1 Claims aggregating to Rs. 3 million (June 2021: Rs. 3 million) are pending before Peshawar and Islamabad High Courts by patients / others against the 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.

9.1.2 The penalty of Rs. 20 million (June 2021: Rs. 20 million) imposed on June 06, 2012 by Competition Commission of Pakistan (CCP) to each Gulf Cooperation Council's (GCC) Approved Medical Centers (GAMCs) including SIHL on account of alleged non- competitive practice / B363 arrangement of territorial division and equal allocation of GAMCs customers. Management of the Company and other GAMCs are jointly contesting the matter which is pending before the August Supreme Court of Pakistan and firmly believe that the case will be decided in favor of the GAMCs including SIHL.

9.1.3 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 aggregate sum of Rs. 43.35 million (June 2021: Rs. 43.35 million) on behalf of the Company in its ordinary course of business.

9.2 Contingencies related to income tax and sales tax are as follows:

9.2.1 Tax authorities has amended the assessments for tax years 2012, 2013, 2014, 2015 and 2019 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, Rs. 26.1 million and Rs. 37 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 and 2019 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) for tax year 2012 to 2015 which are pending adjudications. 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, Rs. 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 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 who in respect of tax year 2013 and 2016 remanded back the assessments to the assessing officers. Being aggrieved the Company filed an appeal before ATIR on November 26, 2021 for tax year 2016 which is pending adjudication. No provision has been recorded in respect of above matters as the management is hopeful for favorable outcome.

9.2.2 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.

9.2.3 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.

9.2.4 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.

9.2.5 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.

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

9.2.6 Tax authorities raised a sales tax demand of Rs. 44.4 million, Rs. 56.2 million, Rs. 57.4 million, Rs. 55.9 million and Rs. 11.3 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 to 2020 respectively. Being aggrieved the Company agitated the assessments in appeals before CIR(A). For tax year 2018 and 2020 CIR(A) partially confirmed the judgements of DCIR through orders dated October 15, 2020 and November 30, 2021. Being aggrieved Company has filed appeals before ATIR for both the years who in respect of tax year 2018 partially confirmed the assessment and partly allowed relief to the Company whereas appeal for tax year 2020 is pending adjudication. For tax years 2016, 2017 and 2019 appeals before CIR(A) are pending adjudications. The Company is confident for a favorable outcome in respect of the above matters. Therefore, no provision in respect of this matter has been recorded.

		Un-audited December 31, 2021	Audited June 30, 2021
	Note	(Rupees in '000')	
9.3	Commitments		
Capital expenditure contracted		117,216	45,109
Letters of credit		-	79,116
10	PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	10.1	5,442,886	5,644,283
Capital work in progress	10.2	527,994	409,192
Right of use assets	10.3	799,569	738,368
		6,770,449	6,791,843
10.1	Operating fixed assets		
Written down value (WDV) at beginning of the period / year		5,644,283	6,090,459
Additions	10.1.1	120,085	434,380
Revaluation		-	53,821
Reclassified as held for sale		-	(292,072)
		5,764,368	6,286,588
WDV of disposals		(1,065)	(5,455)
WDV of assets written off		(95)	(977)
Depreciation for the period / year		(320,322)	(635,873)
WDV at the end of the period / year		5,442,886	5,644,283
10.1.1	Addition to Operating Fixed Assets		
Leasehold improvements		22,586	-
Biomedical equipment		36,225	315,539
Air conditioning equipment and machinery		4,665	28,867
Electrical and other equipment		15,800	36,497
Furniture and fittings		6,110	11,760
Computer installations		18,607	31,016
Construction equipment		170	-
Vehicles		15,922	10,701
		120,085	434,380
10.2	Capital work in progress		
Opening capital work in progress		409,192	325,931
Additions during the period / year		141,622	353,273
Transferred to operating fixed assets		(22,820)	(270,012)
Closing capital work in progress	10.2.1	527,994	409,192

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Un-audited December 31, 2021	Audited June 30, 2021
	(Rupees in '000')	
10.2.1 Capital work in progress		
Construction work	162,293	135,776
Stores held for capital expenditure	976	976
Installation of equipment	364,725	272,440
	527,994	409,192
10.3 Right of use assets		
Balance at beginning of the period / year	738,368	575,546
Additions during the period / year	180,245	392,422
Depreciation charge during the period / year	(119,044)	(229,600)
Balance at end of the period / year	799,569	738,368
11 LONG TERM INVESTMENTS - AT COST		
In subsidiary companies (unquoted):		
Shifa Development Services (Private) Limited (SDSPL)	9,966	9,966
Shifa Neuro Sciences Institute Islamabad (Private) Limited (SNS Islamabad)	1,697,521	1,697,521
Shifa National Hospital Faisalabad (Private) Limited (SNH Faisalabad)	532,962	455,502
Shifa Medical Center Islamabad (Private) Limited (SMC Islamabad)	947,488	947,488
Shifa International DWC LLC (SIDL)	23,280	23,280
In associated company (unquoted):		
Shifa Care (Private) Limited (SCPL)	45,001	45,001
	3,256,218	3,178,758
12 TRADE DEBTS		
Related party - Shifa Foundation	19,758	17,139
Related party - SIHT (Private) Limited	20,682	24,335
Others	1,310,136	970,694
	1,350,576	1,012,168
Less: allowance for expected credit losses	161,651	153,011
	1,188,925	859,157

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

		Un-audited			
		For the quarter ended		For the half year ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		(Rupees in '000')			
13	NET REVENUE				
	Inpatients	2,610,792	2,073,295	5,020,310	4,031,310
	Outpatients	1,322,518	1,271,430	2,631,924	2,300,615
	Other services	267,267	208,311	513,205	388,456
		4,200,577	3,553,036	8,165,439	6,720,381
	Less: discount	32,811	27,457	65,679	51,431
	Less: sales tax	6,616	2,940	12,922	5,924
	Net revenue	4,161,150	3,522,639	8,086,838	6,663,026

		Un-audited	
		December 31, 2021	December 31, 2020
		(Rupees in '000')	
14	EARNINGS PER SHARE - BASIC AND DILUTED	Note	
	Profit after taxation for the period		790,310 274,163
			(Numbers in '000')
	Weighted average number of ordinary shares in issue during the period	14.1	63,214 (Restated) 63,214
			(Rupees)
	Earnings per share - basic and diluted		12.50 (Restated) 4.34

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

14.2 Basic earnings per share previously reported at Rs. 4.42 in the condensed interim unconsolidated financial statements for the half year ended December 31, 2020.

15 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.

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

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

	Un-audited	
	December 31,	December 31,
	2021	2020
	(Rupees in '000')	
Transactions		
Shifa Foundation (related party by virtue of common directorship)		
Revenue from services earned by the Company	11,126	6,381
Expenses paid by and reimbursed to the Company	343	303
Other services provided to the Company	-	3,242
Tameer-e-Millat Foundation (related party by virtue of common directorship)		
Revenue from rent earned by the Company	155	155
Supplies provided to the Company	38,808	39,877
Other services provided to the Company	16,017	8,532
Rental services received by the Company	2,761	2,471
Shifa Tameer-e-Millat University (related party by virtue of common directorship)		
Revenue from services earned by the Company	8,541	4,207
Revenue from rent earned by the Company	1,599	1,453
Other services provided to the Company	26,890	34,142
Expenses paid by and reimbursed to the Company	1,470	1,631
SIHT (Private) Limited (related party by virtue of common directorship)		
Revenue from services earned by the Company	163,637	173,154
Expenses paid by and reimbursed to the Company	3,023	2,727
Other services provided to the Company	11,622	11,069
Shifa Development Services (Private) Limited (subsidiary and common directorship)		
Revenue from rent earned by the Company	756	596
Payment made by the Company	4,215	-
Other services provided to the Company	-	34,805
Shifa Medical Centre Islamabad (Private) Limited (subsidiary and common directorship)		
Other services provided by the Company	5,114	4,000
Expenses paid by and reimbursed to the Company	356	-
Shifa National Hospital Faisalabad (Private) Limited (subsidiary and common directorship)		
Investment made by the Company in 7,746,000 (Dec 2020: 1,552,330) ordinary shares	77,460	155,233
Other services provided by the Company	5,114	4,000
Shifa Neuro Sciences Institute Islamabad (Private) Limited (subsidiary and common directorship)		
Rent paid by the Company	46,993	42,721
Other services provided by the Company	-	2,500

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

Shifa International DWC LLC (subsidiary and common directorship)

Patient referral services provided to the Company

Shifa Care (Private) Limited (associate and common directorship)

Investment made by the Company in Nil (Dec 2020: 1,500,000) ordinary shares

Other services provided by the Company

SIHL Employees' Gratuity Fund (benefit plan)

Payment made by the Company during the period

Remuneration including benefits and perquisites of key management personnel

Balances

Shifa Foundation - receivable

Tameer-e-Millat Foundation - payable

Shifa Tameer-e-Millat University - payable

SIHT (Private) Limited - receivable

Shifa Development Services (Private) Limited - receivable / (payable)

Shifa Neuro Sciences Institute Islamabad (Private) Limited - receivable

Shifa International DWC LLC - receivable

SIHL Employees' Gratuity Fund - payable

Un-audited	
December 31, 2021	December 31, 2020
(Rupees in '000')	
7,972	3,823
-	15,000
1,208	600
192,890	44,379
168,943	122,766

Un audited December 31, 2021	Audited June 30, 2021
(Rupees in '000')	
19,758	17,139
21,952	13,073
3,869	5,041
20,682	24,335
5,873	(44,607)
34,452	34,452
27,103	26,656
171,579	251,594

Un-audited	
December 31, 2021	December 31, 2020
(Rupees in '000')	
3,000	3,000
2,815,119	2,369,271
2,818,119	2,372,271

16 CASH AND CASH EQUIVALENTS

Investment in Term Deposit Receipt - at amortized cost

Cash and bank balances

17 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

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

18 IMPACT OF COVID-19 (CORONA VIRUS)

Due to prevailing COVID-19 situation a vigilant approach is adopted to cater the business risks. The management has evaluated and concluded that there are no implications of COVID-19 that require adjustment and specific disclosure in these condensed interim financial statements.

19 GENERAL

19.1 Figures have been rounded off to the nearest one thousand Pak Rupees unless otherwise stated.

19.2 The comparative figures have been rearranged / reclassified, wherever necessary for the purpose of comparison. However, these are not considered material enough to be disclosed separately.

19.3 These condensed interim unconsolidated financial statements have been approved and authorized for issue by the Board of Directors of the Company on February 25, 2022.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



Shifa
International Hospitals Ltd.

شفا انٹرنیشنل ہسپتال لمیٹڈ

شفا انٹرنیشنل ہسپتال لمیٹڈ

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

		Un-audited December 31, 2021	Audited June 30, 2021
	Note	(Rupees in '000')	
SHARE CAPITAL AND RESERVES			
Authorized share capital			
100,000,000 (June 2021: 100,000,000) ordinary shares of Rs. 10 each		1,000,000	1,000,000
Issued, subscribed and paid up capital	6	632,144	619,749
Capital reserves			
Share premium	7	2,738,888	2,751,283
Surplus on revaluation of property, plant and equipment		1,387,544	1,409,434
Revenue reserves			
Unappropriated profit		4,630,147	3,832,409
		9,388,723	8,612,875
NON - CONTROLLING INTEREST			
		1,153,366	1,119,806
NON - CURRENT LIABILITIES			
Long term financing - secured	8	1,716,086	2,360,408
Deferred taxation		302,970	331,599
Lease liabilities		353,149	265,587
		2,372,205	2,957,594
CURRENT LIABILITIES			
Trade and other payables	9	3,261,033	3,232,390
Unclaimed dividend		34,833	35,158
Markup accrued		27,628	16,913
Current portion of long term financing - secured	8	1,512,440	1,405,722
Current portion of lease liabilities		141,926	118,456
		4,977,860	4,808,639
		17,892,154	17,498,914
CONTINGENCIES AND COMMITMENTS			
	10		

The annexed notes 1 to 20 form an integral part of these condensed interim consolidated financial statements.

Dawid M. Rahman

CHAIRMAN

		Un-audited December 31, 2021	Audited June 30, 2021
	Note	(Rupees in '000')	
NON - CURRENT ASSETS			
Property, plant and equipment	11	10,484,418	10,225,908
Intangible assets		22,001	32,052
Long term investment	12	34,448	35,961
Long term deposits		75,719	74,007
		10,616,586	10,367,928
CURRENT ASSETS			
Stores, spare parts and loose tools		153,453	165,312
Stock-in-trade		671,617	658,280
Trade debts	13	1,188,925	904,040
Loans and advances		576,549	348,919
Deposits, prepayments and other receivables		64,415	47,857
Markup accrued		662	677
Other financial assets		909,543	1,102,202
Tax refunds due from the government (net of provision)		432,116	480,548
Cash and bank balances		2,917,166	2,929,472
		6,914,446	6,637,307
Non - current assets held for sale		361,122	493,679
		17,892,154	17,498,914


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Note	For the quarter ended		For the half year ended	
		December 31,	December 31,	December 31,	December 31,
		2021	2020	2021	2020
(Rupees in '000')					
Net revenue	14	4,162,882	3,530,154	8,085,132	6,674,552
Other income		124,583	27,063	325,899	45,239
Operating costs		(3,646,375)	(3,220,956)	(7,193,753)	(6,128,576)
Finance costs		(81,053)	(82,435)	(160,669)	(166,746)
Expected credit losses		(49,001)	(14,168)	(63,044)	(21,909)
Share of loss of an associate		(794)	(429)	(1,513)	(629)
Profit before taxation		510,242	239,229	992,052	401,931
Provision for taxation		(137,264)	(80,835)	(233,859)	(138,620)
Profit after taxation		372,978	158,394	758,193	263,311
Attributable to:					
Equity holders of SIHL		384,742	157,430	776,273	265,715
Non-controlling interest		(11,764)	964	(18,080)	(2,404)
		372,978	158,394	758,193	263,311
(Rupees)					
			(Restated)		(Restated)
Earnings per share - basic and diluted	15	6.09	2.49	12.28	4.20

The annexed notes 1 to 20 form an integral part of these condensed interim consolidated financial statements.

Darwish Rahman

CHAIRMAN

Mayur Bajaj

CHIEF EXECUTIVE

Arif Ali

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	For the quarter ended		For the half year ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	(Rupees in '000')			
Profit after taxation	372,978	158,394	758,193	263,311
Other comprehensive income				
Items that will not be subsequently reclassified in statement of profit or loss				
Loss on remeasurement of staff gratuity fund benefit plan	(1,014)	-	(1,014)	-
Deferred tax relating to remeasurement of staff gratuity fund benefit plan	294	-	294	-
Loss on remeasurement of staff gratuity fund benefit plan (net of tax)	(720)	-	(720)	-
Foreign currency translation adjustment	142	(206)	295	(658)
Total comprehensive income for the period	372,400	158,188	757,768	262,653
Attributable to:				
Equity holders of SIHL	384,164	157,224	775,848	265,057
Non-controlling interest	(11,764)	964	(18,080)	(2,404)
	372,400	158,188	757,768	262,653

The annexed notes 1 to 20 form an integral part of these condensed interim consolidated financial statements.

Parveen Rahman

CHAIRMAN

Harpreet Singh

CHIEF EXECUTIVE

Arif Ali

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	December 31, 2021	December 31, 2020
Note	(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	992,052	401,931
Adjustments for:		
Depreciation / amortization on tangible assets	426,369	420,855
Amortization on intangible assets	11,825	13,247
Expected credit losses	63,044	21,909
Property, plant and equipment written off	95	384
Gain on disposal of tangible assets	(41,718)	(6,235)
Provision for compensated absences	31,818	24,000
Provision for bonus for employees	60,794	36,372
Provision for gratuity	111,861	64,485
Provision for slow moving stores	2,051	725
Share of loss of an associate	1,513	629
Gain on investments and bank deposits	(11,431)	(27,656)
(Gain) / loss on foreign currency translation	(216,096)	95,104
Finance costs	160,669	166,746
Operating cash flows before changes in working capital	1,592,846	1,212,496
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	9,808	(24,122)
Stock-in-trade	(13,337)	16,644
Trade debts	(347,930)	(401,404)
Loans and advances	(227,630)	(29,598)
Deposits, prepayments and other receivables	(16,559)	(32,733)
Increase in current liabilities:		
Trade and other payables	41,550	113,771
Cash generated from operations	1,038,748	855,054
Finance cost paid	(127,972)	(158,210)
Income tax paid	(213,762)	(170,616)
Payment to SIHL Employees' Gratuity Fund	(192,890)	(44,379)
Compensated absences paid	(25,502)	(20,374)
Net cash generated from operating activities	478,622	461,475
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment (PPE)	(505,795)	(474,228)
Purchase of intangible assets	(1,774)	-
Investments in associate	-	(15,000)
Investments in other financial assets - net	341,699	(705,568)
Proceeds from disposal of PPE and items classified as held for sale	175,341	51,288
Markup received	5,757	27,740
Decrease in long term deposits	(3,092)	(6,657)
Net cash generated from / (used in) investing activities	12,136	(1,122,425)
CASH FLOWS FROM FINANCING ACTIVITIES		
Non-controlling interest	51,640	28,000
Long term financing - repayments	(659,189)	(4,529)
Long term financing - proceeds	105,889	483,934
Deferred grant received	15,696	52,783
Lease liabilities - repayments	(89,815)	(91,845)
Dividend paid	(325)	(1,004)
Net cash (used in) / generated from financing activities	(576,104)	467,339
Net decrease in cash and cash equivalents	(85,346)	(193,611)
Cash and cash equivalents at beginning of the period	2,929,472	3,058,682
Effect of exchange rate changes on cash and cash equivalents	216,391	(95,763)
Cash and cash equivalents at end of the period	3,060,517	2,769,308

17

17

The annexed notes 1 to 20 form an integral part of these condensed interim consolidated financial statements.

Danish M. Rahman

CHAIRMAN

Munir Uddin

CHIEF EXECUTIVE

Arif S

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Share capital	Share premium	Surplus on revaluation of property, plant and equipment	Un-appropriated profit	Non - controlling interest	Total
	(Rupees in '000')					
Balance as at July 01, 2020	619,749	2,751,283	1,225,930	3,103,034	948,384	8,648,380
Total comprehensive income for the period						
Profit after taxation	-	-	-	265,715	(2,404)	263,311
Other comprehensive income - net of tax	-	-	-	(658)	-	(658)
	-	-	-	265,057	(2,404)	262,653
Realization of revaluation surplus on disposal of assets	-	-	(911)	911	-	-
Transfer of revaluation surplus of property, plant and equipment in respect of incremental depreciation / amortization	-	-	(4,711)	4,717	(6)	-
NCI recognized during the period	-	-	-	-	28,000	28,000
Change in ownership interests						
Acquisition of shareholding by NCI without a change in control	-	-	-	16,716	(16,716)	-
Distribution to owners						
Dividend 2020: Nil	-	-	-	-	-	-
Balance as at December 31, 2020	619,749	2,751,283	1,220,308	3,390,435	957,258	8,939,033
Balance as at July 01, 2021	619,749	2,751,283	1,409,434	3,832,409	1,119,806	9,732,681
Total comprehensive income for the period						
Profit after taxation	-	-	-	776,273	(18,080)	758,193
Other comprehensive income - net of tax	-	-	-	(425)	-	(425)
	-	-	-	775,848	(18,080)	757,768
Realization of revaluation surplus on disposal of assets	-	-	(16,716)	16,716	-	-
Transfer of revaluation surplus of property, plant and equipment in respect of incremental depreciation / amortization	-	-	(5,174)	5,174	-	-
NCI recognized during the period	-	-	-	-	51,640	51,640
Changes in ownership interests						
Acquisition of shareholding by NCI without a change in control	-	-	-	-	-	-
Distribution to owners						
Bonus shares issued @ 2% - year ended June 30, 2021	12,395	(12,395)	-	-	-	-
Balance as at December 31, 2021	632,144	2,738,888	1,387,544	4,630,147	1,153,366	10,542,089

The annexed notes 1 to 20 form an integral part of these condensed interim consolidated financial statements.

Darwish M. Rahman

CHAIRMAN

Happy Biji

CHIEF EXECUTIVE

Arif S

CHIEF FINANCIAL OFFICER

1 STATUS AND NATURE OF BUSINESS

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

- 2.2 These condensed interim consolidated financial statements are un-audited and are being submitted to the members in accordance with the requirements of Section 237 of the Companies Act 2017 (the Act) and the listing regulations of Pakistan Stock Exchange. These condensed interim consolidated financial statements do not include all of the information required for annual consolidated financial statements, and should be read in conjunction with the annual audited consolidated financial statements of the Group for the year ended June 30, 2021. Comparative condensed interim consolidated statement of financial position is extracted from annual audited consolidated financial statements as of June 30, 2021, whereas comparative condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity are extracted from un-audited condensed interim consolidated financial statements for the half yearly ended December 31, 2020.

2.3 Changes in accounting standards, interpretations and pronouncements

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

There were certain amendments to accounting and reporting standards which became mandatory for the Group during the period. However, the amendments did not have any significant impact on the financial reporting of the Group and, therefore, have not been disclosed in these condensed interim consolidated financial statements.

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

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

3 BASIS OF CONSOLIDATION

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

Subsidiaries

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

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

The assets and liabilities of subsidiary companies have been consolidated on a line by line basis. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

4 SIGNIFICANT ACCOUNTING POLICIES

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

During the current period the SIHL has introduced a pension fund benefit through onward monthly contribution into private pension scheme (defined contribution plan) in place of existing staff gratuity benefit (defined benefit plan) for its full time management employees (contractual and regular). In response till February 10, 2022 majority of management employees have opted the pension fund benefit and accordingly their gratuity obligations have been cleared from the SIHL gratuity fund which resulted into settlement loss of Rs. 37.7 million in condensed interim consolidated statement of profit or loss for the period. In view of above the SIHL's gratuity obligation has been re-estimated by recent actuarial calculation carried out on December 31, 2021 whose results are reflected in note 9 to these condensed interim consolidated financial statements. The employees who are currently covered under gratuity benefit not opting the pension benefit option will continue under gratuity scheme while new employee shall solely be covered under pension scheme after completing minimum eligibility criteria of their employment. Monthly pension contribution equal to 1/12th of eligible salary shall be made by the SIHL in employees' pension fund account maintained with designated asset management company that shall be recognized as expense in the condensed interim consolidated statement of profit or loss as and when they become due.

5 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Ordinary shares of Rs.10 each.

Un-audited December 31, 2021	Audited June 30, 2021		Un-audited December 31, 2021	Audited June 30, 2021
Numbers			(Rupees in '000')	
61,974,886	61,974,886	Opening balance	619,749	619,749
1,239,497	-	Bonus shares issued during the period	12,395	-
63,214,383	61,974,886	Closing balance	632,144	619,749

- 6.1 During the period, SIHL issued 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) as approved in Annual General Meeting held on October 28, 2021.

7 SHARE PREMIUM

During the period, SIHL issued bonus shares from share premium at the rate of 2% in proportion of one ordinary share for every fifty shares held.

8 LONG TERM FINANCING - SECURED

From banking companies:

	Note	Un-audited December 31, 2021	Audited June 30, 2021
		(Rupees in '000')	
Syndicated Islamic Finance Facility	8.1	1,568,986	1,854,086
Diminishing Musharakah Facility-1	8.2	340,218	434,274
Diminishing Musharakah Facility-2	8.3	500,000	500,000
Refinance Facility to Combat COVID-19 (RFCC)	8.4	32,956	-
Islamic Refinance Facility to Combat COVID-19 (IRFCC)	8.5	143,904	127,789
Deferred income - Government grant		25,515	25,526
		169,419	153,315
Islamic Refinance Facility to Combat COVID-19 (IRFCC)	8.6	35,758	-
Deferred income - Government grant		10,242	-
		46,000	-
State Bank of Pakistan (SBP)-refinance scheme	8.7	550,022	780,354
Deferred income - Government grant		20,925	44,101
		570,947	824,455
		3,228,526	3,766,130
Less: Current portion		1,512,440	1,405,722
		1,716,086	2,360,408

- 8.1 This represents syndicated Islamic finance facility, arranged and lead by Meezan Bank Limited, obtained on profit rate basis at 3 months KIBOR plus 0.85% (June 2021: 3 months KIBOR plus 0.85%) per annum, repayable in 14 equal quarterly installments. The SIHL has availed the loan facility upto the total sanctioned limit of Rs. 2,000 million which shall be repaid by August 22, 2024. The financing is secured by ranking charge upgraded into first pari passu charge of Rs. 2,667 million on all present and future SIHL's movable fixed assets and land / building located at H-8/4, Islamabad. Meezan Bank Limited has the custody of original ownership documents of the SIHL's land located at sector H-8/4 Islamabad.

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

- 8.2** This represents a long term Islamic finance facility obtained from Al Baraka Bank (Pakistan) Limited of Rs. 449.5 million (June 2021: Rs. 442.9 million). Principal amount is repayable in 36 equal monthly installments carrying profit rate at 3 months KIBOR plus 0.80% (June 2021: 3 months KIBOR plus 0.80%) per annum. The financing is secured by first exclusive charge of Rs. 781.3 million against equipment / machinery. The unavailed limit of this facility is Rs. 20.7 million (June 2021: Rs. 19.6 million). This also includes a long term Islamic finance facility obtained under the Diminishing Musharakah basis from First Habib Modaraba of Rs. 40.5 million (June 2021: Rs. 37.6 million). Principal amount is repayable in 60 equal monthly installments carrying profit rate at 3 months KIBOR plus 0.70% (June 2021: 3 months KIBOR plus 0.70%) per annum. The unavailed limit of this facility is Rs. 29.5 million (June 2021: Rs. 32.4 million).
- 8.3** This represents a long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 500 million (June 2021: Rs. 500 million). Principal amount shall be repaid by October 01, 2024 in 12 equal quarterly installments starting from January 01, 2022 carrying profit rate at 3 months KIBOR plus 0.85% (June 2021: 3 months KIBOR plus 0.85%) per annum. The financing is secured by first pari passu charge of Rs. 667 million on all present and future fixed assets of the SIHL.
- 8.4** This represents a long term finance facility obtained from United Bank Limited of Rs. 32.9 million (June 2021: Nil). Principal amount shall be repaid by September 14, 2026 in 18 equal quarterly installments carrying markup rate at 3 months KIBOR plus 0.85% (June 2021: 3 months KIBOR plus 0.85%) per annum. The financing is secured by first pari passu charge of Rs. 267 million over fixed assets (excluding land and building) of the SIHL. Since the bank is in process of obtaining refinance from State Bank of Pakistan and hence no government grant was recognized at reporting date. The unavailed limit of this facility is Rs. 167.1 million (June 2021: Rs. 200 million).
- 8.5** This represents a long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 183.1 million (June 2021: Rs. 153.3 million) for the purpose of import / purchase of medical equipment / machinery to combat COVID-19 under State Bank of Pakistan IRFCC scheme. Principal amount shall be repaid by December 29, 2025 in 18 equal quarterly installments with no profit rate. The financing is secured by first pari passu hypothecation charge of Rs. 267 million on all present and future fixed assets of the SIHL (excluding land and building). Since the financing under SBP refinance scheme carries no profit rate, the loan has been recognized at present value using effective profit rate of 3 months KIBOR plus 0.85% along with the recognition of government grant. The unavailed limit of this facility is Rs. 16.9 million (June 2021: Rs. 34.9 million).
- 8.6** This represents a long term Islamic finance facility obtained from Al Baraka Bank (Pakistan) Limited of Rs. 46.0 million (June 2021: 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 in 9 equal half yearly installments with profit rate of 1% per annum. The facility is secured by ranking charge of Rs. 55 million over equipment / machinery against DM IRFCC. Since the financing under SBP refinance scheme carries the profit rate below the market rate, the loan has been recognized at present value using effective profit rate of 6 month KIBOR plus 1% along with the recognition of government grant. The unavailed limit of this facility is Rs. 9.0 million (June 2021: Rs. 17.4 million).
- 8.7** This represents long term finance facility aggregating to Rs. 1,012.2 million (June 2021: Rs. 1,012.2 million) obtained from United Bank Limited under the State Bank of Pakistan's (SBP) temporary refinance scheme for payment of wages and salaries to the workers and employees of business concerns to support payment of salaries and wages under economic challenges due to COVID-19. The SIHL has availed the financing in six tranches from April 2020 to September 2020 at a subsidized markup rate of 0.85% per annum. The financing is repayable in 08 equal quarterly installments starting from January 2021 and shall be fully settled by January 31, 2023. The facility is secured by first pari passu charge of Rs. 1,333.3 million over fixed assets (excluding land and building) of the SIHL. According to the terms of the financing, the SIHL was prohibited to lay-off the employees for at least six months from April 2020 to September 2020 of receiving the grant. Since the financing under SBP refinance scheme carries the markup rate below the market rate, the loan has been recognized at present value using effective interest rate of 3 month KIBOR plus 0.85% along with the recognition of government grant.

8.8 Movement during the period / year

	Un-audited December 31, 2021	Audited June 30, 2021
	(Rupees in '000')	
Opening balance	3,766,130	3,431,658
Proceeds during the period / year	121,585	716,080
Repayment during the period / year	(659,189)	(381,608)
Closing balance	3,228,526	3,766,130

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		Un-audited December 31, 2021	Audited June 30, 2021
	Note	(Rupees in '000')	
9	TRADE AND OTHER PAYABLES		
	This include payable to SIHL Employees' Gratuity Fund (a related party)	9.1 171,579	251,594
9.1	The amounts recognized in the consolidated statement of financial position are as follows:		
	Present value of defined benefit obligation	9.1.1 397,646	798,687
	Fair value of plan assets	9.1.2 (226,067)	(547,093)
		171,579	251,594
9.1.1	Movement in the present value of defined benefit obligation is as follows:		
	Balance at beginning of the period / year	798,687	667,697
	Interest cost	26,799	53,470
	Current service cost	68,546	128,179
	Past service cost	-	4,852
	Benefits paid	(439,038)	(77,096)
	Benefits payable	(86,397)	(1,840)
	Loss arising on plan settlements	37,717	-
	Remeasurement (gain) / loss on defined benefit obligation	(8,668)	23,425
	Balance at end of the period / year	397,646	798,687
9.1.2	Movement in the fair value of plan assets is as follows:		
	Balance at beginning of the period / year	547,093	471,476
	Expected return on plan assets	21,201	42,584
	Contributions	192,890	134,468
	Benefits paid	(439,038)	(77,096)
	Benefits payable	(86,397)	(1,840)
	Remeasurement loss on plan assets	(9,682)	(22,499)
	Balance at end of the period / year	226,067	547,093
9.1.3	Charge for the period / year is as follows:		
	Current service cost	68,546	128,179
	Interest cost	26,799	53,470
	Past service cost	-	4,852
	Loss arising on plan settlements	37,717	-
	Expected return on plan assets	(21,201)	(42,584)
		111,861	143,917

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Un-audited December 31, 2021	Audited June 30, 2021
	(Rupees in '000')	
9.1.4 Remeasurements recognized in other comprehensive income (OCI) is as follows:		
Remeasurement (gain) / loss on obligation	(8,668)	23,425
Remeasurement loss on plan assets	9,682	22,499
Remeasurement loss recognized in OCI	1,014	45,924
9.1.5 Movement in liability recognized in consolidated statement of financial position:		
Balance at beginning of the period / year	251,594	196,221
Charge for the period / year	111,861	143,917
Total amount of remeasurement recognized in OCI during the period / year	1,014	45,924
Contributions during the period / year	(192,890)	(134,468)
Balance at end of the period / year	171,579	251,594
9.1.6 Plan assets comprise of:		
Term deposit receipts	282,172	388,947
Ordinary shares of SIHL	14,571	16,858
Cash and bank balances	15,721	143,128
Payable to outgoing members	(86,397)	(1,840)
	226,067	547,093
9.1.7 Principal actuarial assumptions used in the actuarial valuation are as follows:		
Discount rate used for interest cost in profit or loss	10.00%	8.50%
Discount rate used for period / year end obligation	11.75%	10.00%
Expected rate of salary growth		
Salary increase FY 2021	N/A	N/A
Salary increase FY 2022 onward	6.75%	9.00%
Salary increase FY 2025 onward	9.75%	9.00%
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

9.1.8 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.

	December 31, 2021		June 30, 2021	
	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	373,741	425,101	741,390	864,740
Future salary increase	426,957	371,665	865,362	739,826

9.1.9 The average duration of the defined benefit obligation as at December 31, 2021 is 7 years (June 2021: 8 years).

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

10.1.1 Claims aggregating to Rs. 3 million (June 2021: Rs. 3 million) are pending before Peshawar and Islamabad High Courts by patients / others against the SIHL for alleged negligence on part of the consultants / doctors etc. The management of the SIHL is contesting these claims and believes that the contention of the claimants will not be successful and no material liability is likely to arise.

10.1.2 The penalty of Rs. 20 million (June 2021: Rs. 20 million) imposed on June 06, 2012 by Competition Commission of Pakistan (CCP) to each Gulf Cooperation Council's (GCC) Approved Medical Centers (GAMCs) including SIHL on account of alleged non- competitive practice / B363 arrangement of territorial division and equal allocation of GAMCs customers. Management of the SIHL and other GAMCs are jointly contesting the matter which is pending before the August Supreme Court of Pakistan and firmly believe that the case will be decided in favor of the GAMCs including SIHL.

10.1.3 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 aggregate sum of Rs. 43.35 million (June 2021: Rs. 43.35 million) on behalf of the SIHL in its ordinary course of business.

10.2 Contingencies related to income tax and sales tax are as follows:

10.2.1 Tax authorities has amended the assessments for tax years 2012, 2013, 2014, 2015 and 2019 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, Rs. 26.1 million and Rs. 37 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 and 2019 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] for tax year 2012 to 2015 which are pending adjudications. 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, Rs. 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 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 who in respect of tax year 2013 and 2016 remanded back the assessments to the assessing officers. Being aggrieved the SIHL filed an appeal before ATIR on November 26, 2021 for tax year 2016 which is pending adjudication. No provision has been recorded in respect of above matters as the management is hopeful for favorable outcome.

10.2.2 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

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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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.

- 10.2.3** 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.
- 10.2.4** 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.
- 10.2.5** 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 SIHL 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.
- 10.2.6** Tax authorities raised a sales tax demand of Rs. 44.4 million, Rs. 56.2 million, Rs. 57.4 million, Rs. 55.9 million and Rs. 11.3 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 to 2020 respectively. Being aggrieved the SIHL agitated the assessments in appeals before CIR(A). For tax year 2018 and 2020 CIR(A) partially confirmed the judgements of DCIR through orders dated October 15, 2020 and November 30, 2021. Being aggrieved SIHL has filed appeals before ATIR for both the years who in respect of tax year 2018 partially confirmed the assessment and partly allowed relief to the SIHL whereas appeal for tax year 2020 is pending adjudication. For tax years 2016, 2017 and 2019 appeals before CIR(A) are pending adjudications. The SIHL is confident for a favorable outcome in respect of the above matters. Therefore, no provision in respect of this matter has been recorded.

		Un-audited December 31, 2021	Audited June 30, 2021
		(Rupees in '000')	
	Note		
10.3	Commitments		
Capital expenditure contracted		117,216	45,109
Letters of credit		-	79,116
11	PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	11.1	8,812,059	9,040,875
Capital work in progress	11.2	1,205,302	822,691
Right of use assets	11.3	467,057	362,342
		10,484,418	10,225,908
11.1	Operating fixed assets		
Written down value (WDV) at beginning of the period / year		9,040,875	8,999,039
Additions	11.1.1	123,184	731,935
Revaluation		-	298,914
Reclassified as held for sale		-	(292,072)
		9,164,059	9,737,816
WDV of disposals		(1,065)	(455)
WDV of assets written off		(95)	(977)
Depreciation for the period / year		(350,840)	(695,509)
WDV at the end of the period / year		8,812,059	9,040,875

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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		Un-audited December 31, 2021	Audited June 30, 2021
	Note	(Rupees in '000')	
11.1.1	Additions to operating fixed assets		
	Freehold land	-	293,968
	Leasehold improvements	22,586	-
	Biomedical equipment	36,225	315,539
	Air conditioning equipment and machinery	4,665	28,867
	Electrical and other equipment	15,880	38,632
	Furniture and fittings	6,335	11,857
	Construction equipment	170	-
	Computer installations	20,344	32,370
	Vehicles	16,979	10,702
		123,184	731,935
11.2	Capital work in progress		
	Opening capital work in progress	822,691	495,993
	Additions during the period / year	405,431	596,710
	Transferred to operating fixed assets	(22,820)	(270,012)
	Closing capital work in progress	1,205,302	822,691
11.2.1	Capital work in progress		
	Construction work	839,601	549,275
	Stores held for capital expenditure	976	976
	Installation of equipment	364,725	272,440
		1,205,302	822,691
11.3	Right of use assets		
	Balance at beginning of the period / year	362,342	395,117
	Additions during the period / year	180,244	112,520
	Depreciation charge during the period / year	(75,529)	(145,295)
	Balance at end of the period / year	467,057	362,342
12	LONG TERM INVESTMENT		
	Shifa Care (Private) Limited (SCPL) - Associated Company (unquoted)		
	Balance at the beginning of the period / year	35,961	22,472
	Addition during the period / year	-	15,000
	Share in loss for the period / year	(1,513)	(1,511)
	Balance at the end of the period / year	34,448	35,961

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

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

13 TRADE DEBTS

	Un-audited December 31, 2021	Audited June 30, 2021
	(Rupees in '000')	
Related party - Shifa Foundation	19,758	17,139
Related party - SIHT (Private) Limited	20,682	24,335
Others	1,407,466	1,058,447
	1,447,906	1,099,921
Less: allowance for expected credit losses	258,981	195,881
	1,188,925	904,040

14 NET REVENUE

	Un-audited			
	For the quarter ended		For the half year ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	(Rupees in '000')			
Inpatients	2,610,792	2,073,296	5,020,310	4,031,310
Outpatients	1,329,057	1,275,584	2,639,794	2,304,870
Other services	261,754	211,714	502,218	395,727
	4,201,603	3,560,594	8,162,322	6,731,907
Less: discount	32,811	27,456	65,679	51,431
Less: Sales tax	5,910	2,984	11,511	5,924
Net revenue	4,162,882	3,530,154	8,085,132	6,674,552

15 EARNINGS PER SHARE - BASIC AND DILUTED

	Note	Un - audited	
		December 31, 2021	December 31, 2020
		(Rupees in '000')	
Profit after taxation for the period		776,273	265,715
		(Numbers in '000')	
Weighted average number of ordinary shares in issue during the period	15.1	63,214	(Restated) 63,214
		(Rupees)	
Earnings per share - basic and diluted		12.28	(Restated) 4.20

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

15.2 Basic earnings per share previously reported at Rs 4.29 in the condensed interim consolidated financial statements for the half year ended December 31, 2020.

16 RELATED PARTY TRANSACTIONS

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

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

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

	Un-audited	
	December 31, 2021	December 31, 2020
	(Rupees in '000')	
Transactions		
Shifa Foundation (related party by virtue of common directorship)		
Revenue from services earned by the SIHL	11,126	6,381
Expenses paid by and reimbursed to the SIHL	343	303
Other services provided to the SIHL	-	3,242
Tameer-e-Millat Foundation (related party by virtue of common directorship)		
Revenue from rent earned by the SIHL	155	155
Supplies provided to the SIHL	38,808	39,877
Other services provided to the SIHL	16,017	8,532
Rental services received by the SIHL	2,761	2,471
Shifa Tameer-e-Millat University (related party by virtue of common directorship)		
Revenue from services earned by the SIHL	8,541	4,207
Revenue from rent earned by the SIHL	1,599	1,453
Other services provided to the SIHL	26,890	34,142
Expenses paid by and reimbursed to the SIHL	1,470	1,631
SIHT (Private) Limited (related party by virtue of common directorship)		
Revenue from services earned by the SIHL	163,637	173,154
Expenses paid by and reimbursed to the SIHL	3,023	2,727
Other services provided to the SIHL	11,622	11,069
Shifa Care (Private) Limited (associate and common directorship)		
Investment made by the SIHL in Nil (Dec 2020: 1,500,000) ordinary shares	-	15,000
Other services provided by the SIHL	1,208	600
SIHL Employees' Gratuity Fund (benefit plan)		
Payment made by the SIHL during the period	192,890	44,379
Remuneration including benefits and perquisites of key management personnel	188,252	133,914

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	Un-audited December 31, 2021	Audited June 30, 2021
(Rupees in '000')		
Balances		
Shifa Foundation - receivable	19,758	17,139
Tameer-e-Millat Foundation - payable	21,952	13,073
Shifa Tameer-e-Millat University - payable	3,869	5,041
SIHT (Private) Limited - receivable	20,682	24,335
SIHL Employees' Gratuity Fund - payable	171,579	251,594

	Un-audited December 31, 2021	December 31, 2020
(Rupees in '000')		
17 CASH AND CASH EQUIVALENTS		
Other financial assets - at amortized cost	143,351	309,772
Cash and bank balances	2,917,166	2,459,536
	3,060,517	2,769,308

18 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

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

19 IMPACT OF COVID-19 (CORONA VIRUS)

Due to prevailing COVID-19 situation a vigilant approach is adopted to cater the business risks. The management of the Group has evaluated and concluded that there are no implications of COVID-19 that require adjustment and specific disclosure in these condensed interim consolidated financial statements.

20 GENERAL

20.1 Figures have been rounded off to the nearest one thousand Pak Rupees unless otherwise stated.

20.2 The comparative figures have been rearranged/reclassified, wherever necessary for the purpose of comparison. However, these are not considered material enough to be disclosed separately.

20.3 These condensed interim consolidated financial statements have been approved and authorized for issue by the Board of Directors of the SIHL on February 25, 2022.

Darwish M. Rahman

CHAIRMAN

Harpreet Singh

CHIEF EXECUTIVE

Arif S.

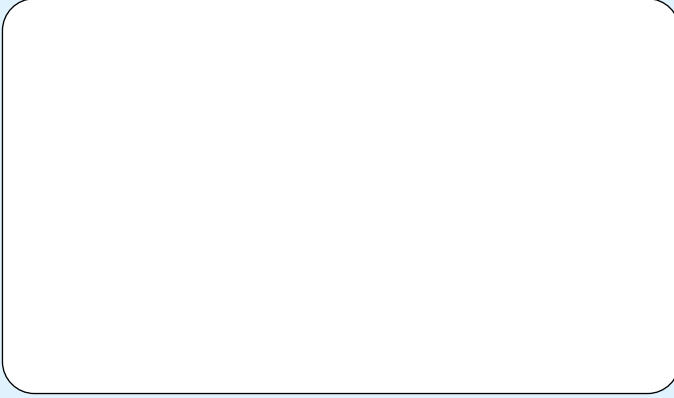
CHIEF FINANCIAL OFFICER

NOTES

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